

Targeting Sectors for Investment and Export Promotion in Sri Lanka

**Board of Investment of Sri Lanka
Export Development Board of Sri Lanka
Harvard Center for International Development**

Targeting Sectors for Investment and Export Promotion in Sri Lanka

Champika Malalgoda, Priyanka Samaraweera, Daniel Stock

This report describes research conducted by the Targeting Team:

Board of Investment of Sri Lanka -

*Champika Malalgoda, Upali Senerath, Nilupul de Silva,
Ranjan Sibera, Gamini Jayathilake, Priyanka Samaraweera,
Lalith Katugampala, & Upul Jayasinghe, Jeewani
Liyanapathirana, Erangani Saumya, Shamalie Wijesinghe,
Jayani Karunaratne, Shiwanthika Darmasiri*

Export Development Board, Sri Lanka -

Sanjeewa Ratnasekera, Prasanna Jayasinghe

© Copyright 2018 Champika Malalgoda, Priyanka Samaraweera, Daniel Stock, and the President and Fellows of Harvard College.

Foreword

Governments are trying to diversify their economies across the world. “Targeting” is now common in these governments, given the need to identify industries or sectors to diversify towards in any diversification effort. This is not like all the other targeting exercises I commonly see, however. Its quality is something I have not seen before; the employment of Sri Lanka’s vast data resources is amazing, and the use of these data to tell a targeting narrative is both creative and compelling. The team that developed this study gives technical and political interest groups the opportunity to toggle between different objectives and criteria to see what sectors make the most sense under different conditions and with different goals in mind. This is innovative and important.

Beyond this, the study breaks ground because it is a direct and unequivocal product of a team of Sri Lankan experts. Sad to say, but most governments outsource their targeting to academics or consulting firms or even to development organizations. These outside entities may do a good job technically, but I have always thought this job is not one to outsource. I have realized why by observing this team in Sri Lanka: they are more committed to the work than any outside consultant I have ever seen (because it is their country, and the result of today’s diversification efforts will have a huge impact on the team members’ children) and bring vital contextual know-how to the job better than any outside consultant I have ever seen.

Most importantly, the team that produced this product has built capability through the exercise that they can take to other similar tasks, and which they can keep providing to everyone involved in the country’s diversification initiatives. This capability is impressive, and will undoubtedly prove a significant input into Sri Lanka’s growth narrative in the years to come. Because the team did this work, the capability is theirs to keep, and use, and build, and all credit and kudos should go to them for all they have achieved.

Matt Andrews

Edward S. Mason Senior Lecturer in International Development, Harvard Kennedy School
Faculty Associate, Harvard Center for International Development

Preface

Sri Lanka is facing the problem of inadequate foreign direct investment (FDI), in a situation where FDI is more important than ever for the economic and social development of the country. Moreover, the limitations of the nation's export basket have prevailed for decades. These issues have been a serious hindrance for country's development, and warrant serious attention from policymakers. To meet this challenge, an essential first step is to develop an investment attraction and promotion strategy, identifying the most promising sectors for the present and future diversification of the economy.

This report publishes the research work carried out by the "Sector Targeting Team," consisting of BOI and EDB officials. It contains in-depth research on all private-sector, tradable activities (goods and services), categorized into 30 full-sectors and 29 selected subsectors. These sectors have been evaluated based on three major factors, namely market opportunity, investor interest, and the impact to the economy, in order to identify high-potential sectors for investment attraction. The scope of this study was subsequently extended to identify the top sectors' appropriate promotional strategies, by taking into consideration the current strengths of Sri Lanka, the sectors' feasibility (based on the country's current know-how), and the availability of needed hard and soft assets.

The first part of the report provides an overview of the importance of developing a sector strategy for FDI and exports, and outlines a model to align with the development needs. The second part provides the technical methodology, and the third part provides the results and recommendations. A key element of this report is the sector scorecards, which give a two-page summary on each full sector and related subsectors; these can be found in the Appendix.

Collecting and analysing data for this comprehensive study was a significant undertaking. The final outcome is a rich resource in which any potential investor, researcher, or other interested party can obtain over sixty data points on any sector, as well as aggregated index scores for six major factors. We also hope that by providing access to this research, it may serve as a model for other economic development institutions as well.

The work of the Sector Targeting Team represents a milestone in the history of BOI, reflecting the hard work and insights of a diverse group of BOI and EDB officers. However, this work would not have been possible without the support of many friends and colleagues. First, we would like to express our sincere gratitude to the Board of Directors and the Director General of the Board of Investment of Sri Lanka, and the Chairperson of the Export Development Board of Sri Lanka, for initiating this valuable programme, and allowing for the use of staff time and resources on

this new initiative. We also wish to recognize the truly instrumental guidance and expertise given from start to finish by the Harvard Center for International Development (CID)'s Building State Capability team, comprised of Professor Matt Andrews, Mr. Peter Harrington, Ms. Anisha Poobalan, Ms. Gita Thiagarajah, Mr. Timothy McNaught, and Ms. Salimah Samji.

The study also benefitted immensely from the technical support of the Harvard CID Growth Lab Team – we wish to thank Professor Ricardo Hausmann, Mr. Tim O'Brien, Ms. Sehar Noor, Dr. Ljubica Nedelkoska, Dr. Ermal Frasheri and Ms. Neluni Tillekeratne for their guidance on targeting questions, feedback on the report, and generous support in data preparation. We are also thankful to Ms. Annie White, Ms. Kat Nguyen, Mr. Mali Akmanalp and the rest of the Harvard Atlas Team, for their useful online tool and for feedback on the study. Additional expert feedback was given by Mr. Adam Collins, Ms. Yajna Sanguhan, Ms. Amali Ratnayake, Ms. Sanduni Gunawardena, and others. We are deeply grateful to all mentioned here for their instructive support.

Finally, our efforts would not be fulfilled if we do not document this study and its research findings, for which unconditional and invaluable support was received from Mr. Daniel Stock of the Harvard CID Team and Ms. Priyanka Samaraweera of the Research & Policy Advocacy Department of the BOI.

It is now the time for the BOI and EDB, jointly with the policymakers of the country, to make use of this valuable piece of work. We must translate thought into deed, providing the right policy environment to ensure that FDI is attracted and exports are facilitated in these identified sectors.

Champika Malalgoda

Executive Director
Research & Policy Advocacy Department
Board of Investment of Sri Lanka

Contents

- ii Foreword
- iii Preface

Part One: Why target?

- 2 Sri Lanka's diversification performance
- 2 Sri Lanka's diversification strategy
- 5 Building Sri Lanka's capacity for targeting

Part Two: Targeting methodology

- 9 Preparation of targeting criteria template
- 9 Collecting the data
- 11 Comparing the variables
- 13 Building the indices and subindices
- 20 Determining sector prioritization and sector promotional strategies

Part Three: Targeting results and recommendations

- 24 Results: Index scores
- 30 Results: Sector rankings and promotional strategies
- 34 Results: Hard and soft asset competitiveness
- 38 Next steps and lessons learned
- 43 Application case study: Evaluating potential sites for new industrial zones
- 47 Application case study: Attracting anchor investors in solar manufacturing
- 50 Bibliography and data sources

Appendix A: Sector scorecards

- 53 Guide to the scorecards
- 55 Scorecards: full sectors
- 115 Scorecards: subsectors analysed so far

Appendix B: Full index and subindex results

- 174 Index results
- 177 Subindex results

Part One:

Why target?

Sri Lanka’s diversification performance

Despite being a pioneer in adopting open economic policies as early as 1978, Sri Lanka’s foreign direct investment (FDI) inflows have been insignificant over last 3 decades. Furthermore, unsatisfactory performance in attracting export-oriented FDI has a direct bearing on country’s export performance, resulting a small basket of primary exports for over two decades, which is stagnating or in a declining phase. In fact, it can be noted that more than 60% of the total merchandise exports of Sri Lanka has been generated by three major product categories, namely Apparel and Textiles, Tea, and Rubber (Figure 1).

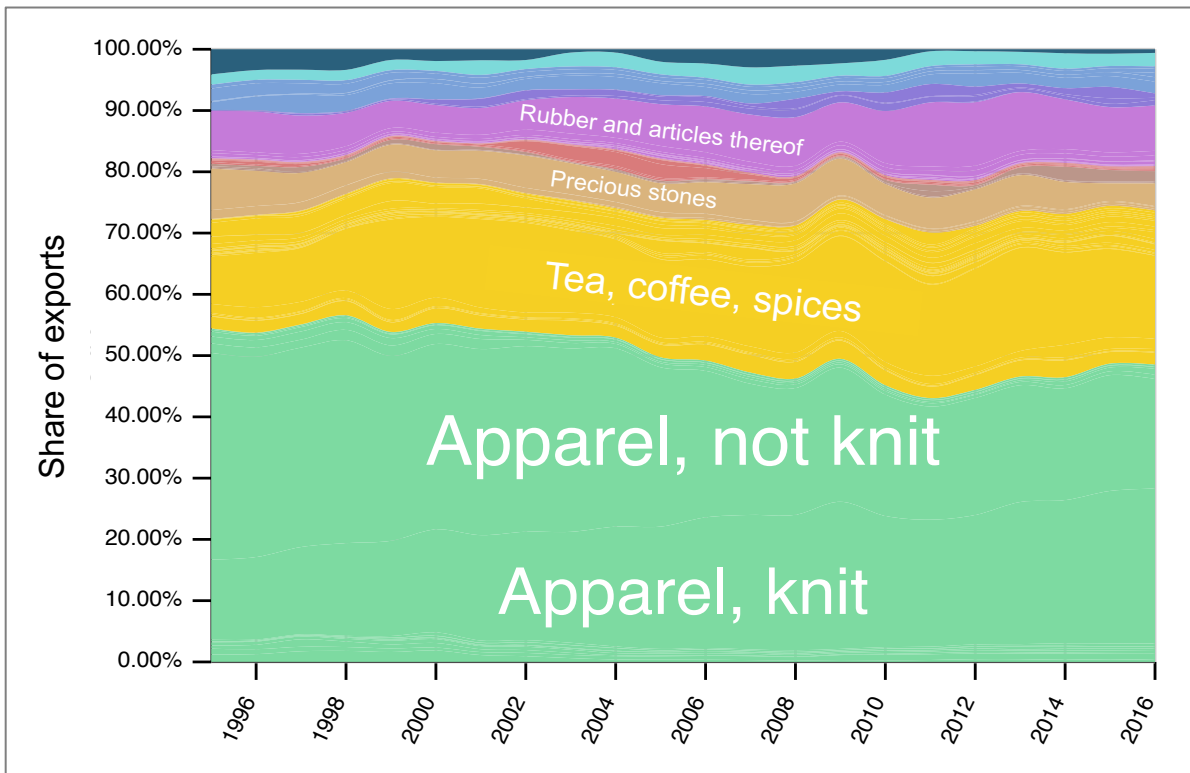


Figure 1: Sri Lanka’s Export Basket (1995-2016). Source: Atlas of Economic Complexity (atlas.cid.harvard.edu)

In China, Thailand, Vietnam and other countries in the region, economic structures have diversified, constantly adapting in response to changing conditions, and innovating to yield new opportunities that significantly raise incomes (Table 1). In the Sri Lankan scenario, there are a few new—but relatively small—service areas (in IT, especially) and some low volume new export products, but such marginal innovation has not created a new growth highway for the country.

Sri Lanka’s diversification strategy

There are certainly multiple factors behind Sri Lanka’s poor diversification performance, many of which are completely outside the influence of the Government. However, it is also true that each sector requires its own set of conditions in order to thrive. A sector may be missing due to the absence of favourable

Table 1: Export diversification in Sri Lanka and peer countries, 2000 to 2015

Country	Products added to export basket	Value of new export products	
		Per capita (USD)	Total value (USD billions)
China	76	245	331.6
Thailand	70	326	21.8
Vietnam	48	545	50.4
Philippines	11	12	1.2
Malaysia	10	149	4.7
ROK	9	67	3.3
Sri Lanka	7	5	0.1
Indonesia	4	3	0.8
Myanmar	1	0.04	0.002
India	0	0	0
Bangladesh	0	0	0

New Product Categories in Sri Lanka	
[HS 1101]	Flour (wheat or meslin)
[HS 2403]	Cigarettes
[HS 2824]	Lead oxides
[HS 5310]	Fabrics (woven, of bast fibers)
[HS 5804]	Fabrics (tulle and other net fabrics)
[HS 5910]	Textiles (for conveyor belts)
[HS 6310]	Textiles (rags and scraps)

Notes: measures new product categories (4-digit HS level), which had negligible exports from 1998-2000 (RCA < -0.1) and high exports (RCA > 1) from 2013-2015. Does not include service exports, or innovations not captured by HS codes (e.g. quality improvements). Source: UN COMTRADE, via Harvard CID

factors, or the presence of unfavourable factors. For example, no country can be internationally competitive in the Food Processing sector without the existence of strong phytosanitary measures, nor can a country’s Pharmaceutical sector succeed without adequate provision of wastewater treatment facilities. The presence of unfavourable sector-specific barriers may also lead to poor diversification performance: a country’s Energy sector might be held back by cumbersome approval processes, for example. Thus, a pro-diversification policy would seek to provide any needed inputs (or remove adverse barriers), according to the specific needs of each sector.

However, governments have limited resources, and cannot fix all problems at once; they are “doomed to choose” which sectors’ issues to tackle first (Hausmann and Rodrik, 2006). Oftentimes, this can lead to the entrenchment of the status quo, as underdeveloped sectors will have few investors who might actively lobby for improvements, and few government agencies tasked with addressing their needs. This can result in a chicken-and-egg problem: sectors are absent because of missing public goods, but those goods are not provided because there is no sector demanding them.¹

Sector targeting is meant to counteract this gap. Rather than waiting for investors to come knocking, governments can proactively study market opportunities, determine a shortlist of promising new sectors, and engage with leading investors in those sectors – investigating what it would take for those investors

¹ Of course, some sectors will have overlapping needs; addressing these needs would then ease diversification into highly related products. For example, providing cheap electricity would be a boon to multiple energy-intensive sectors. This suggests two possible diversification strategies: (i) targeting new sectors with highly similar needs to existing sectors, or (ii) targeting new sectors with highly similar needs to many other new sectors (i.e. many potential spillovers), acting as a foothold into an entirely new cluster.

to succeed in Sri Lanka. This was the approach taken by the Irish investment promotion agency, IDA Ireland. In their push to boost FDI, they found that targeted promotion was most successful. IDA conducted a series of benchmarking studies, evaluating sectors by their potential long-term competitiveness and benefits for Ireland. IDA officers then used this information to switch to a proactive marketing approach, focusing on only three sectors: ICT, Life Sciences, and Globally Traded Services. Having such a focus allowed IDA officers to become sector experts: learning the “pain points” of each sector, and closely pursuing leads on the sectors’ top companies. The effort was a success – even today, Ireland’s FDI is dominated by these three sectors (O’Donovan, 2017).

Other studies of Sri Lanka’s diversification performance have also identified the need for targeting, recognizing that the Government must focus its policies aggressively if it is to establish sectoral diversification. Recent papers by outside organizations have gone beyond noting the need for targeting, and actually provide lists of potential targets.² These lists have been provided to different institutes of the Government of Sri Lanka (GoSL). For instance, the International Trade Centre (ITC) and Commonwealth Secretariat prepared sector targeting lists for the Export Development Board (EDB), and the World Bank provided a sector list for the Board of Investment (BOI). Some of these target lists have been generated by external experts without any direct engagement by Sri Lankan officials, and without localizing the targeting methodology to meet the requirements of Sri Lankans.

While all of these targeting products arguably have some value for Sri Lanka in its current state, it is less than optimal to have (i) different target lists, (ii) produced for different institutes, (iii) with no domestic knowledge of how the targets were identified, and (iv) with no domestic capability to evaluate the targets or assess alternative potential targets (or update target lists in future). In short, having a fragmented set of opaque, externally generated targets is not the same as having the internal capability to generate robust, transparent and generally agreed targets – and actually implement those targets. Furthermore, there may be drawbacks in using targeting approaches developed outside of Sri Lanka. In the absence of a universal “best practice” methodology, countries engaged in sector targeting usually develop their own prioritization mechanisms, as they have different reasons for targeting, and distinct national and geographical advantages.

Finally, it should be noted that sector targeting should not mean that non-priority sectors are ignored. The Government of Sri Lanka should encourage all sectors to thrive, and roll out the red carpet for exporters and investors of all kinds. However, the Government does not have resources to fully meet the requirements of each and every sector immediately. Thus, it is prudent to pay special attention to the most promising sectors, which can bring more positive impact to the Sri Lankan economy, and which show large market demand.

² See <http://thecommonwealth.org/media/press-release/commonwealth-helps-sri-lanka-diversify-exports> for one such study.

Building Sri Lanka's capacity for targeting

Realizing these limits of external targeting advice, the Sri Lankan Government decided to establish its own internal targeting capacity. In August 2016, senior government officials appointed a team (called the Targeting Team, or T Team) to build a domestic targeting mechanism and to identify priority sectors for Investment and Export Promotion in Sri Lanka. The team was made up of officers from the BOI and the EDB, the Government's two major authorities for promoting investment and exports (Box 1).

The Government of Sri Lanka's targeting exercise was led by two agencies under the Ministry of Development Strategies and International Trade:

- The **Board of Investment (BOI)** of Sri Lanka was founded in 1978, as the Greater Colombo Economic Commission. Its mission is to work in a positive and speedy manner to fulfil Sri Lanka's potential to attract and retain quality investment that leads to an enhanced export base, brings more and better jobs, and enhanced knowledge and skills through new technologies and innovations. However, the BOI has not engaged in a data-based targeting exercise since the 1990s. The T Team was made up of officers from multiple BOI departments, including Research and Policy Advocacy (R&PA), Investment Promotion, Investment Appraisal, Project Implementation and Environment Management.
- The **Export Development Board (EDB)**, Sri Lanka's premier state organization for the development and promotion of exports, was established in 1979 under the Sri Lanka Export Development Act. No. 40. In recent years, it has used sector recommendations from USAID, the Commonwealth Secretariat, and the International Trade Commission, among others. Officers from the Policy and Strategic Planning Division and Market Development units participated in the T Team.

Box 1: Government of Sri Lanka agencies participating in the targeting exercise

The team worked with experts from the Harvard Center for International Development (CID) through a Problem Driven Iterative Adaptation (PDIA) programme (Andrews, Pritchett and Woolcock, 2013; see Figure 2) lasting for six months, from August 2016 to January 2017. The PDIA process consists of few steps, starting with identifying problems that team members wish to solve, and deciding what are the initial actions to be taken to solve it. In Sri Lanka, the Prime Minister had asked the BOI, EDB and the Sri Lanka Tourism Development Authority to focus their efforts on increasing investment and exports. For this purpose, those agencies convened seven teams of officers (including the Targeting Team). Each team was given a task – such as developing a targeting mechanism – but was allowed to choose its own solutions.³ At weekly meetings, each team discussed their progress towards solving the problem, and what additional steps were needed in the next weeks. These teams were meant to be temporary, bound to specific problems: after six-month increments, each team decided whether to continue their work, or to switch to a different task, or to dissolve.

³ The other teams were given tasks such as engagement with potential anchor investors, development of new and non-traditional exporters, identifying appropriate lands for investment, and resolving investor issues.

This is different from other, more top-down approaches to policy planning and implementation. First, the team identified the problems by themselves, and, through a group activity, identified the remedial measures to be taken by themselves. The other differentiation of this approach is it involves a number of iterations to come up with the best solution for the identified problems, rather than strictly following a predetermined action plan. This degree of flexibility recognizes the high difficulty and uncertainty associated with policy implementation.

For the issue of sector targeting, applying the PDIA process meant that the T Team met weekly, setting ambitious performance targets in two-week intervals and regularly reporting its progress to the other PDIA teams.⁴ In the first month, the team solidified its diagnosis of the problem: why a sector targeting analysis was needed, what factors prevented the formation and execution of a sector-specific strategy, and what kind of analysis they wished to perform. After comparing different sector targeting approaches, including the one under use by the World Bank’s program at the BOI, the team opted for a data-based targeting approach, involving more scientific calculations and interpretations.

To launch this exercise, the team requested the assistance of the Harvard Center for International Development (CID) to conduct a training program for the core team members and the supporting research staff. Harvard CID was very much cooperative in this regard and they appointed Mr. Daniel Stock, a CID research fellow, as a resource person to conduct training sessions for the 10 core team members and 6 subordinate team members.

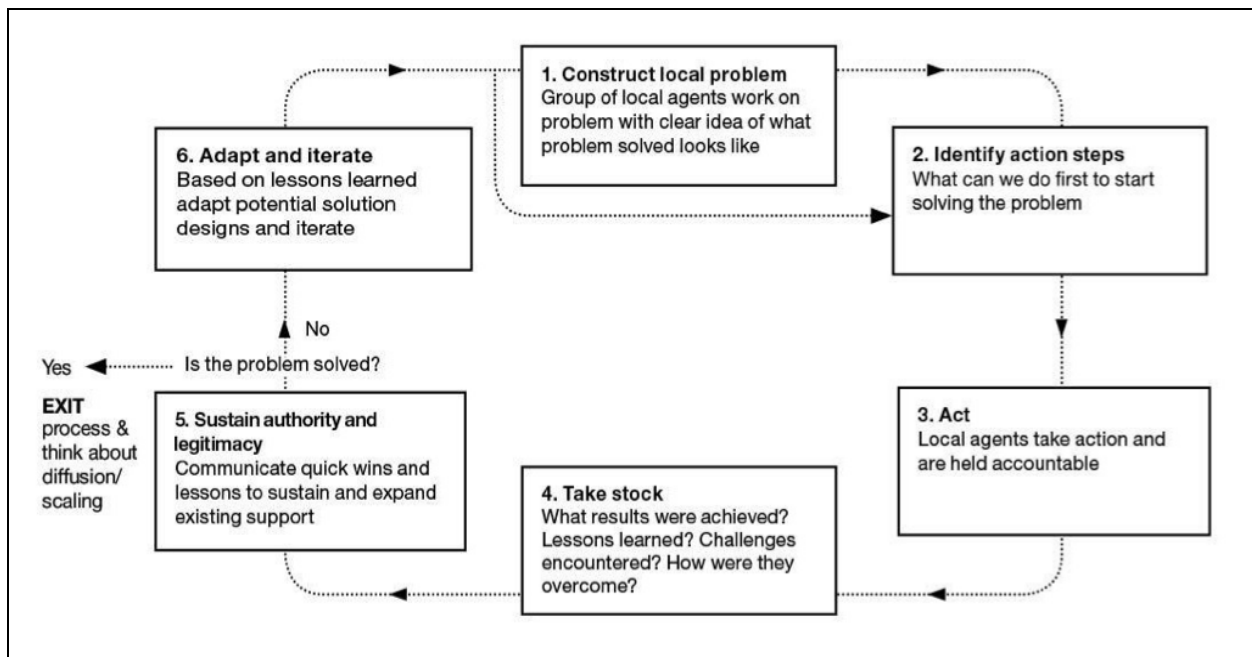


Figure 2: The Problem-Driven Iterative Adaptation (PDIA) approach

⁴ For a full analysis of the application of PDIA via the T Team, see Andrews et al, 2017.

The weekly training sessions lasted for two months, from October to November 2016. Initial sessions began by brainstorming, allowing the team members to come up with their list of relevant questions about different sectors. These variables would allow the team to measure which sectors were more promising than others: giving more impact to the economy, or more likely to attract investors. This list grew and evolved as the trainings progressed, eventually forming the targeting criteria template. The core and subordinate teams then selected their subsectors of interest, for which they were asked to fill relevant data in spreadsheet format. This data was simultaneously collected, cleaned and shared by team members each week. Once the sector templates were developed for assigned subsectors, the data collection was extended to cover full sectors as well. The interactive training sessions continued to cover the analysis and interpretation of the findings, focusing on developing team's strength in these aspects.

Preliminary results were available for presentation by the end of December 2016, at which point the team presented its initial results to the Minister of Development Strategies and International Trade. These results were then put into action, with other officers in the BOI and EDB meeting with investors and exporters in sectors that the team had recommended (see second Application Case Study). In the subsequent months, the team shifted its attention to solving Sri Lanka's scarcity of land for new investors. They worked to extend the targeting analysis to evaluate state lands based on their quantitative characteristics, and matching these characteristics with the requirements of priority sectors (see first Application Case Study). The team also continued to refine its work over this period, and presented its findings at the Prime Minister's Office in July 2017, and at stakeholder meeting at Bandaranaike Memorial International Conference Hall, in the presence of a group of economic ministers and Harvard CID Director Ricardo Hausmann.

The next section describes the analytical approach used by the team, followed by a summary of the resulting sector targeting recommendations. Most importantly, sector recommendations from the team have already been put into action: the final section of this report describes the active investment and export promotion initiatives using recommendations from the targeting team's research, including two in-depth case studies. The report then concludes with possible extensions and next steps for the targeting work, and some reflections on lessons learned.

Part Two:

Targeting methodology

Overview of conceptual framework

The work took place in multiple stages, iteratively connecting the vision for sector targeting to the final sector comparisons and recommendations (Figure 3). These stages are described in the following sections.

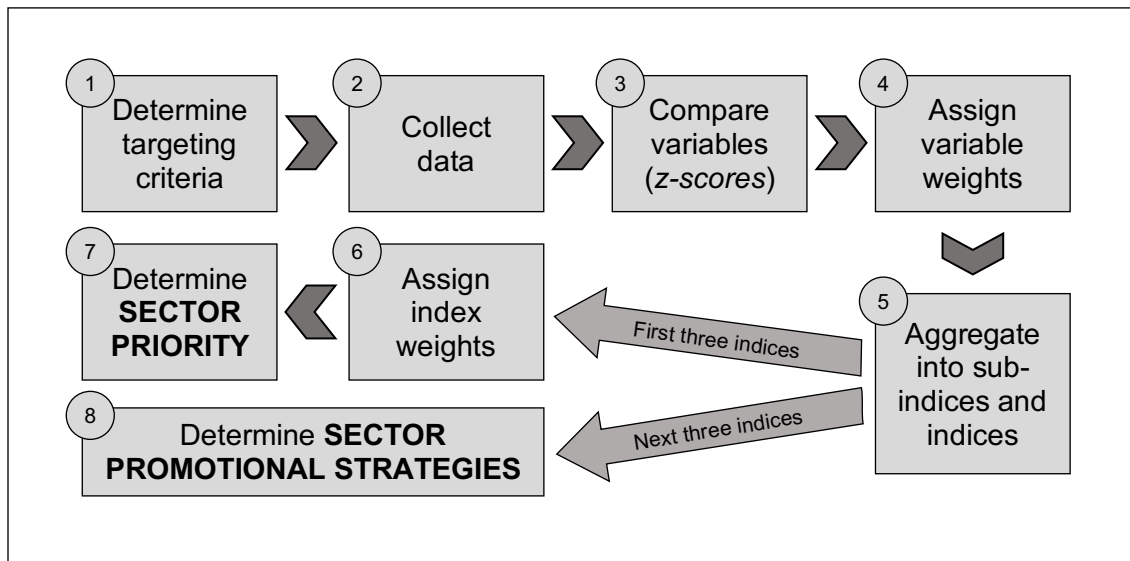


Figure 3: Conceptual framework

Preparation of targeting criteria template

The team initially prepared a template consisting of five key questions used to compare the sectors, based on a World Bank template.⁵ The team then progressively developed this template with their own questions of interest, resulting in a final grouping of six indices and 16 subindices (Figure 4). These indices balance the sectors’ benefits to the economy with their attractiveness, and with Sri Lanka’s ability to promote them.

Collecting the data

For each of the 16 subindices in the targeting template, the team identified sources of data that could give quantitative answers to the questions raised. Effort was made to include multiple sources of data for each question whenever possible. For example, the Job Creation subindex includes 3 variables: (i) the number of Jobs per each million Rupees value added in Sri Lanka, (ii) the ratio of Jobs to value added in peer countries (Malaysia, Thailand and Vietnam), and (iii) the labour share of value added in the United States. Together, these variables allow the team to estimate the number of jobs each sector can create.

⁵ The questions in the original World Bank template were: (i) Will growth in this product / industry have a significant impact? (ii) Are there attractive market opportunities in this sector? (iii) Are there already good investor prospects in this sector? and (iv) Does Sri Lanka have the assets to be competitive in this sector?

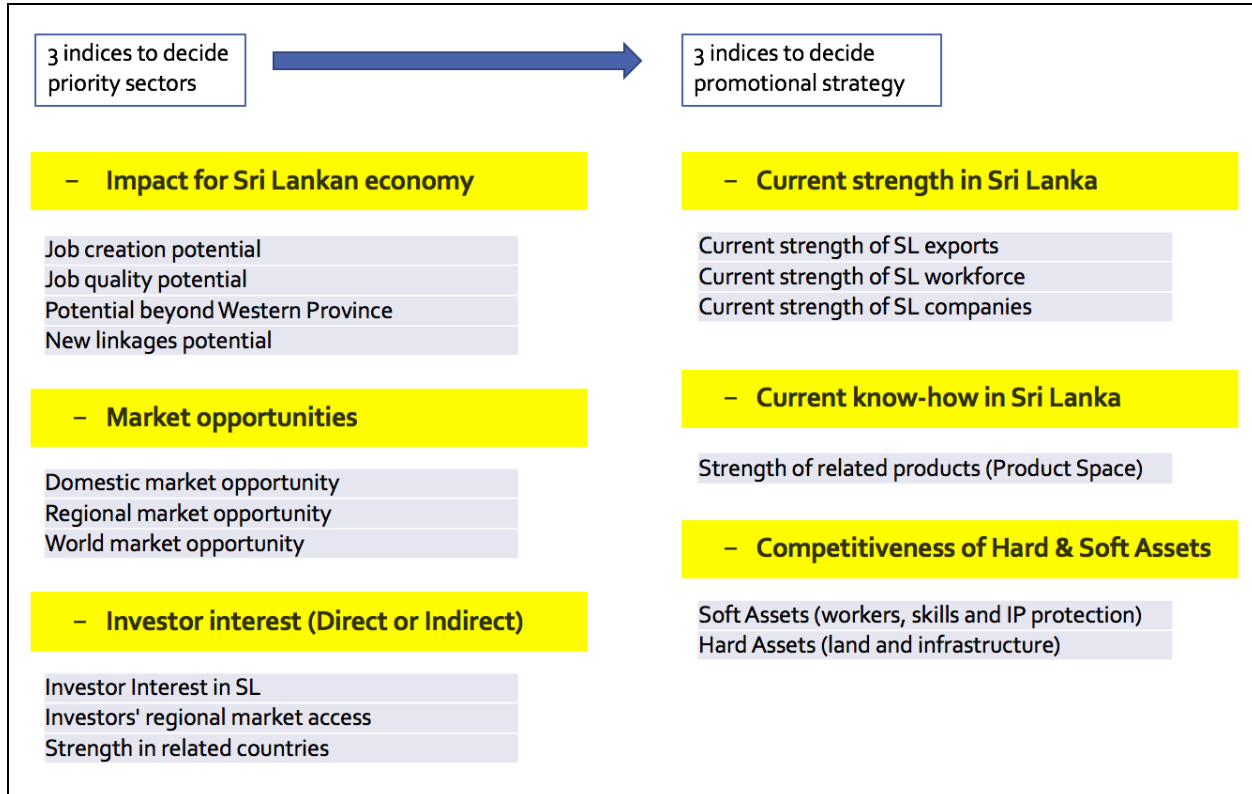


Figure 4: template used for evaluating sectors

Datasets were obtained from a variety of sources. (See the bibliography section for the full list of data sources used.) A large amount of high-quality data was available through the Sri Lankan Department of Census and Statistics (DCS), the Customs Department, and the BOI itself (tracking FDI and export-oriented firms). However, this data may not accurately measure sectors that are particularly small or uncompetitive in Sri Lanka today; this is concerning for a study focused on diversification into new sectors. Thus, data was also obtained that covered “peer countries,” such as Vietnam, Thailand and Malaysia. Lastly, the most easily accessible data came from high-income countries, especially the United States. While such data does not represent the sectors’ performance in a middle-income context, it could be said to represent the “frontier” of possibilities for that sector (e.g. what sector wage averages might look like as national incomes rise). In all cases, care was taken to specify the origins of each source.

Datasets also differed in terms of the sector specificity and coverage. Some were highly aggregated, listing few industry categories, while others described thousands of specific products or activities. Preference was given to disaggregated sources, which could be re-aggregated when necessary. The team also looked for datasets with the widest coverage of sectors. Many included only manufacturing exports, or (in the case of trade data) physical goods. Thus, special effort was taken to find new datasets incorporating service activities and trade in services. Occasionally, including service sectors meant using imperfect proxies, such as food and accommodations services standing in for the tourism sector.

These variables were tabulated at two levels of aggregation: “**full sectors**” and “**subsectors**” (Box 2). The full sectors cover all tradable private sector activities in manufacturing, services, and agriculture at a higher level of aggregation. They represent virtually every possible area for export or investment promotion, though they may not be specific enough for building targeted strategies. Subsectors are more disaggregated – for example, “Insulated Wires” is a subsector within the “Electrical Equipment” full sector. As they began collection of the data, the team members selected an initial seventeen subsectors for study. This list was meant to be representative of Sri Lanka’s trends in inward investment and exports, as well as the team’s appraisal of economic activities meriting further study. The team then selected additional promising subsectors as the highest-scoring full sectors became clear. Thus, the final analysis covered 30 full sectors and 29 subsectors.⁶

The targeting exercise was divided into two levels of economic activity: subsectors and full sectors.

- The 29 **subsectors** studied generally correspond with four-digit Harmonized Sector (HS) codes, though in rare cases multiple four-digit codes were combined into a single subsector. For example, the team defined the Medical Devices subsector as HS codes 9018, 9019, 9021, 9022.
- Each subsector falls under a **full sector**. For manufactured and agricultural goods activities, the full sectors were defined as the relevant two-digit codes of the International Standard Industrial Classification of All Economic Activities (ISIC), revision 4. For seven service export activities, full sectors correspond with top-level codes of Extended Balance of Payments Services Classification (EBOPS) 2002 revision. Besides these 30 tradable full sectors, partial data was also collected for an additional 14 non-tradeable full sector activities (e.g. real estate), though they are not included in the study.

The datasets collected by the teams fell under a number of different classifications, revisions and levels of aggregation. Team members used concordances and their best judgment to ensure that the correct definition was used to describe each sector.

Box 2: Defining the full sectors and subsectors

By the end of the exercise, the team had developed a full database collating 127 variables for each full sector and subsector, from over twenty different sources. The database stands as a product of the learning and engagement of the T-Team, from the initial trainings on data needs and sources, to efforts by team members to engage with different entities to access the data, to the final cleaning and preparation of sector-level variables. However, it should be noted that not all of the team’s questions were possible to answer using available data; see the final section (“Next steps and lessons learned”) for more information on missing variables and plans to include them in a later iteration.

Comparing the variables

Having collected the data needed to measure each sector’s performance, the team needed an method to transform the raw variables into the indices and subindices in the template.

⁶ As noted in the concluding section, the team plans to study further subsectors in a second iteration of the targeting exercise.

One approach considered was transforming the variables into rankings or percentiles. This would allow for comparison across different units – e.g. which sector had the highest export volume from Sri Lanka (in millions of USD) vs. which sector has the highest share of managers employed (as a percentage). However, rankings and percentiles give no sense of the variation between sectors. Rankings would reveal which sector produces the highest export volumes, but not how much higher than the average it is. On the other hand, a useful measure would also avoid high sensitivity to outliers, i.e. when a particularly high or low value from one sector has a large effect on the scores of the other sectors.

One measure that fulfils these requirements is the standard score, or “z-score.” While more complicated than a ranking, it is relatively easy to calculate and interpret, especially for audiences familiar with basic statistical concepts: a score of zero is average, while a score of one (or negative one) represents values that are one standard deviation above (or below) the average. Meanwhile, it completely preserves the variation of the variable, and (through the use of the standard deviation) is less sensitive to outliers. One shortcoming is the lack of a finite scale: technically, z-scores can range from negative infinity to positive infinity. However, if the variable follows the normal distribution, 95.4% of its values will receive z-scores falling between -2 and 2.⁷

Calculating z-scores

For each of the variables collected, a z-score was calculated to see how the sector performs compared to other sectors of the economy:

$$z\text{-score} = \frac{x - \mu}{\sigma}$$

where x is the variable’s value for the sector (the sector’s performance), μ is the variable’s mean value for all sectors (the average performance), and σ is the standard deviation of the variable for all sectors (a measure of how widely the sectors vary). Note that in many cases, the variable has already been transformed as a logarithm; this transformation was used for variables spanning multiple orders of magnitude, such as sectors’ export volumes (which ranged in the tens of thousands to billions of USD).

As stated above, z-score equal to zero means that the sector’s value is exactly average, while a score of one means that its value is one standard deviation above the average. Furthermore, assuming that the variable’s values fall under a normal distribution, then the z-scores can be evenly split into five levels, or “quintiles” (Figure 5). These are:

- i. z-scores lower than -0.85 (“**very low**”),
- ii. z-scores between -0.85 and -0.25 (“**low**”)
- iii. z-scores between -0.25 and 0.25 (“**average**”),
- iv. z-scores between 0.25 and 0.85 (“**high**”), and
- v. z-scores greater than 0.85 (“**very high**”)

⁷ In fact, the variables considered in this study come quite close to following this rule: 94.9% of standardized observations range between -2 and 2.

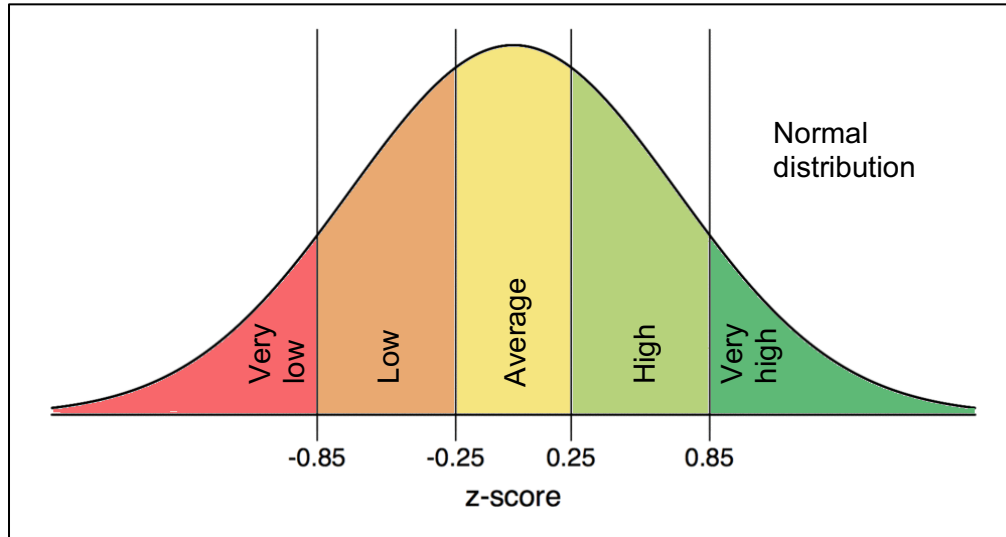


Figure 5: z-score quintiles in the normal distribution

These quintiles are given alongside the index z-scores to facilitate their interpretation.

Transforming the variables into z-scores (sometimes called “standardizing” the variables) is useful because it allows for easy comparison between variables. For example, the number of BOI Applications in the past 5 years for the solar panels and diodes subsector was 9. The mean number of applications across all subsectors was 11, with a standard deviation of 18. The absolute value for the sector, mean and standard deviation was used to calculate the z-score for the subsector, -0.09, which is within the third quintile (“average”). This means, the solar subsector is an average performer compared to other subsectors in terms of the number of recent BOI applications.

Building the indices and subindices

Assigning variable weights

After being standardized into z-scores, the variables were grouped together into indices as specified in the sector targeting criteria. Index scores were calculated as weighted averages of the variables’ z-scores, with variable weights generally falling between 0.33 and 3 – i.e. giving them one third to three times as much impact on the index score.

This weighted average approach served multiple purposes. First, not all variables were equally important to the team’s motivation for each index. For example, for measuring regional market opportunity, the team wanted to focus primarily on India. Thus, variables related to Indian market demand were given higher weightages than variables covering China. Second, some of the team’s questions would be answered by several representative quantitative variables, while others were covered only by a single variable. For example, when the team considered the wage potential of each sector; this was measured

by three variables (from Sri Lanka, UNIDO, and US sources). In this case, each variable was given a one-third weight, since having three answers does not make the question three times as important. Ultimately, the values of these weights were assigned in a discretionary manner, according to the critical judgement of the team members. However, the index values are more or less similar when each subindex is assigned with an equal weight.⁸

Measuring Impact for the Sri Lankan Economy

To calculate a sector’s potential benefits, the **Impact for the Sri Lankan Economy index** is composed of 4 subindices: Job creation potential, Job quality potential, Potential beyond the Western Province, and New Linkages Potential, covering 11 variables in total (Figure 6). The job creation potential subindex measures the potential of a particular sector to generate employment. There are different ways this can be measured, such as jobs per million rupees value added (in Sri Lanka), or the ratio of wages paid to value added (measured within the US).

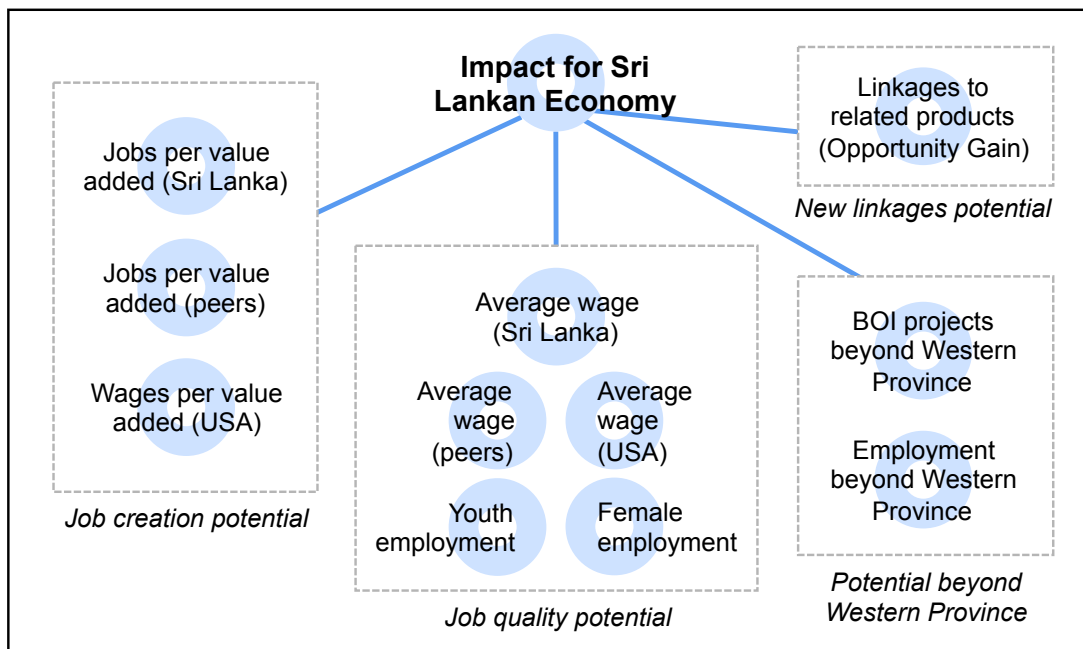


Figure 6: Variables used to build the Impact for Sri Lankan Economy index

The job quality potential subindex uses variables such as the sector’s median wage rate of Sri Lanka and that of peer countries, and the potential of creating jobs for youth and women. The potential beyond the Western Province subindex is measured in terms of number of employees and BOI projects outside the Western Province; this is important because it estimates the opportunity to reduce regional disparity. The

⁸ Under the equal weights scenario, the top seven full sectors are the same, though with some differences in the exact order of the ranking. Furthermore, the scores for the six indices are highly similar irrespective of whether or not the team’s assigned weightages are used (correlation equals 97.8% for full sectors and 97.6% for sub sectors). This suggests that the assigned weightages do not unduly impact the index results.

new linkages potential subindex consists of the opportunity gain index, from the Harvard CID’s complexity analysis (Hausmann and Hidalgo et al., 2014). It measures the sector’s similarity to new sectors not yet present in Sri Lanka: sectors with a high score could bring valuable new linkages for further diversification.

Measuring Market Opportunity

Next, the **Market Opportunity Index** consists of 3 subindices: Domestic Market Opportunity, Regional Market Opportunity and World Market Opportunity, which altogether consist of 11 variables (Figure 7). First, it is important to see which sectors could enjoy a large domestic market, especially in terms of replacing imports (and saving foreign exchange). This can be measured in terms of 3 variables: the overall import value (in log USD), the import intensity (comparing Sri Lankan import levels to global imports per capita⁹) and the change in imports in Sri Lanka over the last 3 years. Regional market opportunity is measured in terms of the imports of India and China, which can be considered as export destinations for the products within a particular sector. As with domestic market measures, this can be measured using variables such as overall import value for the product (in log USD), import intensity for India and China, and the change in imports in India, as well as the duty-free coverage under the Indo-Lanka FTA. World market opportunity (in terms of world trade and change of world trade during last three years) is measured to assess the opportunity for a particular product globally.

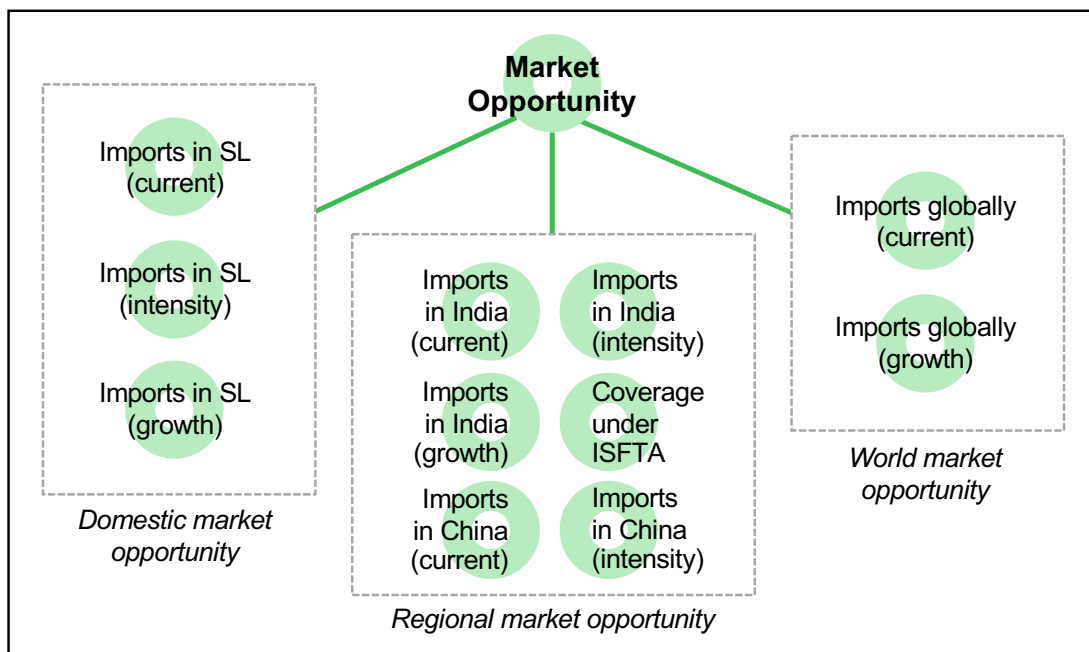


Figure 7: Variables used to build the Market Opportunity index

⁹ That is, if Sri Lanka’s imports of electronics goods was 779 USD million (or roughly 37 USD per capita) and global imports were 2,330 USD billion (or around 310 USD per capita), then Sri Lanka’s import intensity in electronics is 12%. This measure is similar to the revealed comparative advantage (RCA) index.

Measuring Investor Interest

The **Investor Interest (Direct and Indirect) index** was calculated using 3 subindices: Direct Investor Interest in Sri Lanka, Investors’ Regional Market Access, and Strength in Related Countries. These 3 subindices consist of 10 variables (Figure 8). The Direct Investor Interest measures the rate of new entrants for investment and exports. It includes the number of BOI applications received during last 5 years, and number of firms exporting products for the first time within last three years. Investors’ Regional Market Access focuses on sectors’ potential in the Indian market, and is measured in terms of India’s import share from countries seen as likely investors in Sri Lanka. A high import share could signal that companies in that country are already adept at exporting in the Indian market (which sometimes seems to be difficult to enter due to presence of non-tariff barriers). This raises the possibility that they could do the same via Sri Lanka (i.e. relocating their India-oriented production facilities to Sri Lanka). Finally, exports from peer countries were used as a proxy, suggesting that countries similar to Sri Lanka have sector-specific know-how, and also might be willing to relocate or expand their production facilities in Sri Lanka.

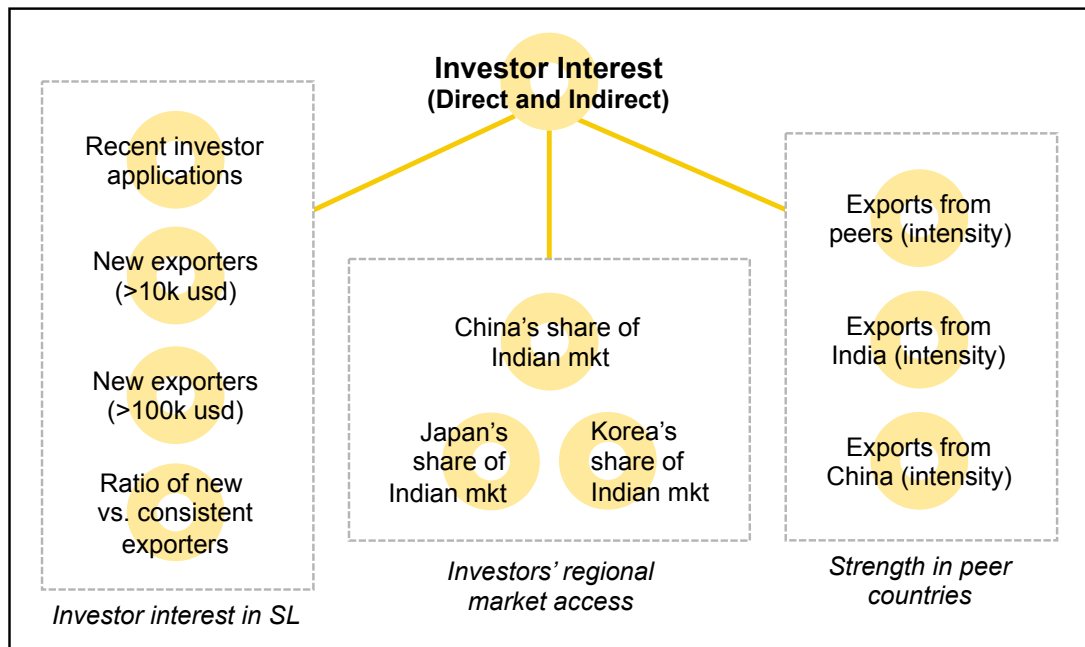


Figure 8: Variables used to build the Investor Interest (direct and indirect) index

Measuring Current Strength in Sri Lanka

In calculating the **Current Strength in Sri Lanka Index**, the 3 subindices considered were Current Strength of Sri Lankan Exports, Current Strength of Sri Lankan workforce, and Current Strength of Sri Lankan companies. These subindices altogether consist of 9 sub variables (Figure 9). The first subindex indicates the export volume and export intensity of a particular sector. It also measures whether Sri Lanka has a share in the Indian market. The strength of the Sri Lankan workforce subindex explains whether there is already high employment in the sector, and whether the employees have high levels of training.

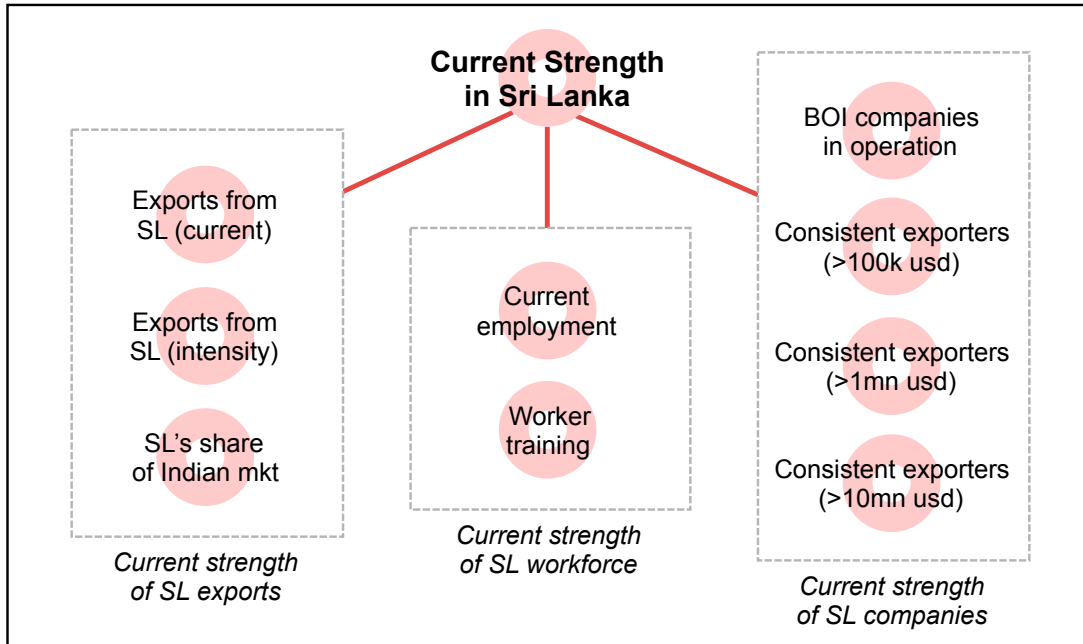


Figure 9: Variables used to build the Current Strength in Sri Lanka index

The current strength of Sri Lankan companies is measured in terms of number of small, medium and large scale consistent exporters (exporting for last three years) within a particular sector or subsector. Overall, sectors that show high strength today have the potential of both investment attraction and export promotion, whereas sectors with low strength indicates few or no existing exporters, thus making them more suitable for promoting foreign investment (as a source of new knowhow).

Measuring Current Know-How in Sri Lanka

In addition to direct measures of a sector's current strength, the **Current Know-How in Sri Lanka index** indirectly estimates the availability of sector-specific knowledge and capabilities in Sri Lanka (Figure 10).

Unlike the other indices, the Current Know-How index consists of only one variable, the Product Space Density index (Hidalgo, Klinger et al., 2007). This variable uses patterns in country exports to predict which products may be related. For example, countries exporting solar panels and diodes tend to also export printed circuits; this implies that countries need the same kind of know-how to successfully make both products. Thus, the presence of existing exporters in related products is an indication of presence of know-how in a particular sector. This in turn may indicate that the sector is more likely to succeed, and can be promoted for exports and investment. An absence of existing exporters in related products, however, would suggest that these sectors need technological support by way of attracting foreign direct investment.

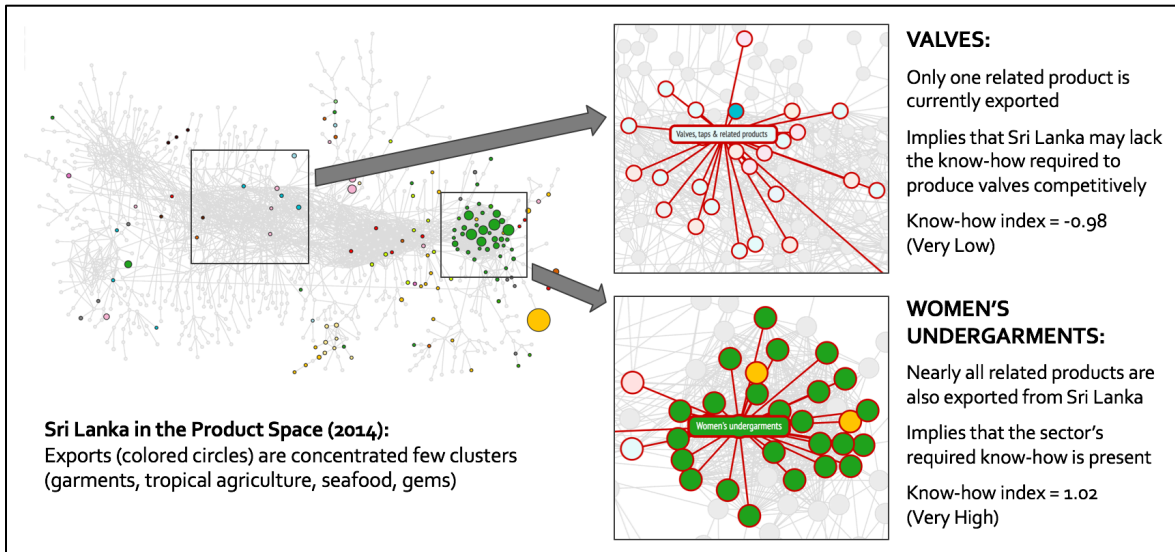


Figure 10: Using the Product Space to measure the current know-how of a sector

Measuring Hard and Soft Asset Competitiveness

The final index assesses the **Competitiveness of Hard and Soft Assets** required by a sector. It consists of two subindices: eight categories of hard assets (such as land, water and electricity) and four categories of soft assets (such as skilled workers and intellectual property protection).¹⁰ Unlike the other indices, the Competitiveness of Hard and Soft Assets index has two parts: sector requirements (the demand for the assets) and asset competitiveness (the asset's relative cost or performance) (Figure 11). This approach reflects the fact that not all assets are equally required by different sectors.

The first step in building the asset competitiveness index was to measure each sector's requirements. This assessment used quantitative data (including from UNIDO and the DCS Labour Force Surveys), as well as the expertise of BOI officers involved in environmental clearances and zones management (who could draw from official BOI guidelines, their knowledge of current practices, and their critical judgment). For example, each sector involves the hiring of management staff, yet some will have a larger requirement than others. To estimate the manager requirement of a particular sector, data was collected from the US Bureau of Labor Statistics. It appears that the electronics sector hires many managers (over 10% of the sector's total workforce), while food processing hires relatively few (Figure 12). Likewise, data on industrial water usage by sector was collected from the BOI's Environment Management Department. Sectors such as Food Products and Ceramics require more industrial water (approximately 2000 m³ per day) whereas making electricity distribution panels requires less (approximately 10 m³ per day).¹¹

¹⁰ As determined by the team, the most prominent hard and soft assets have been considered for the analysis, based on their applicability to all sectors or their critical nature for sector operations. However, the competitiveness of a given sector certainly depends on more than these twelve assets alone; more could be incorporated in future studies, especially if data is available (see the final section for the discussion).

¹¹ Data on hard asset requirements for service sectors was not available; for these sectors, the Asset Competitiveness index is based on soft assets alone.

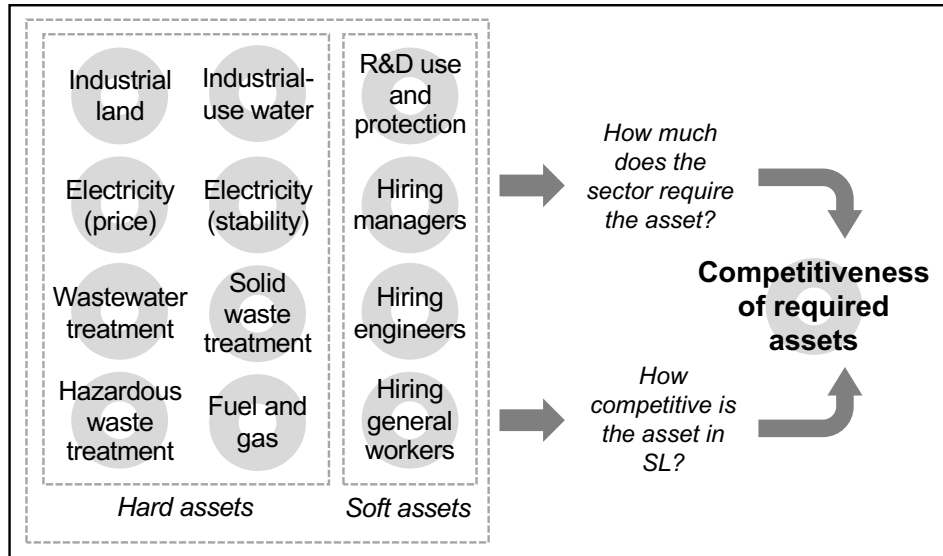


Figure 11: Variables used to build the Competitiveness of Required Assets index

In parallel, the team also estimated the competitiveness of each hard and soft asset in Sri Lanka. To do this, the team used data from JETRO, the World Bank and others to benchmark Sri Lanka’s cost performance against competitors in South and Southeast Asia. For example, the JETRO survey shows that managers in Colombo are paid an average of 12,746 USD annually (including benefits); this is lower than all peer cities except Ho Chi Minh and Danang, and lower than the overall peer average (Figure 12). Using the z-score formula¹² to normalize these values, Sri Lanka’s z-score in managerial salary comes out to 0.89, placing it in the highest quintile (values above 0.85). Since a country with higher wages could be seen as less competitive, this would score Sri Lanka as “very competitive” in the employment of managers.

For one asset, hazardous waste treatment, international cost estimates could not be located. Instead, the scores for solid waste treatment were used as a proxy. Other assets lacking international price comparison data (such as the cost of hiring university graduates) were excluded from the study. More generally, a more complete rendering of asset competitiveness would also consider assets’ quality and availability, in addition to cost. It would have also been ideal to incorporate redundant sources of data, to avoid reliance on a single dataset for any variable. (See the final section for a discussion of these data gaps.)

The third step is calculating an asset competitiveness index score for the sectors. Like the other indices, asset competitiveness is a weighted average, but with the extra weights for each asset’s sector-specific requirements. Thus, sectors for which the required assets are competitive in Sri Lanka (high Asset Competitiveness score) can be promoted for investment, whereas in the sectors for which required assets are not competitive (low Asset Competitiveness score), the improvement of required assets may be necessary prior to promoting those sectors for investment.

¹² For variables measuring the cost of an asset (e.g. the cost of solid waste treatment or the cost of labour), z-scores are multiplied by negative one. This was done because lower costs are interpreted as being more competitive. This change applies to nearly all the variables used to measure asset competitiveness.

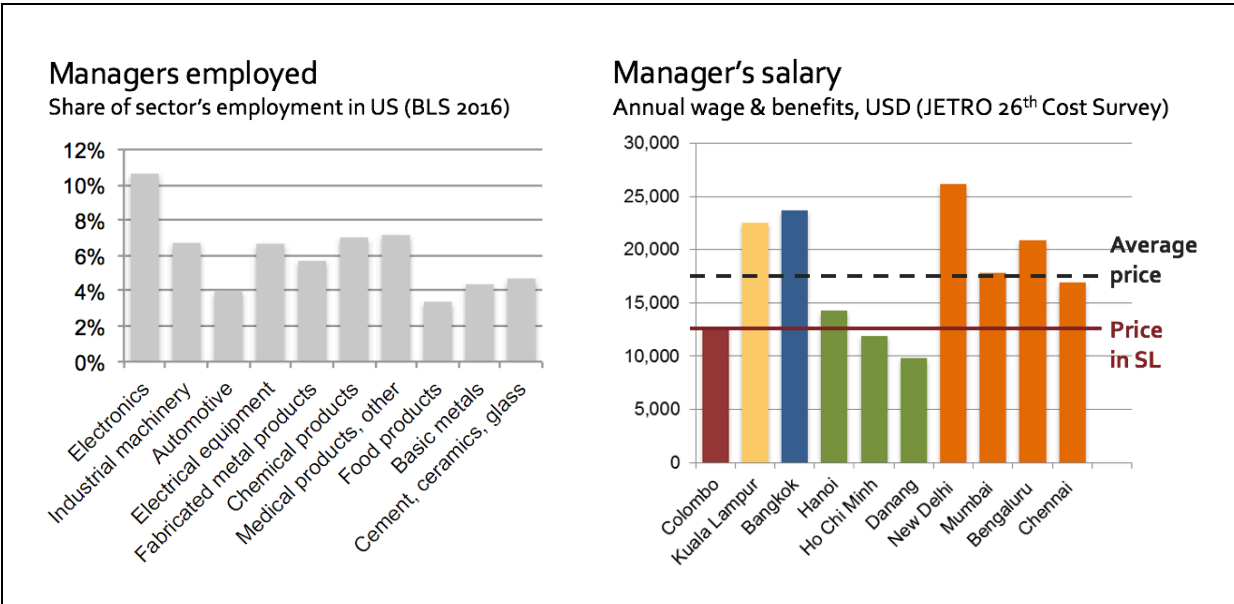


Figure 12: Measuring sector requirements (left) and Sri Lanka's competitiveness (right) in employing managers

Determining sector prioritization and promotion strategies

The final step is to use the six indices to generate targeting recommendations: which sectors should be prioritized for promotion?

Assigning index weights for sector prioritization

To rank the most promising sectors, an overall priority score was calculated as a weighted average of the indices. Given the uncorrelated relationships between some indices, different priority index weightages could have large effects on the ranking of a given sector. For example, there appears to be an inverse relationship between the sectors with high Market Opportunity or high Impact for Sri Lankan economy and sectors with high Current Know-How in Sri Lanka (Box 3). Thus, if one weighted Current Know-How in Sri Lanka at even 25% of the priority score, the resulting list of priority sectors includes many sectors already present in Sri Lanka (such as garments). These were the established sectors in which the country was already doing well; while they offer some opportunity for growth, they would not add significantly economic diversification.

Instead, the team was interested in selecting growing global sectors, especially those strongly associated with potential benefits for Sri Lanka — higher exports, high-quality jobs, and more. Accordingly, the team allocated weights to Market Opportunity and Investor Interest (Direct and Indirect) indices, with a combined 67% weighting, and Impact for the Sri Lankan Economy, with a 33% weighting.

Figure 13 illustrates the relationships between the six targeting indices.

The Impact for Sri Lankan Economy Index appears to have a strong positive relationship with both Investor Interest and Market Opportunity. This is promising, as it suggests that there are sectors which can benefit investors and sustain Sri Lankan livelihoods. Market Opportunity and Investor Interest have a somewhat weaker positive relationship with each other.

The indices determining promotional strategy are also related positively with each other. For example, Current Strength in Sri Lanka appears to have a strong positive relationship with Current Know-how in Sri Lanka, while there is a less strong relationship between Current Strength in Sri Lanka and Hard & Soft Asset Competitiveness.

On the other hand, the three prioritization indices and three promotional indices have weak or negative relationships with each other. For example, Current Know-how index appears to have a strong negative relationship with the impact for Sri Lankan Economy Index and Market Opportunity Index, and a weak positive relationship with Investor Interest Index. There is one exception: a strong positive relationship between the Investor Interest Index and the Current Strength in Sri Lanka index. This makes sense, because businesses tend to invest when a sector is already well established.

	Impact for Sri Lankan economy	Market opportunity	Investor interest (direct & indirect)	Current strength in Sri Lanka	Current know-how in Sri Lanka	Hard & soft asset competitiveness
Impact for Sri Lankan economy	1.00	0.46	0.44	-0.08	-0.56	0.07
Market opportunity	0.46	1.00	0.26	-0.07	-0.54	0.10
Investor interest (direct & indirect)	0.44	0.26	1.00	0.49	0.09	0.19
Current strength in Sri Lanka	-0.08	-0.07	0.49	1.00	0.67	0.35
Current know-how in Sri Lanka	-0.56	-0.54	0.09	0.67	1.00	0.19
Hard & soft asset competitiveness	0.07	0.10	0.19	0.35	0.19	1.00

Figure 13: Correlation coefficients between the targeting indices (across full sector z-scores)

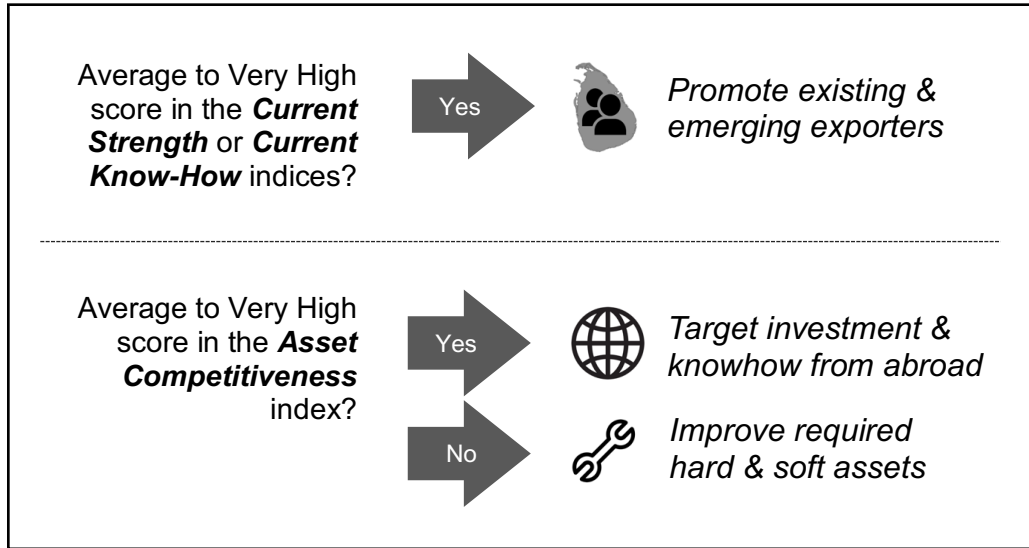
Box 3: Relationship between the targeting indices

Determining sector promotion strategies

In this context, with a view to decide the appropriate promotional strategies for the identified priority sectors, the analysis continued using the next three indices – namely, “Current Strength in Sri Lanka,” “Current Know-How in Sri Lanka,” and “Hard and Soft Asset Competitiveness.”

Figure 14 shows how these three indices are used to create promotional strategies for high-priority sectors. In the earlier cases (for sector prioritization), the indices were averaged together, since high performance in one index could offset poorer performance in another. For example, the education sector scores poorly in market opportunity, but high in its positive impact for the Sri Lankan economy; together, this gives it an average-level prioritization score. In determining the sector promotion strategies, however, cut-offs are used instead of averages. This is because the team felt that sectors should meet a minimum level of performance in order to qualify for a given strategy.

Figure 14:
Promotional
Strategy for
priority sectors



The first strategy is the promotion of existing and emerging exporters. The Current Strength and Current Know-How indices are used to see whether the sector has existing players that can expand their production facilities and/or engage in joint ventures. The “average” to “very high” quintiles (in either index) are considered as the cut-off to determine the potential of a sector to use for export promotion. For example, the electricity distribution panels subsector has shown average performance in terms of both current strength and related know-how in Sri Lanka, and thus can be used for export promotion.

The next strategy considered is the targeting of investment and know-how from abroad. In terms of the Asset Competitive Index, the “average” to “very high” quintiles are again used to determine whether a particular sector qualifies for targeted investment promotion, based on the availability of its needed infrastructure and skills (Figures 11 and 12). For example, the Chemical Products sector’s Asset Competitiveness score falls within the “low” quintile, meaning that it doesn’t qualify for targeted investment promotion at the moment. Instead, Sri Lanka needs to improve its required assets (such as the costs of electricity and wastewater treatment) before promoting investments to that sector. These sectors thus are assigned to the third promotional strategy, “improve required hard and soft assets.”

At this point, each of the full sectors and subsectors will have a wealth of descriptive information available – data points from over 120 variables – which may be used to assign each sector a priority ranking and a tailored promotional strategy. The next section presents these results.

Part Three:

Targeting results and recommendations

Results: index scores

Having collected the data and defined the methodology, this section describes the first results of the analysis: the six individual indices (three for prioritization, and three for promotional strategy). See Appendix B for the full set of index results, including scores for the individual subindices.

Priority index results

As described above, the sectors were ranked based on the priority score, which is a weighted average of the “Impact for Sri Lanka,” “Market Opportunity” and “Investor Interest (Direct and Indirect)” indices. One way to visualize this weighted average is a four-quadrant graph, for both the full sectors (Figure 15) and the subsectors (Figure 16). A fourth index, Current Strength in Sri Lanka, is represented by the size of the circle – that is, sectors already enjoying strong exports, workforces and companies will have larger circles.

Thus, sectors in the top right quadrant of Figures 15 and 16 have scored well in all three priority indices. They are associated with high positive impact to the economy, and may be easiest to promote based on high market opportunities and investor interest; thus, they can be classified as the highest priority for promotion. In Figure 15, a grey oval covers the full sectors with the highest weighted averages, specifically the seven full sectors in the “high” range or better (z-score > 0.25). These are:

1. Electronics,
2. Industrial Machinery and Equipment,
3. Automotive,
4. Tourism (with Accommodation and Food Service as proxies),
5. Electrical Equipment,
6. Fabricated Metal Products, and
7. Chemical Products.

All of the above sectors have small or medium circle sizes, indicating a relatively small current presence in Sri Lanka; the one exception is Tourism, which by this measure is one of Sri Lanka’s strongest sectors today. More information on the top priority sectors can be found in the following section.

Looking at the other three quadrants is also revealing. The top left quadrant of the Figures 15 and 16 sectors that have average to high impact to the economy, but may face difficulties in attracting investors (indicated by the average or poor Market Opportunity and Investor Interest scores). One noteworthy example is Education: it is in fact the second strongest full sector in terms of its implied benefits for the economy, but one of the weakest in terms of market opportunity (i.e. potential service exports) and investor interest. The bottom-right quadrant indicates the sectors that have low impact to the economy, but may also require less special effort, as they are likely easier to promote; one example is the Food Products sector. Finally, the bottom-left quadrant contains sectors that have lower impact to the economy and lower opportunities and interest, implying that even less special attention is needed for them.

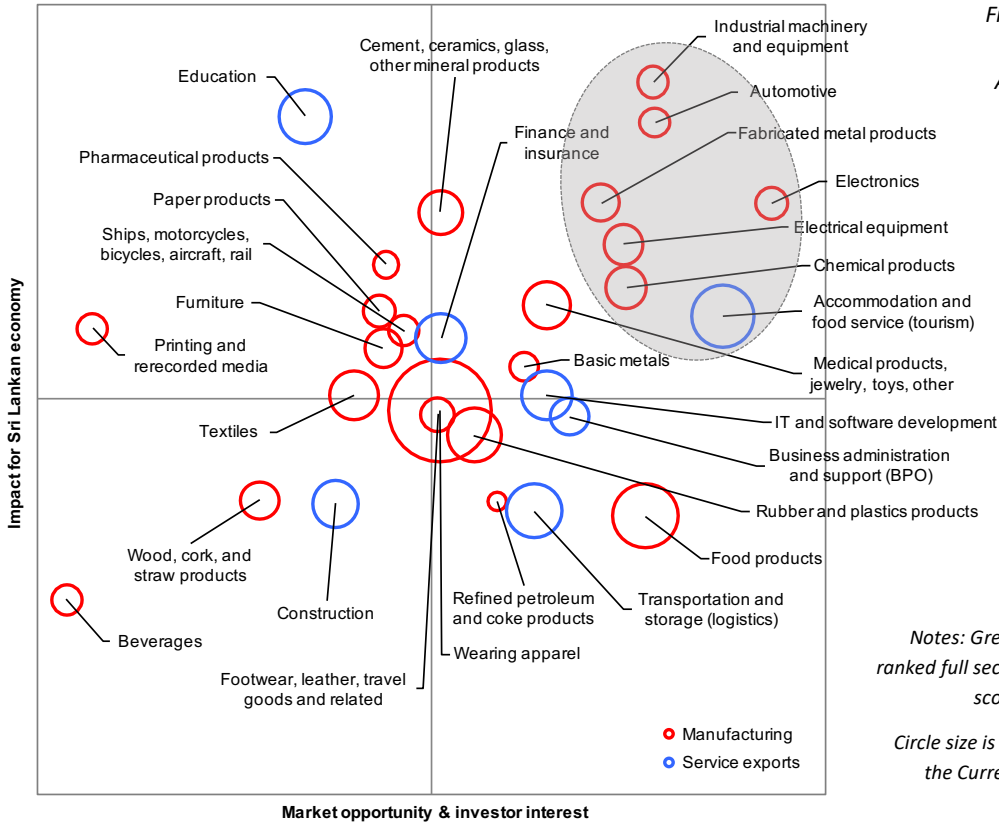


Figure 15: Outcome of Sector Prioritization Analysis - Full Sectors

Notes: Grey oval indicates highest ranked full sectors, with Priority Index scores in the "high" range.

Circle size is proportional to score in the Current Strength in SL index.

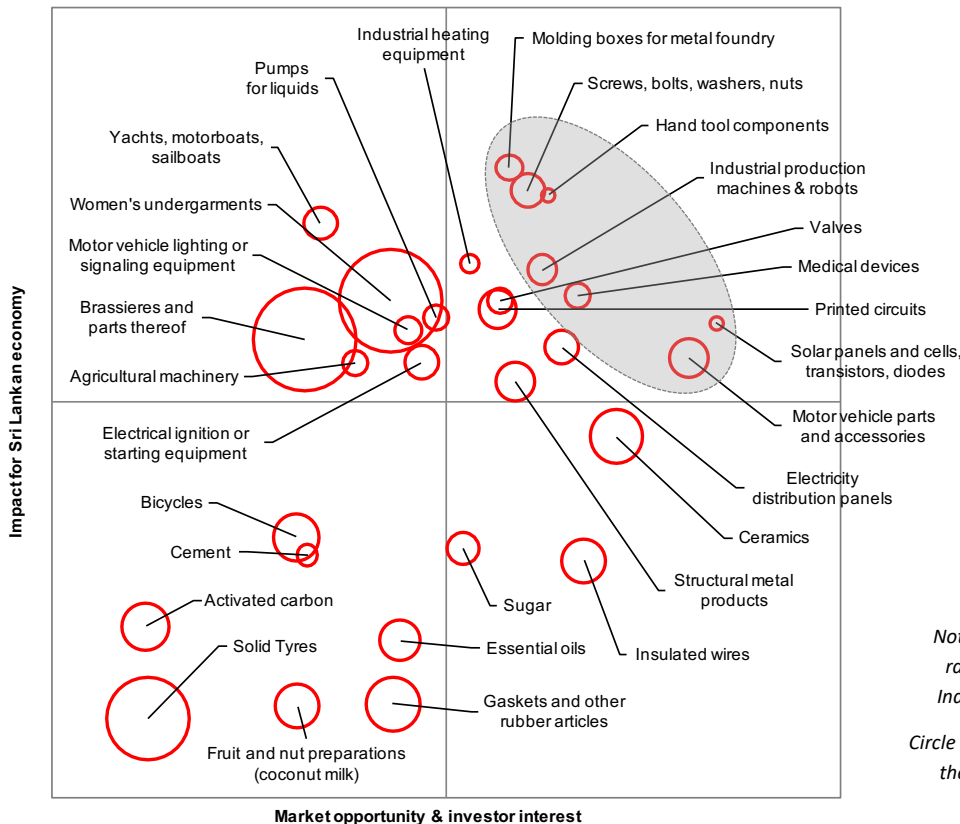


Figure 16: Outcome of Sector Prioritization Analysis - Subsectors

Note: Grey oval indicates highest ranked subsectors, with Priority Index scores in the "high" range.

Circle size is proportional to score in the Current Strength in SL index.

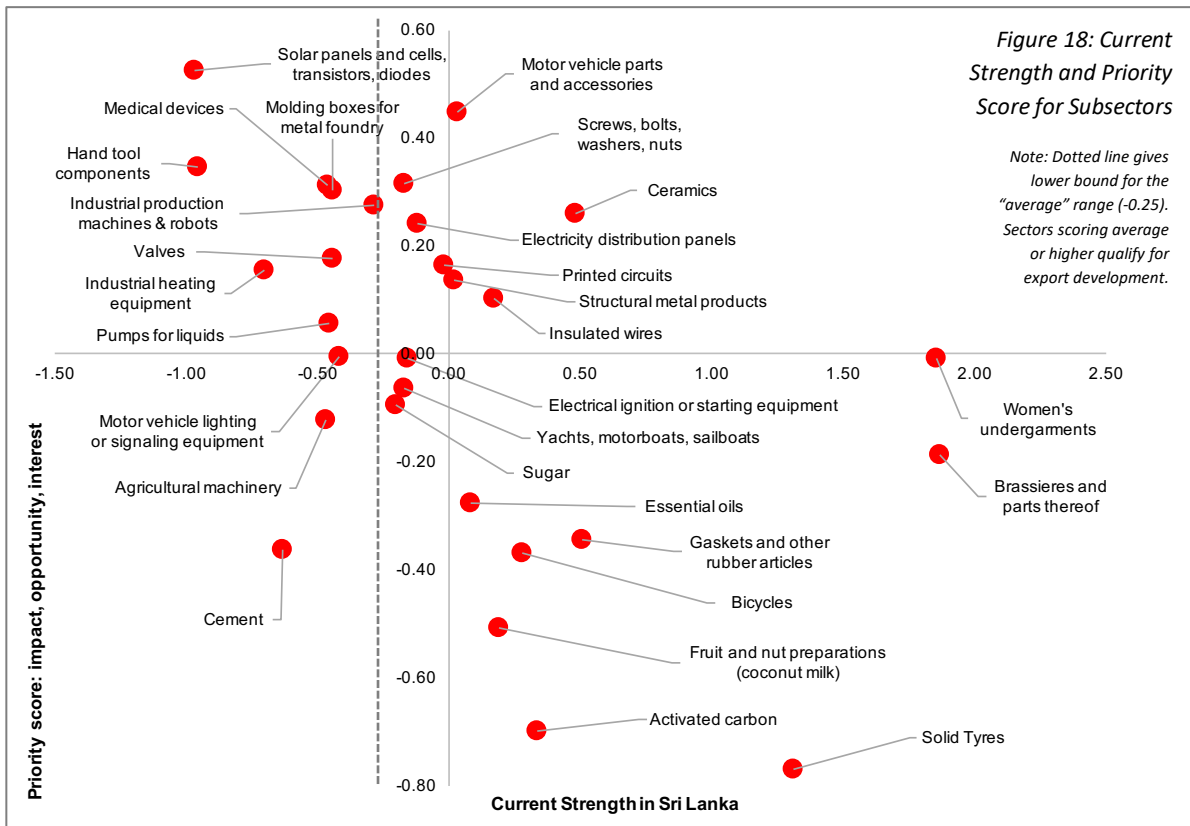
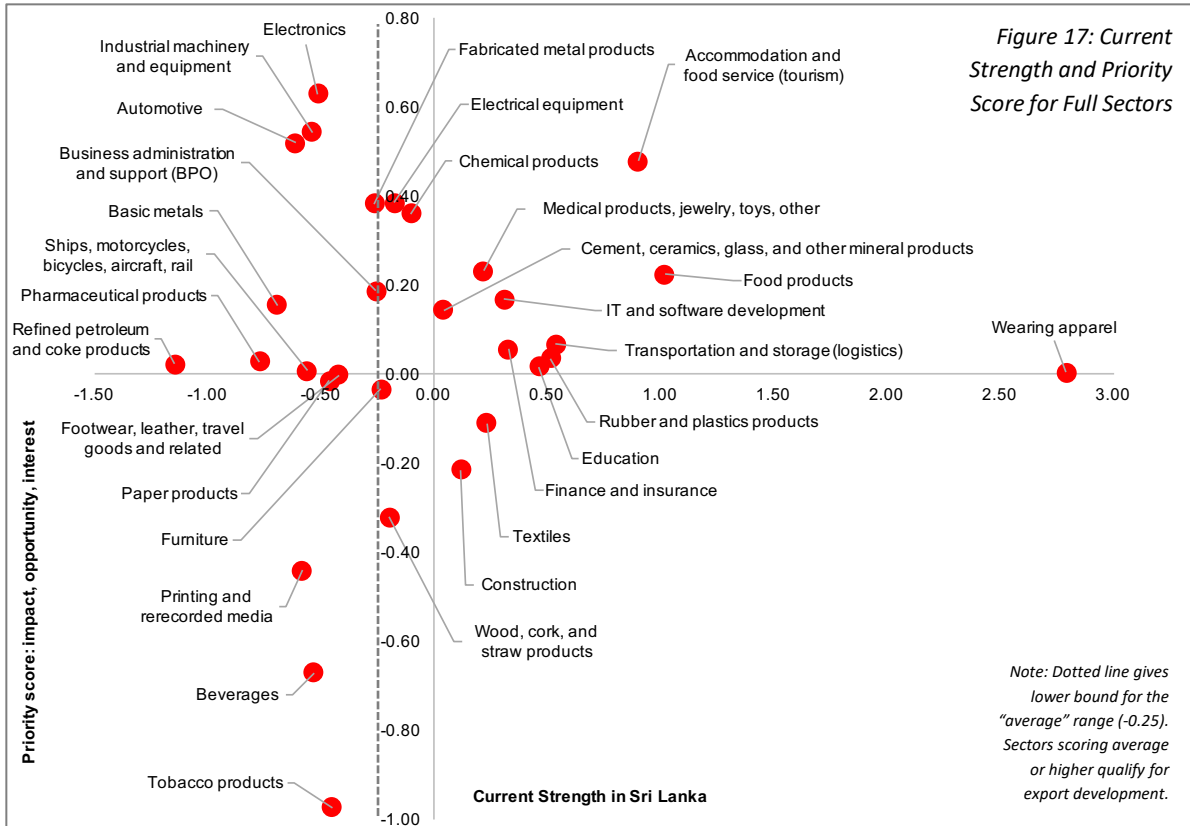
Promotional strategy index results

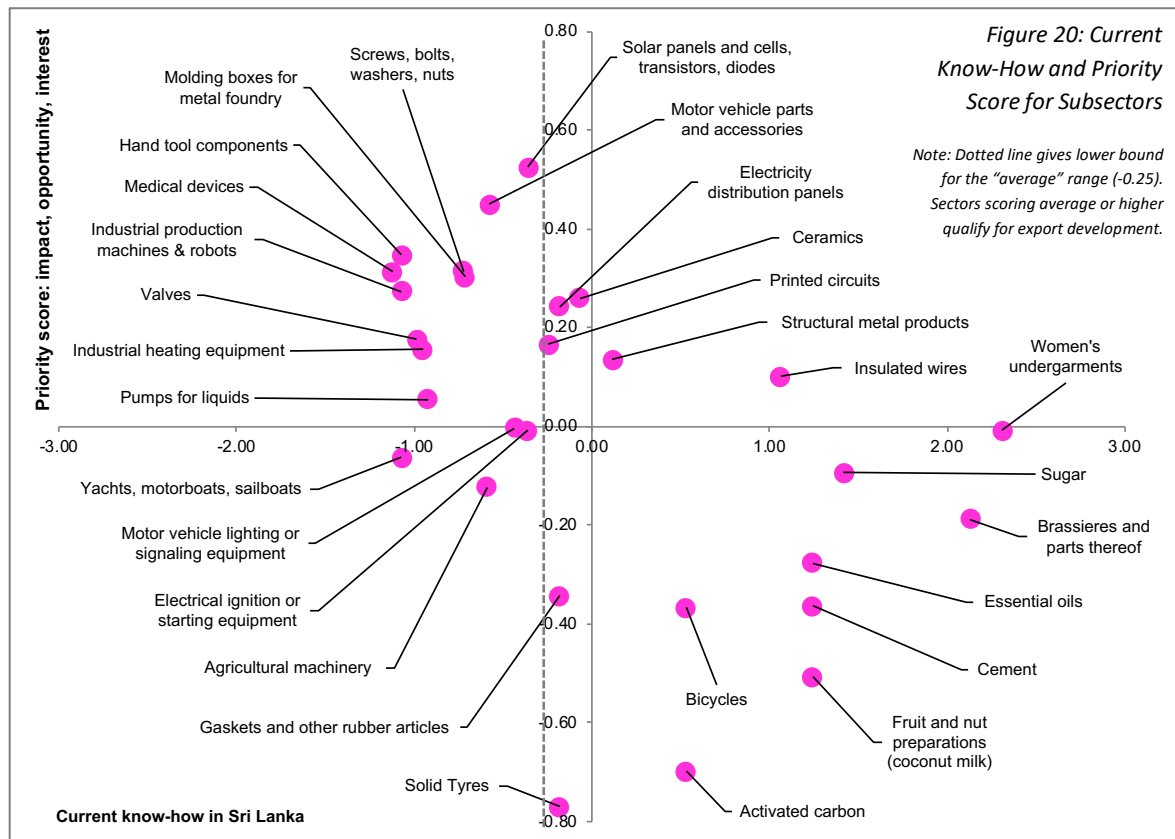
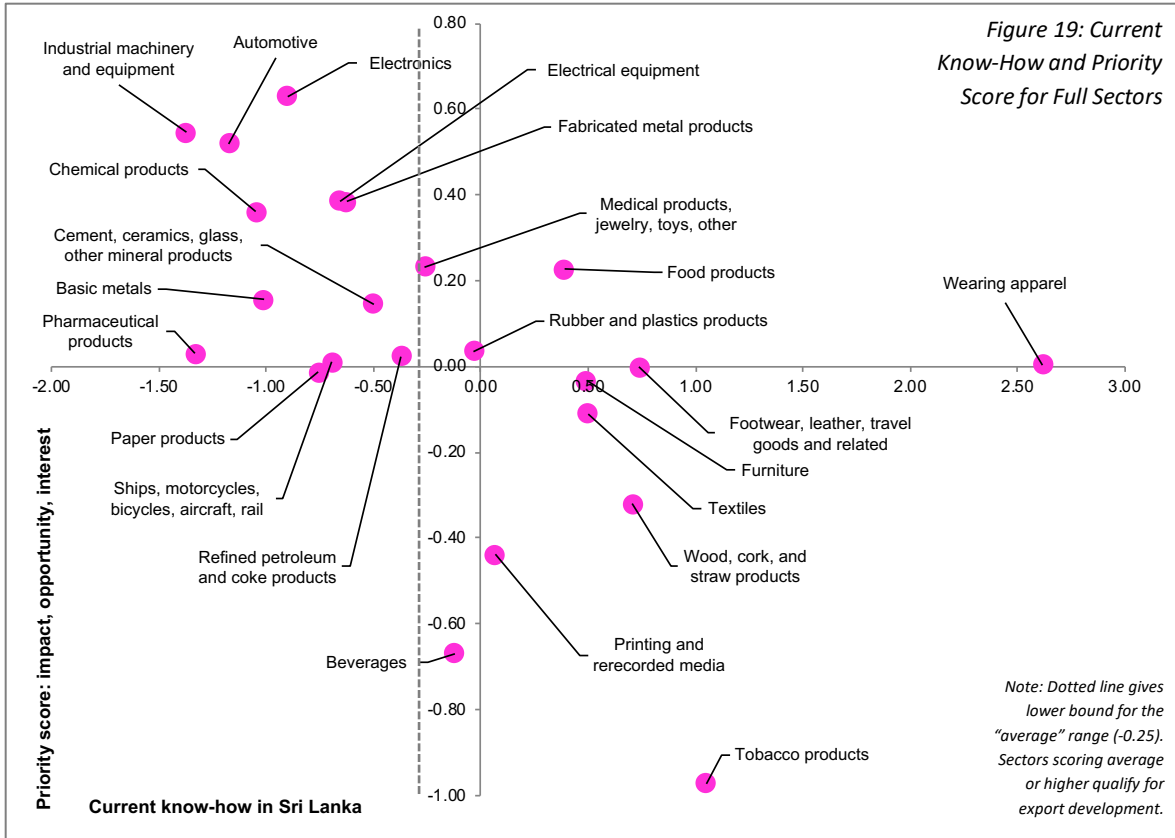
Next, the top priority sectors are assigned specific strategies for their promotion, based on the results of the three promotional strategy indices. Figures 17 (full sectors) and 18 (subsectors) compare the consolidated priority scores (measuring impact, market opportunity and investor interest) against the Current Strength in Sri Lanka index. The top-right quadrant reflects the sectors that have highest potential for both investment promotion and export development. The best example is tourism: it is a priority sector (ranking 4th), and scores well in the Current Strength Index, due to high exports (i.e. USD 2.4 billion in foreign exchange earnings in 2014), presence of employment (over 200 thousand workers), and high number of BOI companies in operation (249).

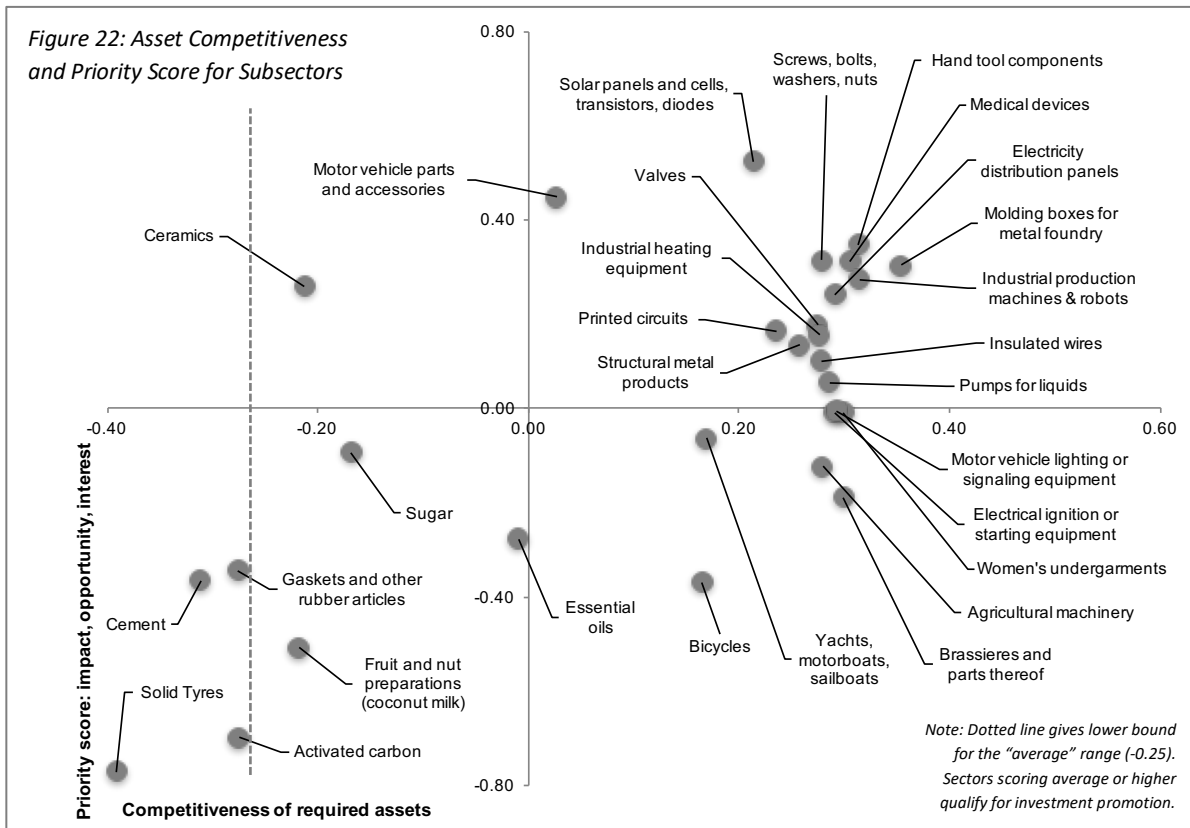
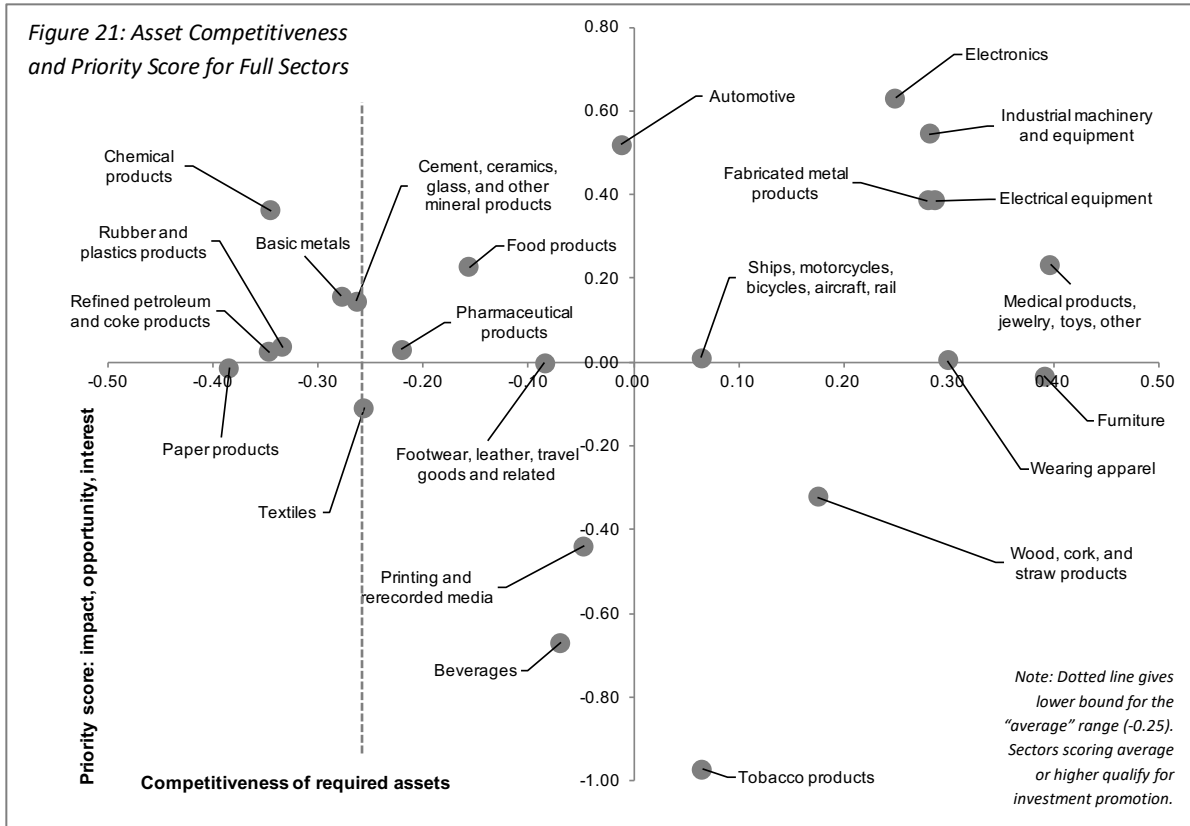
More generally, relatively few sectors are in the top-right quadrant. However, there are several additional sectors in the top-left quadrant that still fall in the “average” range in the Current Strength index (with z-scores between -0.25 and 0.25); this cut-off is represented by the dotted grey line. For these sectors, there is an emerging potential to promote exports. For example, the Electricity Distribution Panels subsector scores -0.12. This reflects relatively high export earnings (USD 28 million) and a high rate of worker training (30%), but also low or average in terms of current employment, number of consistent exporters, and number of BOI companies in operation. For the remaining top priority sectors (i.e. above zero on the y-axis but to the left of the dotted line), there is a low current presence of exporters and workers; this means that those sectors are less likely to benefit from export development strategies at the moment. Instead, Sri Lanka may need to promote new investment in these sectors, provided that they can be competitive in the world market.

There is a similar story when looking at know-how. Figures 19 (full sectors) and 20 (subsectors) show each sector’s performance in the consolidated priority score compared against its score in the Current Know-How index. Of the full sectors, only Food Products is in the top-right quadrant, fulfilling both criteria. Again, there are also some higher-priority subsectors outside of the top-right quadrant but with z-scores still in the average range (above -0.25); examples include electricity distribution panels, ceramics and printed circuits. The other high-priority sectors have scored lower in the Current Know-How index, as there are fewer existing exporters in related products. This suggests that Sri Lanka will need to get new knowhow for these sectors from other sources, such as through FDI.

Finally, Figures 21 (full sectors) and 22 (subsectors) compare the consolidated priority score against the Competitiveness of Hard and Soft Assets index. The top-right quadrant thus gives the sectors that are both high priority and competitive in terms of Sri Lanka’s ability to provide the required sector-specific assets, and the grey line delineates the cut-off for the average range of z-scores. In fact, most of the sectors fall into this area on the graphs, suggesting that most sectors can be promoted for FDI. For the balance of sectors, Sri Lanka may not be competitive in terms of the required sector-specific assets. One example is Chemical Products: it is a high-priority full sector (ranked 7th), but Sri Lanka is not competitive in its required assets. Specifically, the sector has very high requirements for waste disposal (both hazardous and non-hazardous waste) and electricity; this infrastructure is not readily available, or is very expensive. Sri Lanka must develop the required assets for these sectors before promoting them for investment.







Results: Sector Rankings and Promotional Strategies

The following Tables 2 and 3 summarize the performance of the highest priority sectors. (See Appendix B for results covering all sectors, including the subindex scores.)

The list of priority sectors includes activities that have the capacity to attract FDI and promote exports, while also offering potential benefits to the economy. The list also includes sectors that could be thought of as long-term but important targets for the country, as they are hard to pursue (with low levels of current activity in Sri Lanka) but offer a lot of potential impact (and will contribute significantly to the economy's diversification). They could be called "innovative" sectors that Sri Lanka will only reach if significant changes are made to the investment environment that attracts novelty. Thus, it is important to look more deeply into the characteristics and requirements of different target sectors, to identify sectors that offer appeal in terms of diversification and also have some strength in Sri Lanka today.

Table 2 presents the highest priority full sectors. Of these, the top sectors (all scoring "High" in the priority index) derived were Electronics, Industrial Machinery, Automotive, Tourism, Electrical Equipment, and Fabricated Metal Products. All these sectors obtained "Average" to "Very High" scores in the impact, opportunity and investor interest indices. Out of the top 12 priority sectors, there were 9 manufacturing sectors; nearly all top full sectors involve the manufacture of light engineering products.

Next, Table 3 gives the highest priority subsectors, grouped according to their parent full sector. Nearly all of the top subsectors have "Average" to "High" scores in the impact for Sri Lankan Economy index; these sub sectors also scored "Average" to "Very High" in terms of Market Opportunity index. The top subsectors also scored "Average" to "High" in Investor Interest, with a few exceptions (Medical Devices, Valves, Heating Equipment, Pumps for Liquids and Vehicle Lighting Equipment).¹³

To determine suitable promotional strategies for the priority subsectors, the z-scores of Current Strength and Current know-how were considered. Seven out of top 16 subsectors qualified for export promotion (Printed Circuits, Auto Parts, Electricity Panels, Insulated Wires, Screws & Nuts, Structural Metal Products, and Ceramics) as they scored in the "Average" to "Very High" range in these indices. However, only two of the top 6 full sectors qualified; these are tourism and electrical equipment.

Based on the competitiveness of their required assets, virtually all priority sectors were determined to offer potential for FDI (other than chemical products and basic metals). Some of these sectors may be more appropriate for attracting FDI in the medium to longer term, depending on the judgement of promotional officers. In all cases, efforts should be focused on identifying and removing the constraints currently hindering the investment potential of these sectors.

¹³ Note that Table 3 does not contain any subsectors related to the tourism full sector. While the team was able to consider tourism as a full sector, insufficient data existed at disaggregated levels. Future studies may consider tourism subsectors, e.g. business tourism (MICE) or medical tourism.

Table 2: Index scores for top priority full sectors

Rank /30	Sectors	Priority index scores				Promotion index scores			
		Overall	Impact for Sri Lanka	Market opportunity	Investor interest	Strategy	Current strength	Current know-how	Hard & soft assets
Top Sectors (ranked 1st to 6th)									
1	Electronics	0.63							
2	Industrial machinery	0.55							
3	Automotive	0.52							
4	Tourism	0.48						n/a	
5	Electrical equipment	0.39							
6	Fabricated metal products	0.38							
Sectors ranked 7th to 12th									
7	Chemical products	0.36							
8	Medical, jewelry, toys	0.23							
9	Food products	0.23							
10	BPO	0.19						n/a	
11	IT and software development	0.17						n/a	
12	Basic metals	0.16							

Scores (normal distribution quintile):

- Very high (top quintile)
- High (second quintile)
- Average (middle quintile)
- Low (fourth quintile)
- Very low (bottom quintile)

Strategies:

- Promote existing & emerging exporters
- Target investment & knowhow from abroad
- Improve required hard & soft assets

n/a: data not available

Table 3: Index scores for top priority subsectors

Rank /29	Subsectors	Priority index scores				Promotion index scores			
		Overall	Impact for Sri Lanka	Market opportunity	Investor interest	Strategy	Current strength	Current know-how	Hard & soft assets
(1) Electronics									
1	Solar cells & related	0.52							
11	Printed circuits	0.17							
(2) Industrial machinery									
7	Production machinery	0.27							
10	Valves	0.18							
12	Heating equipment	0.16							
15	Pumps for liquids	0.05							
(3) Automotive									
2	Auto parts	0.45							
16	Vehicle lighting equipment	0.00							

Scores (normal distribution quintile):

- Very high (top quintile)
- High (second quintile)
- Average (middle quintile)
- Low (fourth quintile)
- Very low (bottom quintile)

Strategies:

- Promote existing & emerging exporters
- Target investment & knowhow from abroad
- Improve required hard & soft assets
- n/a: data not available

Table 3 (continued): Index scores for top priority subsectors.

Rank /29	Subsectors	Priority index scores				Promotion index scores			
		Overall	Impact for Sri Lanka	Market opportunity	Investor interest	Strategy	Current strength	Current know-how	Hard & soft assets
(5) Electrical equipment									
9	Electricity panels	0.24							
14	Insulated wires	0.10							
(6) Fabricated metal products									
3	Hand tool components	0.35							
4	Screws, bolts, washers, nuts	0.31							
6	Foundry equipment	0.30							
13	Structural metal products	0.13							
Other sectors									
5	Medical devices	0.31							
8	Ceramics	0.26							

Scores (normal distribution quintile):

- Very high (top quintile)
- High (second quintile)
- Average (middle quintile)
- Low (fourth quintile)
- Very low (bottom quintile)

Strategies:

- Promote existing & emerging exporters
- Target investment & knowhow from abroad
- Improve required hard & soft assets

n/a: data not available

Results: Hard and Soft Asset Competitiveness

The previous section included the results of the Asset Competitiveness index, which evaluated sectors' appropriateness for promotion based on their required hard and soft assets. However, the assets themselves merit close attention in their own right.

Before assessing the importance of soft and hard assets to individual sectors, the study evaluated the soft and hard assets' cost competitiveness in Sri Lanka in general. The appurtenant variables were gathered from diverse set of data sources, such as JETRO, AT Kearney and the World Bank. The required benchmarking data were gathered covering nine hard assets (Industrial Land, Industrial Use water, Wastewater Treatment, Solid waste Treatment, Electricity Price, Electricity Stability, Fuel and Gas, ICT Infrastructure, Shipping and Border Administration) and three soft assets (Cost of Managers, Engineers and General Workers).

In order to assess how well Sri Lanka performs compared to its competing countries, "z-scores" for each variable were calculated (Table 4). It was revealed that Sri Lanka is very competitive in terms of many soft and hard assets, with especially high z-scores for the cost of managers, general workers and shipping. At the same time, Sri Lanka is relatively competitive in the cost of its national average wage rate, rentals for industrial parks, industrial use water, and ICT usage. However, Sri Lanka has scored below its competitors regarding national spending on R&D, indicating poorly in terms of innovation competitiveness. Assets related to waste management and energy also appeared to underperform.

The study continued by analysing the asset requirements of the top 12 full sectors (Table 5). It was found that the cost of electricity and general workers are most important for the top full sectors, followed by electricity stability, cost of industrial land, industrial-use water, managers and engineers. However, it is also noted that out of these most important assets, Sri Lanka is very competitive in terms of cost of general workers, but very poor in terms of electricity cost. Similarly, Sri Lanka is either competitive or average in the other important assets. These aspects need to be considered thoroughly in deciding how Sri Lanka should prioritize improving the assets' performance.¹⁴ If the country performs poorly in the most important assets for these sectors, then highest priority should be given for policies aimed at improving them.¹⁵

The team later extended this analysis to make comparisons within Sri Lanka, adding site-specific criteria (such as land acreage) and district-level statistics (such as the unemployment rate). This helped prioritize sites for industrial zone development. A description of the exercise is found in the following section.

¹⁴ Of course, any analysis determining which assets to improve should be complemented and updated through regular dialogue with potential investors, who may have special expertise on which factors their sector requires.

¹⁵ Note that these assets don't need to be improved everywhere in the country to make investment become feasible. Rather, targeted asset improvements can be made in a specific location, ideally one in which other assets are also in place to make investment in the sector feasible. This is typically done through zone or cluster initiatives (see first application case study).

Table 4: Evaluation of asset competitiveness

How do we measure the cost or performance of the asset?	Value	How does Sri Lanka perform?	How does Sri Lanka compare to its competitors?	Source
Hard assets				
Industrial land				
Industrial park rent (mid-level), USD per sq. m	1.40	0.58	Competitive	JETRO survey
Commercial space				
Office rent (mid-level), USD per sq. m	23	-0.52	Poor	JETRO survey
Office rent (Class-A in CBD), USD per sq. m	227	0.78	Competitive	AT Kearney
Industrial-use water				
Commercial water rate, USD/m ³	0.43	0.69	Competitive	JETRO survey
Wastewater treatment				
Wastewater treatment rate, USD/m ³	0.27	-0.87	Very poor	Various
Solid waste treatment				
Solid waste treatment rate, USD/ton	30.00	-1.09	Very poor	Various
Electricity (price)				
Price of electricity, US cents per kWh	20.1	-1.07	Very poor	WB Doing Business
Price of electricity, US cents per kWh	18	-1.60	Very poor	AT Kearney
Electricity (stability)				
System average interruption duration index (SAIDI) (hours interrupted / year)	2.8	0.03	Average	WB Doing Business
System average interruption frequency index (SAIFI) (number of interruptions / year)	2.7	-0.33	Poor	WB Doing Business
Fuel and gas				
Industrial gas rate, USD per Kg	0.91	-0.17	Average	JETRO survey
Regular gasoline price, USD per liter	0.82	-0.12	Average	JETRO survey
Light oil price, USD per liter (regular)	0.72	-0.77	Poor	JETRO survey
ICT infrastructure				
Data download speed, Kbps	1169	-0.01	Average*	WB report
Price per GB data usage, USD	2.17	0.57	Competitive	WB report

*For these variables, higher values are scored as more competitive.

Table 4 (continued): Evaluation of asset competitiveness

How do we measure the cost or performance of the asset?	How does Sri Lanka perform?	How does Sri Lanka compare to competing countries?		Source
Variable	Value	Asset competitiveness (z-score)		
Hard assets (continued)				
Shipping & border administration				
Cost of sending exports to Yokohama Japan, USD per container	440	1.06	Very competitive	JETRO survey
Days to clear direct exports through customs	7.6	-0.06	Average	WB Enterprise Surveys
Days to clear imports from customs (manufacturing only)	8.1	0.37	Competitive	WB Enterprise Surveys
Domestic transport time, hours	6	0.30	Competitive	WB Doing Business
Domestic transport cost, USD	110	0.83	Competitive	WB Doing Business
Time hours required for export/import compliance, hours	125	0.30	Competitive	WB Doing Business
Cost of export / import compliance, USD	504	0.26	Competitive	WB Doing Business
Soft assets				
Managers				
Middle management (annual salary and benefits), USD	12,746	0.89	Very competitive	JETRO survey
Middle management, non-manufacturing (annual salary and benefits), USD	13,602	0.94	Very competitive	JETRO survey
Engineers				
Mid-level engineer (annual salary and benefits), USD	7,856	0.24	Average	JETRO survey
General workers				
Manufacturing workers (annual salary and benefits), USD	2,033	1.63	Very competitive	JETRO survey
Non-manufacturing staff (annual salary and benefits), USD	5,182	1.28	Very competitive	JETRO survey
National average wage (annual), USD	1,584	0.59	Competitive	AT Kearney
R&D use and protection				
National R&D expenditure, % of GDP	0.12%	-0.72	Poor*	WB WDI
Perception of intellectual property protection, 1=worst, 7=best	4.5	0.33	Competitive*	WEF

*For these variables, higher values are scored as more competitive.

Table 5: Asset improvement strategy, based on competitiveness and requirement intensity

Hard and soft assets	How does the asset's cost or performance in Sri Lanka compare to competing countries?		How important is the asset to the top priority sectors?		How should Sri Lanka prioritize improving the asset's cost or performance?
	Asset's competitiveness in Sri Lanka (z-score)		Asset requirement weight (average of top 12 full sectors)		
Electricity (price)	-1.33	Very poor	1.9	Most important	Highest priority for improvement
Solid waste treatment	-1.09	Very poor	0.5	Less important	High priority for improvement
Hazardous waste treatment	-1.09	Very poor	0.4	Less important	High priority for improvement
Wastewater treatment	-0.87	Very poor	0.8	Important	Highest priority for improvement
Fuel and gas	-0.35	Poor	0.0	Less important	Average priority for improvement
R&D use and protection	-0.19	Average	0.4	Less important	Average priority for improvement
Electricity (stability)	-0.15	Average	1.1	Important	High priority for improvement
Engineers	0.24	Average	1.0	Important	High priority for improvement
Industrial land	0.58	Competitive	1.0	Important	No need for cost improvements (may need increased availability)
Industrial-use water	0.69	Competitive	1.0	Important	No need for cost improvements (may need increased availability)
Managers	0.92	Very competitive	1.0	Important	No need for cost improvements (may need increased availability)
General workers	1.17	Very competitive	2.0	Most important	No need for cost improvements (may need increased availability)

Next steps and lessons learned

Applying the targeting recommendations to increase FDI and exports

It is important to stress that this exercise was conducted with clear implementation mechanisms in mind: the team's primary goal was to conduct research that would be put into practice by their colleagues in the BOI and EDB. From January to March of 2017, the team met with these colleagues, in order to explain their recommendations and the underlying methodology. There was a clear appreciation from the BOI and EDB officers to have a data-based approach for their promotional efforts, and they continued to seek guidance from the team members.

Since then, a number of noteworthy initiatives have made use of the research conducted by the team. The team members themselves adopted a new goal – identifying sites in which top-ranked sectors could locate – and developed a location-specific version of sector targeting analysis for this use. (See the first Application Case Study in the following section.) Likewise, another PDIA team developed a strategy to engage with global investors in the top priority subsectors (specifically, those mapped to FDI attraction). One of the most successful was in Solar Panels and Components, which was the number one ranking subsector. (See the second Application Case Study in the following section.) Similarly, a team of EDB officers focused on promoting the recommended existing and emerging subsectors, engaging with exporters in often-overlooked non-traditional sectors. Two more PDIA teams went further, seeking to identify and remove roadblocks facing investors in targeted sectors before they arrived.¹⁶ Finally, an initiative with Sri Lanka's economic diplomats included an online training in the team's methodology, and the deployment of economic attachés to contact potential investors in priority subsectors. Altogether, the BOI, EDB and diplomatic officers contacted over 450 companies in the identified subsectors, with a number of investment applications under consideration as a result.

The team's recommendations have also been incorporated into Government strategy. The Government's "National Export Strategy," for example, uses T Team recommended sectors as a key input. The 2017-2020 Corporate Plan of the BOI also used T Team research in determining the medium term priority sectors for the BOI. Finally, the BOI and EDB have jointly created 10 new teams of dedicated officers, with each team assigned to one of the priority sectors identified by the T Team.

Other uses of the team's research are also under consideration. The team also conducted a preliminary analysis of the stakeholders and approvals associated with investment in each of the priority subsectors; this work may be used to streamline approvals in selected priority sectors. Overall, they considered 77 different line agencies, which may have influence as well as interest in investment promotion for any given sector; this suggests a significant need for interagency coordination. Likewise, the BOI is currently overhauling its processes related to investor inquiries (including through a new One-Stop Shop); data from the team could help ensure that experts are ready to handle inquiries from investors in high-priority sectors. Finally, Harvard CID has received permission from the team to apply its underlying datasets in its

¹⁶ See Andrews et al. (2017) for an account of one of these teams, the "C Team."

work outside of Sri Lanka; to date, the data has been used in research focusing on countries including Colombia, Saudi Arabia, Albania and Mexico.

Data not yet included

The analysis described here was completed mainly over a three-month period. A significantly large amount of data was collected, cleaned and merged, but more can be added.

One important dimension not measured is the generation of indirect employment and income. In future work, this could be calculated using input-output matrices (which measure forward and backward linkages between industries); in fact, Sri Lankan input-output tables are available, and these could be benchmarked against similar data from peer countries. For measuring investor interest, the team had wanted to measure the number of investor inquiries for each sector (rather than investor applications), but this data was not available; they have recommended improvements in inquiry tracking to the new BOI Single Window Facilitation Taskforce (SWIFT, formerly the One-Stop Shop). The Investor Interest index could also better incorporate datasets on bilateral investment flows (i.e. which sectors tend to receive the most FDI). And while the team had measured current exports (Under the Current Strength index), they were not able to include non-exported domestic production. This is an important variable to consider, for example in initiatives aimed at encouraging first-time exporters. Such data could theoretically be obtained through National Accounts surveys. Finally, the Product Space Density variable (Know-How Index) measures the strength of existing similar sectors, yet does not differentiate why sectors might be similar to each other. In the future, sector similarity could be explained in different dimensions: similar types of workers, similar inputs and suppliers, or similar technology (e.g. patents).¹⁷

The analysis of asset competitiveness would also benefit greatly from the inclusion of additional data. First, more assets could be considered. To begin, the team had already ascertained that Sri Lanka is competitive in shipping and border administration, and of above average competitiveness in commercial space lease costs and ICT infrastructure performance, yet had not located estimates as to which sectors had the highest requirements for these assets. For this reason, those three assets were not incorporated into the final asset competitiveness index scores. For transport infrastructure, it would be particularly useful to measure which sectors require land near a port or airport (“gateway proximity”¹⁸). For soft assets, a lack of international wage data limited the number of occupations under consideration (only managers and engineers¹⁹). Similarly, the team had measured which sectors required high-skill workers (e.g. with A-Level or university degrees), but were not able to measure the relative wages of this workforce in Sri Lanka (compared to peer countries). Finally, the team had expressed interest in measuring Sri Lanka’s availability of inputs or raw materials required by each sector.

¹⁷ See Diodato, Neffke and O’Clery (2018) and Bahar et al. (2017) as examples of such a disaggregation.

¹⁸ This information was included in the Asian Development Bank’s Colombo-Trinco Economic Corridor study (2016).

¹⁹ Ideally, every possible occupation category would be considered (at a relatively low disaggregation), allowing for a measurement of the distance between the sector’s “occupation demand” vector and Sri Lanka’s “occupation supply” vector. This could be further supplemented with measures of “skills similarity,” which reflect the fact that some similar occupations can be interchanged.

While the team was ultimately able to find international benchmarking data for 14 categories of hard and soft assets, most of these variables measure the cost of the asset (e.g. electricity tariffs or wages). The “gold standard” of competitiveness is to measure three dimensions: affordability (price), availability (or accessibility), and quality. Applying this standard to industrial land, for example, would mean evaluating Sri Lanka according to (i) the lease price in industrial zones, (ii) the amount of land available for lease in the zones, and (iii) the quality of the available land (plot size, topography, etc.). As noted in Table 5, there are important hard and soft assets in which prices are relatively low but availability may be seriously limited.

Relatedly, the quality of some of the datasets is less than ideal. In particular, a large number come from JETRO’s annual survey of investment costs. It benefits from using a particularly appropriate subsample of firms, i.e. manufacturing FDI from a high-income, industrialised economy (Japan), but the survey is not scientific (in the sense that no assurance is given that its conclusions are representative). For other assets, namely waste management and water, figures were taken from separate surveys, which is also far from ideal. Having multiple sources of wage data in particular would have bolstered the analysis’ conclusions, as (against the teams’ expectations) Sri Lanka was found to be somewhat competitive in terms of wages, leading to an “average” or better competitiveness score for nearly all sectors.

Finally, additional data for the service sectors may be required, as services coverage was limited for some datasets used. Wherever possible, multiple variables were used for each sector criterion, such that at least one variable had service coverage. For example, two measures of R&D intensity were used – one which covered only manufacturing sectors (from the OECD), and one including both manufacturing and service sectors (from the UK Statistics Office). However, not all criteria could cover services. The Economic Complexity variables (Hausmann, Hidalgo et al., 2011), measuring implied linkage creation and implied know-how, currently do not cover trade in services; these will be available in a newer iteration. This may benefit the Logistics sector in particular, which appears to have strong linkages with many export-oriented sectors. Likewise, variables generated from Sri Lankan Customs declarations (e.g. the number of exporters) do not currently cover trade in services; these could potentially be added using service export surveys already conducted by the GoSL (e.g. number of IT exporters registered with the Information and Communication Technology Agency, or number of touristic businesses registered under the Sri Lanka Tourism Development Authority).²⁰ Overall, because of the stated gaps and issues with various data sources, some caution should be taken in interpreting the results.

Possible methodology changes

It is also worth discussing possible changes to the study’s methodology.

²⁰ Currently, missing observations are removed from consideration in the weighted average for that sector; this effectively treats missing observations as equivalent to the variable’s mean value. It may be more accurate to use a “best guess” in these cases, especially for service sectors (which have a higher number of missing observations, concentrated in certain indices).

In this analysis, the team started by selecting specific markets. Specifically, the weightages came to 45% India, 45% global, 7% local and 3% China. This reflects a strategy balancing global and regional demand (including the FTA with India). Different strategies would require different countries and weightages to be considered. Another useful approach might be to let sectors set their own optimal markets. For example, garments may be more oriented towards EU and USA, while foods may be sent to Middle East (which requires more weightage for those markets).²¹ A similar adjustment could be made in the selection of investor and peer countries. The team selected Japan, Korea and China as likely sources of FDI (reflecting both global investment flows and future FTAs), and Vietnam, Thailand, and Malaysia as the main peer countries (based on similar past export structure), but this list could perhaps be adjusted dynamically.

Adding additional markets and investors would also invite the incorporation of additional trade and investment agreements. For example, the study currently incorporates the Indo-Lanka FTA, but it could add additional FTAs as they are finalized (starting with the newly-signed Singapore-Sri Lanka FTA). The analysis could also go beyond measuring duty-free coverage for each sector: one might also ask which sectors have tariffs that are below the MFN rates faced by other exporting countries to these markets. The BOI R&PA unit has already conducted such research, identifying products in which Sri Lanka enjoys better access to the Indian market than Japan does (thus making Sri Lanka a strategic investment location for those products). Finally, it would be important to focus on key intermediate markets, i.e. to link with global value chains (GVCs). GVCs are by no means excluded from this exercise, as the full sectors – including electronics, electrical, automotive, and machinery – already include intermediate products which would link to GVCs. That said, in future studies the role of GVCs in these sectors could be highlighted more directly.

Possible extensions and next steps

As described in the methodology section, this analysis covers all tradable sectors (including service exports) at a high aggregation level (30 total “full sector” categories). At a more disaggregated level, however, there are still many possible new subsectors to be added. Officers from the BOI and EDB are already prepared to add more, and officers from the Ministry of Primary Industries recently engaged in a related exercise: examining export opportunities in the agriculture and fisheries sectors (Kapukotuwa, O'Brien and Stock, 2018). An analysis of the collected datasets might also suggest the “most promising” subsectors that merit further study.

It is also possible to extend the scope of the exercise. One direction would be to use data to create more specific promotional strategies. For example, for sectors with the recommendation to “work with existing and emerging exporters,” analysis could identify the associated set of Sri Lankan companies (including ones working in related subsectors), and recommend possible strategic markets and foreign joint venture

²¹ Sometimes, the optimal market may be Sri Lanka itself. For example, the textiles and cement sectors enjoy strong local demand (in the “very high” range), reflecting the reliance on imported materials by the garments and construction sectors, respectively. Thus, these sectors would have scored more favorably had the team placed a higher weightage on the “local market demand” subindex.

partners. Likewise, GVC analysis could be used to identify the sector's most promising intermediate production segments to target – i.e. thinking of multinational manufacturers as markets.

Finally, it may be worthwhile to repeat this exercise periodically, perhaps every two to three years. The world changes (and more datasets become available), as do the promotional priorities of the government and its officers. Repeating and expanding the analysis might also serve as a useful exercise to train the next cohort of officers in data-based policy. This could include the participation of officers in agencies beyond the BOI and EDB, as there are many other agencies seeking to set their own sector priorities.

Conclusions

This study was the first of this kind in over two decades at the BOI.²² In the past, sector-specific investment incentives had been granted, but not necessarily justified based on quantitative analysis. This study is also unique globally in its diversity of sector-level data sources, combining international trade data, firm-level exporter data, labour force statistics, industry surveys and more.

This data-driven approach has yielded interesting, often unexpected results. For example, Sri Lanka's conventional sectors – wearing apparel and solid tyres – scored lower, while newer sectors like electronics and electrical equipment came out on top. In fact, the highest scoring subsector was solar panels and solar components, due to its very high regional and global demand, and very high potential investor interest (based on the export performance in similar economies).

This analysis indicates that these are important areas to investigate for policy targeting, given that some capabilities already exist in the sectors and they offer a lot to the economy. The data referenced in this targeting mechanism shows that it is important to tailor targeting strategies for each of these sectors, however. For example, a strategy for attracting investment in Tourism could tap into existing market demand and investor interest in the sector, whereas a strategy to promote Education would need to cultivate such interest (which appears low today). This has significant importance when policymakers are short-listing potential targets and thinking about the kind of land, services, skills, and other needs that an industry requires.

Sri Lanka cannot simply wait for investors to knock at its doors. Nor can it expect that investors will have identified the most promising sectors. Instead, the country must make a shift towards proactive investment and export promotion. This study represents the first step: identifying which sectors are promising (and why). It is crucial to identify those sectors' top anchor investors and domestic exporters and persuade them to invest in Sri Lanka. This work has already started, and has already yielded promising results. In parallel, it is imperative that the investment environment is improved, with special attention to the identified sectors. Only then will Sri Lanka reap the full benefits of a new export-oriented growth trajectory.

²² The most recent study at the BOI (1996) was conducted by the American consultancy "The Services Group."

Application case study: Evaluating potential sites for new industrial zones

Through the comprehensive analysis conducted, the Targeting Team was capable of identifying priority sectors for attracting investment and enhancing the exports of Sri Lanka. The next task was to identify suitable lands for establishing factories in these sectors, especially given that over 89% of the Export Processing Zones (EPZs) of the BOI are already filled. Since limited access to productive land for the potential Investors can be considered as one of the most important limiting factors to attract investments, due consideration should be given to resolving land issues prior to marketing priority sectors to the investor. (The current procedure has the investor directly sort out matters with the relevant agencies, which itself is a deterrent.)

Having identified the problem, the Land Team²³ began gathering information on available lands for investment projects. It was noted that the state owns over 80% of land in Sri Lanka, though this ownership is spread over at least ten different Ministries and Departments. The team met with many of these bodies, ultimately creating a database of over 600 available lands from the Land Use Policy Planning Department, Land Reform Commission, Urban Development Authority, Sri Lanka Railway Department, Road Development Authority, BOI Land Bank, and Prime Minister’s Office (Figure 23).

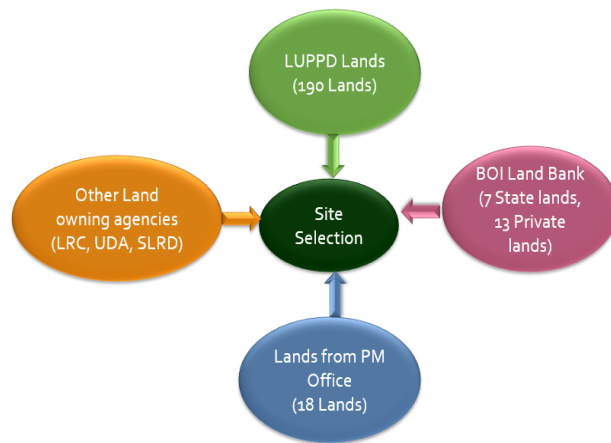


Figure 23: Lands from multiple GoSL bodies considered

The list of over 600 sites was then restricted to those with more than 50 hectares in extent (with later work focusing on the smaller sites). Next, an assessment based on satellite imagery (Google Maps) was conducted to determine each land’s suitability for further investigations. Based on this assessment, over 70 field visits were conducted to gather field data for final assessment. This field data, as well as sector expertise, formed the inputs for the analysis of land suitability for target sectors, conducted according to a sector-location methodology developed by the Team (Figure 24).



Figure 24: Stages of the site evaluation and selection process

Assessing the Sector Requirements

A Sector-Location Methodology was developed to assess the suitability of the lands for an investment in a priority sector. First, the hard and soft asset requirements for each priority sector were obtained from the Targeting Team asset competitiveness analysis, in which sectors with a higher requirement for a land characteristic received a higher weightage. However, the Team also added new land characteristics that were required equally by all sectors, such as topography and development cost.²⁴ Accordingly, an overall weightage was given to each land characteristic; these fell into four categories: hard asset availability (45% of total weightage), soft asset availability (18%), general conditions (14%), and accessibility (13%).

Assessing the Land Characteristics

Next, a set of scoring criteria was developed for each land characteristic, seen in Table 6. Each site was assigned a score between 1 to 5, considering field-level observations, available district-level data (for labour characteristics), and expertise of the Team members. For example, if a particular land is more than 400 acres in extent, then a score of 5 was assigned, whereas a land with 75 acres or less was given a score of 1. This matrix was filled for each land identified for the assessment (Table 7), which included existing BOI Zones as well.

Table 6: Site scoring criteria used

Parameter	Scoring Criteria		
	5	3	1
Hard Assets Availability			
Industrial Land Intensity	>400 acres	200 acres	75 Acres
Industrial-use water	8000m ³ /d or above	4500m ³ /d	<100m ³ /d
Wastewater treatment	6400 m ³ /d or above	3600m ³ /day	<80 m ³ /d
Solid waste treatment	>50 MT/d	30 MT/d	10MT/d
Hazardous waste treatment	>40 MT/d	30 MT/d	10MT/d
Electricity supply	>50KVA	30 KVA	10 KVA
Electricity stability	<20 Disturbance/year	100 disturbances /year	>200 Disturbance/year
Soft Assets Availability			
Skilled Employees	more than double national rate	same as national rate,	less than half national rate
General Employees	more than double national rate	same as national rate,	less than half national rate
General Conditions			
Land Topography	Flat	Slightly Undulating	Undulating
Flooding Landslides	No Flood		High Flood
Landslides	No Land Slides		High Land Slides
Relocation and Resettlement	No Relocation		High Relocation
Development Cost	Low Development Cost		High Development Cost
Accessibility			
Road	A Grade Road	B Grade Road	C Grade Road
Distance to Railway Line	Less than 1 Km	12 km	More than 25Km
Distance to Colombo Port	Less than 50 Km		More than 200 Km

Overall importance of each asset	District	Colombo	Colombo	Colombo	Kurunegala	Kurunegala	Kurunegala
	Site	Salawa	Elston	Penrith	German watta	Gorakagasa gara Watta	Kowulwewa Watta
45% Hard Assets Availability							
1.5	Industrial Land Intensity	5	5	5	2	3	2
1	Industrial-use water	5	3	5	1	1	1
0.75	Wastewater treatment	5	3	5	1	1	1
0.5	Solid waste treatment	3	3	3	3	3	3
0.33	Hazardous waste treatm	1	1	1	1	1	1
2.5	Electricity supply	5	5	5	5	5	5
1	Electricity stability	5	5	5	4	4	4
18% Soft Assets Availability							
1	Skilled Employees	4	4	4	4	4	4
2	General Employees	2	2	2	2	2	2
24% General Conditions							
1	Topography	5	1	1	5	5	5
0.5	Flooding	5	5	5	5	5	5
0.5	Landslides	5	1	1	5	5	5
1	Relocation and Resettler	3	1	1	4	4	4
1	Development Cost	2	1	1	2	2	2
13% Accessibility							
1	Road	5	5	5	2	2	2
0.25	Distance to Railway Line	4	4	4	3	3	3
1	Distance to Colombo Por	5	5	5	3	3	3

Table 7: Examples of scores allocated for six lands

Then the two matrices – land characteristics and sector requirement – were multiplied to generate a final scoring for each land for each sector. The scoring was between 1 and 5: a score of 5 signals that the land is a perfect match for the sector in terms of the land characteristics the sector requires; scores under 3 were taken to mean that the land is not suitable for the sector. The average score of each land for the T Team’s top 12 full sectors were calculated. Based on this analysis, 29 sites with an average scoring value above 3 were identified and were prioritized.

The Outcome

Out of the prioritized lands, the top-ranking locations were recommended for development into EPZs (Figure 25). A separate detailed report focusing on the list of lands given by the Prime Minister’s Office was also submitted, prioritizing the suitability of those lands for investment projects. Ultimately, the 2018 Budget allocated funding for zones, and development is underway in four identified sites so far (including one as a PPP).

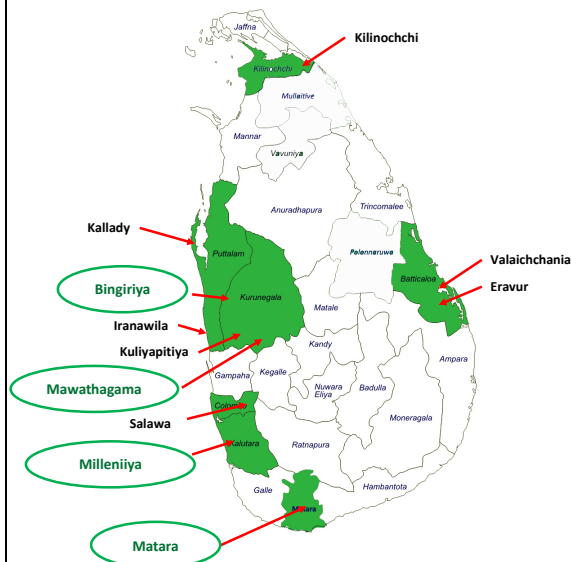


Figure 25: Locations of lands in development (green) and other top-ranked lands (black)

²³ The Land Team consists of nine BOI officers with diverse expertise, representing multiple departments of the BOI: Engineering Approvals, Environment Management, Project Implementation, Technical Services, Legal, Investment Appraisal, Research & Policy Advocacy, and Zone Management. The officers are: Upali Senarath, Ranjan Sibera, Sujani Pilapitiya, Priyanka Samaraweera, Lalith Katugampalage, Nalini Egodawatte, Sukumary Niranjana, Tharaka Jayawardena & Marlon Perera.

²⁴ The team also evaluated lands based on their accessibility, such as distance to Colombo Port. This would be a requirement for some sectors more so than others (e.g. perishable food items). However, the team was not able to measure sector-specific accessibility requirements. As such, the sector weightages are equal for these variables.

Application case study: Attracting anchor investors in solar manufacturing²⁵

As per T Team findings on sector targeting, Solar Panel Manufacturing was identified as a potential sector for investment in Sri Lanka. The “I Team,” consisting of dedicated officers for investment promotion,²⁶ was assigned to promote Sri Lanka as an attractive destination for this and other priority sectors, and attract key “anchor investors.” The timeframe given for this task was period of one year.

Solar Panel Manufacturing would be a pioneer sector for Sri Lanka. There were no existing manufacturers in the country except one player who was under construction status. Thus, this was a new technology for the country, unfamiliar to Sri Lanka’s workers, suppliers and government bodies. This formed a challenge for the I Team, but with trainings from Harvard researchers, the team crafted a four-step strategic approach (Figure 26), combining existing BOI investment promotion methods with a more proactive targeting of key sectors, countries and companies.

1. Identification of sectors

The I Team began their consideration of sectors to be promoted based on their understanding and experience; this was coupled with the technical sector targeting mechanism of the T Team. As a result, “Solar Panel Manufacturing” was selected as one of five subsectors to be promoted for investment.

2. Understanding the sector

The I Team strongly believed that, prior to approaching investors, the team should understand the sector very well. The team started with desk research to gather information with regard to the global and local scenarios of the solar panel manufacturing sector. Subsequently, they arranged meetings with sector experts, professionals, university academics, relevant ministries, and others.

Figure 26:
Strategic
Approach of I
Team in Investor
Engagement



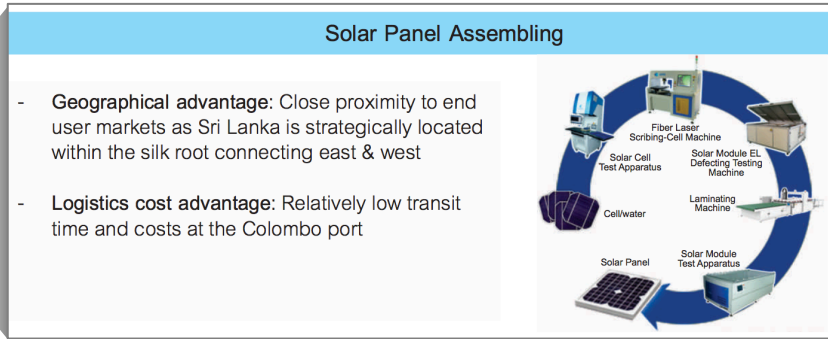


Figure 27: Excerpt from I Team Pitch Book for Solar Panel sector investment

In addition, the team visited a small-scale solar panel assembling plant, gaining an initial understanding of the manufacturing process. All these activities made the team knowledgeable in the field of solar panel manufacturing. Soon, they were confident enough to engage with investors, and could begin to identify target companies to be attracted.

3. Promotional Materials

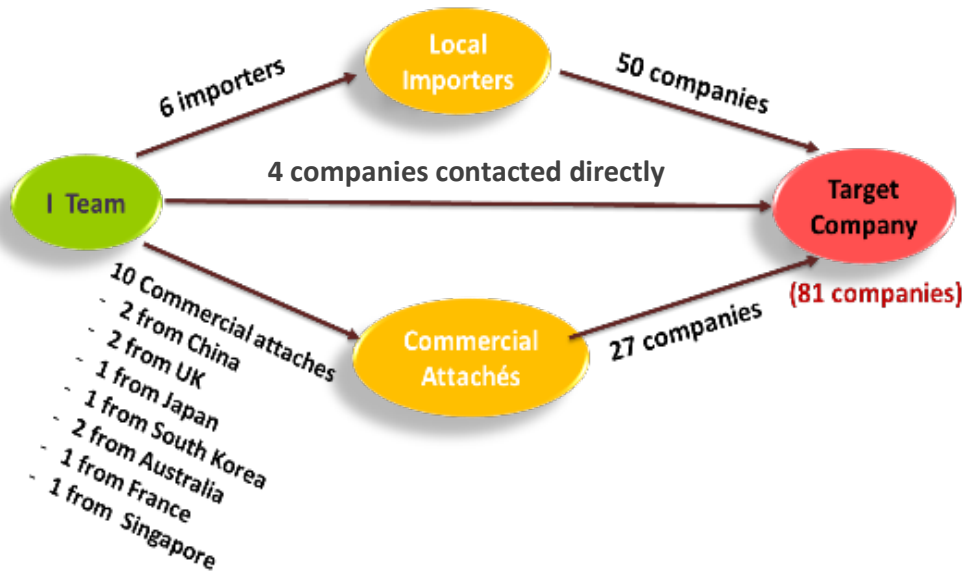
With the understanding of the sector, the team prepared a “pitch book” which could be used as a promotional material at the time of engaging with investors (Figure 27). This pitch book consisted of sector-specific positive factors given in an attractive and summarized manner, which could build a positive first impression of Sri Lanka as a preferred destination for investment. The next step taken was to prepare a “Market Study Report” with detailed information on the Solar Panel Manufacturing sector, which could be distributed among the potential investors.

4. Building Networks and Engaging with Investors

The final step of the I Team was building a network for direct and indirect engagement with investors. Several contact nodes were identified to engage with target investors such as commercial attaches, business councils, importers, associations, chambers, international gatherings, and others (Figure 28).

One company, a top Chinese solar manufacturer, was among the top of the target companies of the I Team for the Solar Panel Manufacturing sector. The company had done its initial feasibility studies and visited Sri Lanka to investigate the potential for establishing a solar panel assembling plant there. Its executives met with the top management of BOI along with the I Team members. The I Team received the opportunity to deliver knowledge gathered through their four-step strategic approach and convince them to submit a solid proposal for investment in Sri Lanka. The team arranged a site visit to Mirigama Export Processing Zone (MEPZ), and the company selected MEPZ as their preferred location for the investment project.

Figure 28:
Building
networks to
engage with
potential
anchor
investors



The investment proposal consisted of the details of the planned project along with requested policy changes. The I Team immediately acted on these requests, and submitted a policy paper for Cabinet Committee on Economic Management (CCEM), chaired by the Honourable Prime Minister. The CCEM granted approval for all the recommendations made, and the investor is now in the process of initiating the investment project in Sri Lanka.

In addition to this investor, there are other solar companies in the queue, from expressions of interest to pre-application. Most importantly, there now exist officers at the BOI with expertise in proactive targeting and engagement of top solar investors (and in other key sectors).

²⁵ This section was authored by Ganga Palakatiya.

²⁶ Investor Engagement Team (I Team) Members were officers from the BOI Sri Lanka. These officers were: L K D Lawrance, Nelson Kumaratunga, Dilip Samarasinghe, Vipula Jayasinge, Ganga Palakatiya, Dhammika Basnayake, Krishnatha Britto, Indunil Perera, Hemadree Naotunna, and Rushda Niyas. For a full account of the I-Team's experience, see Andrews et al. (2017).

Bibliography

- Andrews, M., D. Ariyasinghe, T. Batuwanthudawa, S. Darmasiri, N. de Silva, P. Harrington, P. Jayasinghe, U. Jayasinghe, G. Jayathilake, J. Karunaratne, L. Katugampala, J. Liyanapathirane, C. Malalgoda, T. McNaught, A. Poobalan, S. Ratnasekera, P. Samaraweera, E. Saumya, D. Stock, U. Senerath, R. Sibera, I. Walpita, and S. Wijesinghe (2017). "Learning to Target for Economic Diversification: PDIA in Sri Lanka". CID Faculty Working Paper No. 332
- Andrews, M., D. Ariyasinghe, A. S. Beling, P. Harrington, T. McNaught, F. Nafla Niyas, A. Poobalan, M. Ramanayake, H. Senavirathne, U. Sirigampala, R. M. Weerakone, and W. A. F. J. Wijesooriya. (2017). "Learning to Improve the Investment Climate for Economic Diversification: PDIA in Action in Sri Lanka". CID Faculty Working Paper Series (337).
- Andrews, M., D. Ariyasinghe, K. Britto, P. Harrington, N. Kumaratunga, M.K.D. Lawrance, T. McNaught, H. Naotunna, G. Palaketiya, A. Poobalan, D. Samarasinghe, and P. Wijayathilake. (2017). "Learning to Engage New Investors for Economic Diversification: PDIA in Action in Sri Lanka". CID Faculty Working Paper Series (336).
- Andrews, M., L. Pritchett & M. Woolcock (2013). "Escaping Capability Traps Through Problem Driven Iterative Adaptation (PDIA)." *World Development* 51(2013): 234 – 244.
- Asian Development Bank (2016). "Colombo - Trincomalee Economic Corridor (CTEC): Comprehensive Development Plan."
- Board of Investment (1996). "Sri Lanka Investor Targeting Strategy - Draft Report" with The Services Group
- Bahar, D., E. Stein, R. Wagner, & S. Rosenow (2017). "The birth and growth of new export clusters: which mechanisms drive diversification?" CID Fellows Working Paper Series (86).
- Diodato, D., F. Neffke & N. O'Clery, 2018. "Why do industries coagglomerate? How Marshallian externalities differ by industry and have evolved over time," *Papers in Evolutionary Economic Geography (PEEG)* 1814, Utrecht University.
- Hausmann, R., & Rodrik, D. (2006). "Doomed to choose: Industrial policy as predicament." John F. Kennedy School of Government, Harvard University.
- Hausmann, R., C. A. Hidalgo, S. Bustos, M. Coscia, A. Simoes, and M. A. Yildirim (2014). "The Atlas of Economic Complexity: Mapping Paths to Prosperity." Cambridge, MA: MIT Press.
- Hidalgo, C.A., Klinger, B., Barabási, A.L. and Hausmann, R., (2007). "The product space conditions the development of nations." *Science*, 317(5837), pp.482-487
- Kapukotuwa, S., T. O'Brien, and D. Stock (2018). "[Opportunity Analysis of Agriculture Products in Sri Lanka: Measuring markets and feasibility.](#)" Ministry of Primary Industries of Sri Lanka and Harvard CID.
- O'Donovan, D. (2017). Investment Policy and Promotion trainings. World Bank Group (unpublished).
- Palacios, M. (2013), "Labor Intensity, Risk, and Return" Vanderbilt Owen Graduate School of Management Research Paper No. 2024365

Data sources

This exercise collected variables from a large number of datasets and studies, reflecting the wide range of sector performance criteria that the team sought to quantify. Table 8 summarizes these data sources.

Organization	Dataset	Topics covered	Years covered
Sector performance sources			
Board of Investment (SL)	Investment Management Information System	Investment applications & locations in SL	2017
Board of Investment (SL)	Research & Policy Advocacy analysis	India and Japan trade regime analysis	2017
Board of Investment (SL)	Technical Services analysis	Energy, land, waste & water intensity	2017
Customs (SL)	Export declarations	Sri Lankan exporters	2013-16
Dept. of Census & Statistics (SL)	Economic Census	Sri Lankan companies	2013-14
Dept. of Census & Statistics (SL)	Labour Force Surveys	Sri Lankan workers	2013-14
Dept. of Census & Statistics (SL)	National Accounts	Value addition in Sri Lanka	2014
UN Statistics Division	COMTRADE, via CID and CEPII	Trade in goods	2015
UN Statistics Division	COMTRADE	Trade in services	2014
UNIDO	Indstat 2013	Wages, labour intensity	2006-10
UNIDO	Energy Statistics for Economic Analysis	Energy intensity	2010
OECD	ISIC Technology Intensity Definition	Innovation intensity	1999
Office for National Statistics (UK)	R&D in UK Businesses	Innovation intensity	2011-13
Bureau of Economic Analysis (US)	NIPA tables, via Palacios (2013)	Labour intensity	1947-97
Bureau of Labor Statistics (US)	Occupational Employment Statistics	Wages, education, occupations	2016
Country competitiveness performance sources			
JETRO	Asia-Pacific Investment Cost Survey	Factor costs	2015-16
World Bank Group	Enterprise Surveys	Infrastructure performance	various
World Bank Group	Doing Business Indicators	Infrastructure performance	2016
World Bank Group	World Development Indicators	Innovation performance	various
World Economic Forum	Global Competitiveness Index	Innovation performance	2015-16
AT Kearney	Global Services Location Index	Factor costs	2011
Various sources	Country-specific studies and reports	Other cost & performance comparisons	various

Table 8: Overview of datasets and sources used in sector targeting exercise

Appendix A:

Sector scorecards

Guide to the sector scorecards

The first page of the sector scorecards gives a snapshot of the sector’s overall performance. The scores here are based on the data points given in the following page.

The scores given here are z-scores, which compare the performance of the sector with the performance of all sectors.

These scores can be interpreted as falling into five quintiles: from less than -0.85 (“very low”) to more than 0.85 (“very high”), with scores between -0.25 to 0.25 denoting the “average” quintile.

The first component is sector prioritization. Sectors with high prioritization scores are the most promising for promoting investment. The score is calculated using three indices measuring positive impact to the economy, market opportunity and investor interest.

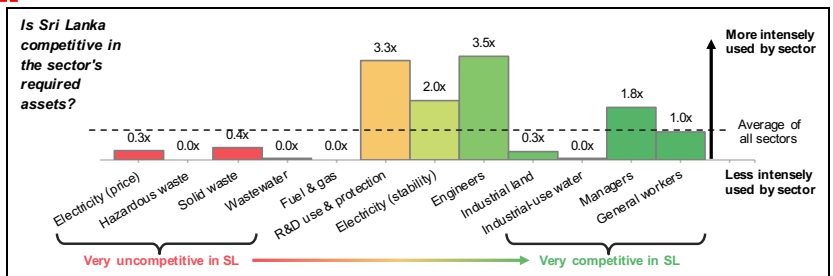
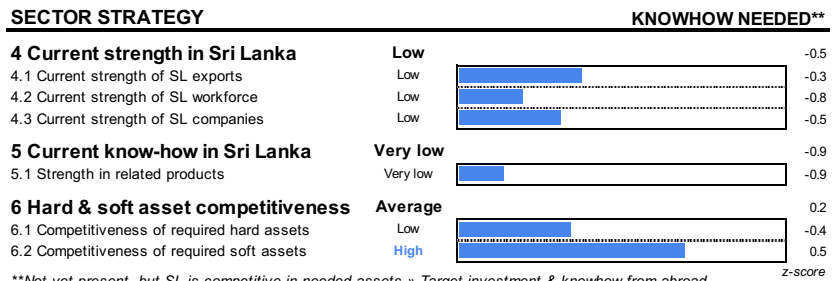
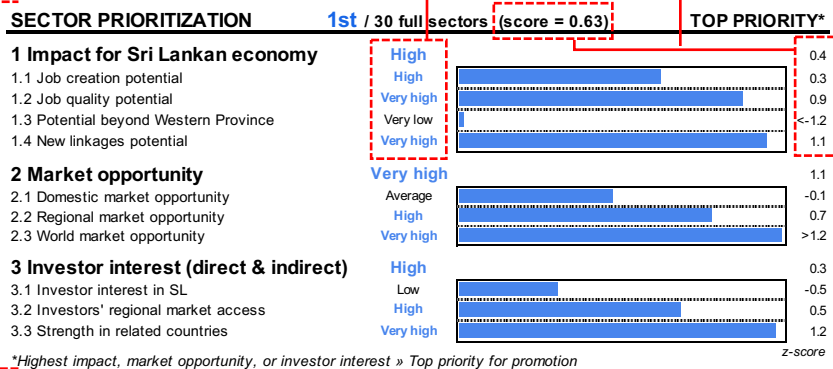
The next component sets strategies for the promotion of high-priority sectors. These are determined using 3 indices measuring how well the sector is doing in Sri Lanka today. Depending on the scores, a sector may be recommended for export development, investment promotion, or hard and soft asset improvements.

This graph explains a sector’s potential competitiveness in Sri Lanka.

The height of the columns represents the sector’s requirement of each asset. e.g. when considering engineers, the electronic sector’s requirement is 3.5 times higher than average.

The colours given range from red (less competitive in Sri Lanka) to green (very competitive) based on the analysis of regional cost competitiveness. e.g. wages for managers in Colombo are lower than those in Kuala Lumpur and other peer cities.

Electronics		Full sector	
Key statistics (2015-2016)			
Exports from Sri Lanka (USD mn)	149.0	Major exporters (over USD 1mn for 3 years)	6
Imports from Sri Lanka (USD mn)	779.2	BOI companies in operation	12
World market (USD bn)	2,328.3	Employment in Sri Lanka	3,733



The second page of the sector scorecards gives the real values for each variable. These are used to calculate the priority and promotional indices found in the first page.

Electronics

	value	z-score	quintile
Index 1: Impact for SL economy			
1.1 Job creation potential			
Jobs per value added (SL; per Rs mn)	0.80	Average	
Jobs per value added (peers; z-score)	-0.45	Average	
Wages per value added (USA)	78%	Very high	
1.2 Job quality potential			
Average wage rate (SL; Rs per hour)	81	Low	
Average wage rate (peers; z-score)	0.42	Average	
Average wage rate (USA; USD per year)	76,727	Very high	
Employment for youth (in SL)	51%	Very high	
Employment for women (in SL)	40%	High	
1.3 Potential beyond Western Province			
BOI projects beyond Western Prov.	5%	Low	
Employment beyond Western Prov.	6%	Very low	
1.4 New linkages potential			
Opportunity Gain index (z-score)	1.12	Very high	
Index 2: Market opportunity			
2.1 Domestic market opportunity			
Imports in SL (current, USD mn)	779	High	
Imports in SL (vs global per capita)	12%	Low	
Imports in SL (3-year increase, USD mn)	-1	Very low	
2.2 Regional market opportunity			
Imports in India (current, USD mn)	31,484	Very high	
Imports in India (vs global per capita)	7%	Average	
Imports in India (3-year increase, USD mn)	+2,719	Very high	
Coverage under ISFTA	100%	High	
Imports in China (current, USD mn)	280,631	Very high	
Imports in China (vs global per capita)	63%	High	
2.3 World market opportunity			
Imports globally (current, USD bn)	2,328.3	Very high	
Imports globally (3-year increase, USD bn)	+234.8	Very high	
Index 3: Investor interest (direct and indirect)			
3.1 Investor interest in SL			
Recent investor applications	3	Low	
New exporters in SL (>10k USD)	47	Low	
New exporters in SL (>100k USD)	16	Low	
Rate of new vs. consistent exporters	1.5	Average	
3.2 Investors' regional market access			
China's share of Indian market	48%	Very high	
Japan's share of Indian market	2%	Average	
Korea's share of Indian market	6%	High	
3.3 Strength in related countries			
Exports from peers (vs global per capita)	469%	Very high	
Exports from India (vs global per capita)	1%	Low	
Exports from China (vs global per capita)	173%	Very high	
Index 4: Current strength in Sri Lanka			
4.1 Current strength of SL exports			
Exports from SL (current, USD mn)	149.0	Average	
Exports from SL (vs global per capita)	2.2%	Low	
SL's share of Indian market	0.10%	Low	
4.2 Current strength of SL workforce			
Current employment in SL	3,733	Very low	
Worker training in SL	30%	High	
4.3 Current strength of SL companies			
Consistent exporters in SL (>100k USD)	11	Low	
Consistent exporters in SL (>1mn USD)	6	Low	
Consistent exporters in SL (>10mn USD)	1	Low	
BOI companies in operation	12	Low	
Index 5: Current know-how in Sri Lanka			
5.1 Strength in related products			
Product Space density index (z-score)	-0.90	Very low	
Index 6: Hard and soft asset requirements			
6.1 Hard asset requirements			
Industrial land use (BOI estimate)		0.3x avg	
Energy use (UNIDO estimate)		0.3x avg	
Energy use (BOI estimate)		0.3x avg	
Electricity stability required (BOI estimate)		2.0x avg	
Fuel or gas use (BOI estimate)		0.0x avg	
Industrial water use (BOI estimate)		0.0x avg	
Wastewater production (BOI estimate)		0.0x avg	
Solid waste production (BOI estimate)		0.4x avg	
Hazardous waste production (BOI estimate)		0.0x avg	
6.2 Soft asset requirements			
Managers required (in USA)		1.0x avg	
Engineers required (in USA)		3.5x avg	
General workers required (in SL)		1.0x avg	
General workers required (in peer countries)		0.9x avg	
Skilled workers required (in SL)		1.0x avg	
Skilled workers required (in USA)		2.2x avg	
Research & development use (in OECD)		2.7x avg	
Research & development use (in UK)		3.9x avg	
Notes:			
Sector defined as ISIC C26. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.			
Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.			
z-score quintiles are based on normal distribution:			
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).			

Full sector

The scorecards pertain to either "full sectors" or "subsectors." There are scorecards for 30 full sectors (every tradable activity, including service exports, at a very high level) and 29 subsectors (more specific activities, selected for study by the Targeting Team).

Here, the shaded cells represent the measured intensity of the sector's requirements for each hard and soft asset. The darker the shade, the higher the requirement.

The full list of data sources is given in the previous section.

Electronics

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	149.0	Major exporters (over USD 1mn for 3 years)	6
Imports from Sri Lanka (USD mn)	779.2	BOI companies in operation	12
World market (USD bn)	2,328.3	Employment in Sri Lanka	3,733

SECTOR PRIORITIZATION

1st / 30 full sectors (score = 0.63)

TOP PRIORITY*

1 Impact for Sri Lankan economy

High

0.4

1.1 Job creation potential

High

0.3

1.2 Job quality potential

Very high

0.9

1.3 Potential beyond Western Province

Very low

<-1.2

1.4 New linkages potential

Very high

1.1

2 Market opportunity

Very high

1.1

2.1 Domestic market opportunity

Average

-0.1

2.2 Regional market opportunity

High

0.7

2.3 World market opportunity

Very high

>1.2

3 Investor interest (direct & indirect)

High

0.3

3.1 Investor interest in SL

Low

-0.5

3.2 Investors' regional market access

High

0.5

3.3 Strength in related countries

Very high

1.2

z-score

*Highest impact, market opportunity, or investor interest » Top priority for promotion

SECTOR STRATEGY

KNOWHOW NEEDED**

4 Current strength in Sri Lanka

Low

-0.5

4.1 Current strength of SL exports

Low

-0.3

4.2 Current strength of SL workforce

Low

-0.8

4.3 Current strength of SL companies

Low

-0.5

5 Current know-how in Sri Lanka

Very low

-0.9

5.1 Strength in related products

Very low

-0.9

6 Hard & soft asset competitiveness

Average

0.2

6.1 Competitiveness of required hard assets

Low

-0.4

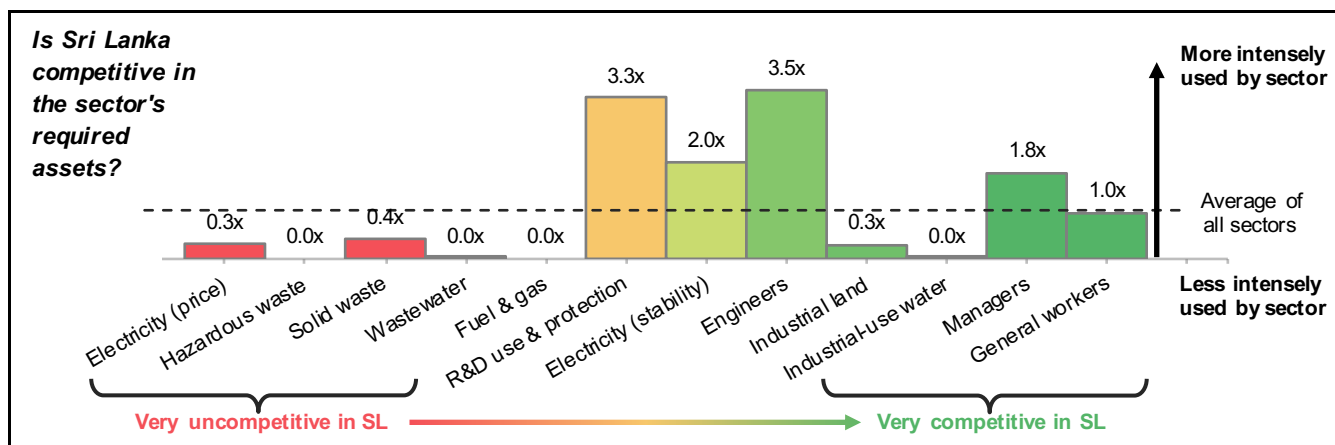
6.2 Competitiveness of required soft assets

High

0.5

z-score

**Not yet present, but SL is competitive in needed assets » Target investment & knowhow from abroad



	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	-0.45	Average
Wages per value added (USA)	78%	Very high
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	81	Low
Average wage rate (peers; z-score)	0.42	Average
Average wage rate (USA; USD per year)	76,727	Very high
Employment for youth (in SL)	51%	Very high
Employment for women (in SL)	40%	High
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	5%	Low
Employment beyond Western Prov.	6%	Very low
1.4 New linkages potential		
Opportunity Gain index (z-score)	1.12	Very high

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	779	High
Imports in SL (vs global per capita)	12%	Low
Imports in SL (3-year increase, USD mn)	-1	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	31,484	Very high
Imports in India (vs global per capita)	7%	Average
Imports in India (3-year increase, USD mn)	+2,719	Very high
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	280,631	Very high
Imports in China (vs global per capita)	63%	High
2.3 World market opportunity		
Imports globally (current, USD bn)	2,328.3	Very high
Imports globally (3-year increase, USD bn)	+234.8	Very high

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	3	Low
New exporters in SL (>10k USD)	47	Low
New exporters in SL (>100k USD)	16	Low
Rate of new vs. consistent exporters	1.5	Average
3.2 Investors' regional market access		
China's share of Indian market	48%	Very high
Japan's share of Indian market	2%	Average
Korea's share of Indian market	6%	High
3.3 Strength in related countries		
Exports from peers (vs global per capita)	469%	Very high
Exports from India (vs global per capita)	1%	Low
Exports from China (vs global per capita)	173%	Very high

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	149.0	Average
Exports from SL (vs global per capita)	2.2%	Low
SL's share of Indian market	0.10%	Low
4.2 Current strength of SL workforce		
Current employment in SL	3,733	Very low
Worker training in SL	30%	High
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	11	Low
Consistent exporters in SL (>1mn USD)	6	Low
Consistent exporters in SL (>10mn USD)	1	Low
BOI companies in operation	12	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.90	Very low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.3x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.3x avg
Electricity stability required (BOI estimate)	2.0x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.8x avg
Engineers required (in USA)	3.5x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	0.9x avg
Skilled workers required (in SL)	1.0x avg
Skilled workers required (in USA)	2.2x avg
Research & development use (in OECD)	2.7x avg
Research & development use (in UK)	3.9x avg

Notes:

Sector defined as ISIC C26. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Industrial machinery and equipment

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	203.3	Major exporters (over USD 1mn for 3 years)	9
Imports from Sri Lanka (USD mn)	1,141.5	BOI companies in operation	19
World market (USD bn)	1,317.0	Employment in Sri Lanka	4,404

SECTOR PRIORITIZATION **2nd / 30 full sectors (score = 0.55)** **TOP PRIORITY***

Category	Impact	z-score
1 Impact for Sri Lankan economy	High	0.7
1.1 Job creation potential	High	0.3
1.2 Job quality potential	Average	-0.1
1.3 Potential beyond Western Province	Low	-0.7
1.4 New linkages potential	Very high	>1.2
2 Market opportunity	High	0.5
2.1 Domestic market opportunity	Average	0.1
2.2 Regional market opportunity	High	0.5
2.3 World market opportunity	High	0.5
3 Investor interest (direct & indirect)	High	0.5
3.1 Investor interest in SL	Average	0.2
3.2 Investors' regional market access	Very high	>1.2
3.3 Strength in related countries	Low	-0.3

*Highest impact, market opportunity, or investor interest » Top priority for promotion

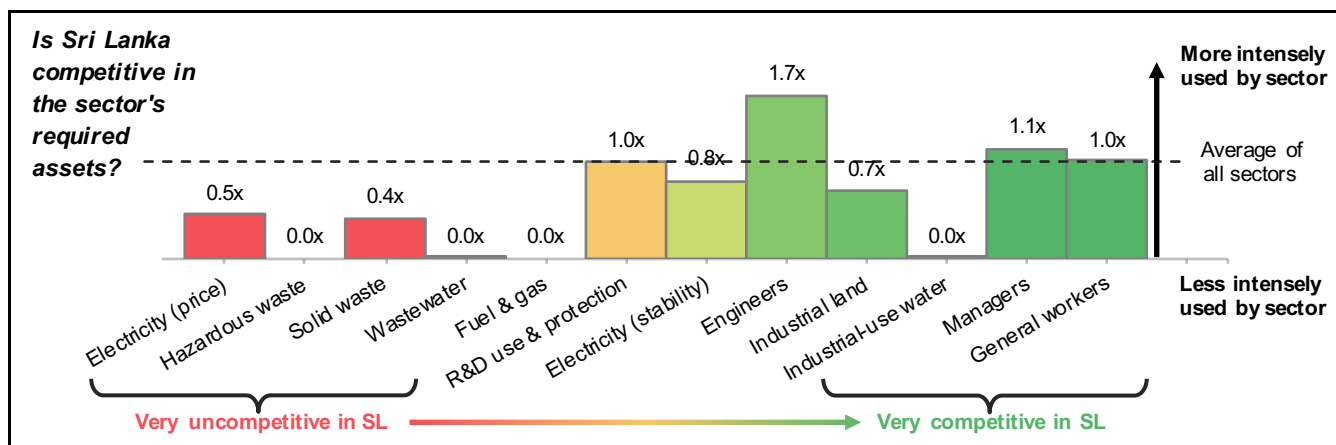
z-score

SECTOR STRATEGY **KNOWHOW NEEDED****

4 Current strength in Sri Lanka	Low	-0.5
4.1 Current strength of SL exports	Average	-0.2
4.2 Current strength of SL workforce	Very low	-1.0
4.3 Current strength of SL companies	Low	-0.4
5 Current know-how in Sri Lanka	Very low	<-1.2
5.1 Strength in related products	Very low	<-1.2
6 Hard & soft asset competitiveness	High	0.3
6.1 Competitiveness of required hard assets	Low	-0.4
6.2 Competitiveness of required soft assets	High	0.7

**Not yet present, but SL is competitive in needed assets » Target investment & knowhow from abroad

z-score



Industrial machinery and equipment

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	-0.09	Average
Wages per value added (USA)	74%	High
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	76	Low
Average wage rate (peers; z-score)	0.44	High
Average wage rate (USA; USD per year)	50,659	High
Employment for youth (in SL)	29%	Average
Employment for women (in SL)	22%	Low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	7%	Low
Employment beyond Western Prov.	28%	Low
1.4 New linkages potential		
Opportunity Gain index (z-score)	2.02	Very high

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	1,142	High
Imports in SL (vs global per capita)	30%	Low
Imports in SL (3-year increase, USD mn)	-139	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	22,186	Very high
Imports in India (vs global per capita)	9%	Average
Imports in India (3-year increase, USD mn)	-6,672	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	99,392	High
Imports in China (vs global per capita)	39%	Average
2.3 World market opportunity		
Imports globally (current, USD bn)	1,317.0	Very high
Imports globally (3-year increase, USD bn)	-46.7	Very low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	7	Low
New exporters in SL (>10k USD)	159	Average
New exporters in SL (>100k USD)	48	Low
Rate of new vs. consistent exporters	2.0	Very high
3.2 Investors' regional market access		
China's share of Indian market	26%	Average
Japan's share of Indian market	10%	Very high
Korea's share of Indian market	6%	High
3.3 Strength in related countries		
Exports from peers (vs global per capita)	124%	Low
Exports from India (vs global per capita)	6%	Low
Exports from China (vs global per capita)	74%	Average

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	203.3	Average
Exports from SL (vs global per capita)	5.3%	Low
SL's share of Indian market	0.06%	Low
4.2 Current strength of SL workforce		
Current employment in SL	4,404	Very low
Worker training in SL	10%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	24	Low
Consistent exporters in SL (>1mn USD)	9	Low
Consistent exporters in SL (>10mn USD)	1	Low
BOI companies in operation	19	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-1.37	Very low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.1x avg
Engineers required (in USA)	1.7x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	1.0x avg
Skilled workers required (in SL)	0.7x avg
Skilled workers required (in USA)	1.0x avg
Research & development use (in OECD)	1.1x avg
Research & development use (in UK)	0.9x avg

Notes:

Sector defined as ISIC C28. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Automotive

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	40.4	Major exporters (over USD 1mn for 3 years)	4
Imports from Sri Lanka (USD mn)	1,250.7	BOI companies in operation	5
World market (USD bn)	1,427.0	Employment in Sri Lanka	3,840

SECTOR PRIORITIZATION **3rd / 30 full sectors (score = 0.52)** **TOP PRIORITY***

1 Impact for Sri Lankan economy	High		0.6
1.1 Job creation potential	Average		-0.2
1.2 Job quality potential	High		0.3
1.3 Potential beyond Western Province	Average		0.2
1.4 New linkages potential	Very high		>1.2
2 Market opportunity	High		0.6
2.1 Domestic market opportunity	Average		0.2
2.2 Regional market opportunity	Average		0.1
2.3 World market opportunity	Very high		1.2
3 Investor interest (direct & indirect)	High		0.3
3.1 Investor interest in SL	Low		-0.7
3.2 Investors' regional market access	Very high		>1.2
3.3 Strength in related countries	Low		-0.7

*Highest impact, market opportunity, or investor interest » Top priority for promotion

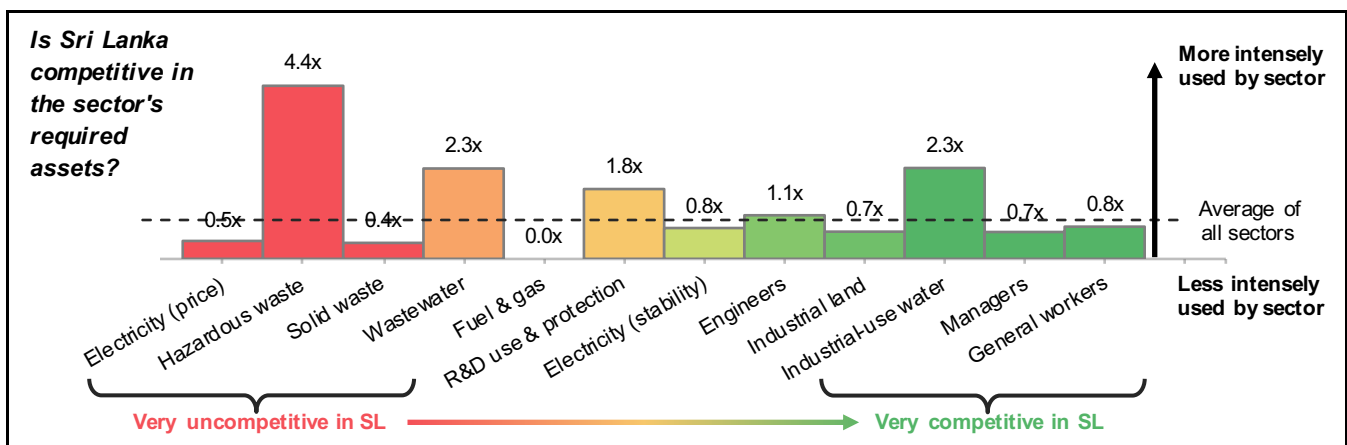
z-score

SECTOR STRATEGY **KNOWHOW NEEDED****

4 Current strength in Sri Lanka	Low		-0.6
4.1 Current strength of SL exports	Low		-0.6
4.2 Current strength of SL workforce	Low		-0.6
4.3 Current strength of SL companies	Low		-0.5
5 Current know-how in Sri Lanka	Very low		-1.2
5.1 Strength in related products	Very low		-1.2
6 Hard & soft asset competitiveness	Average		0.0
6.1 Competitiveness of required hard assets	Low		-0.3
6.2 Competitiveness of required soft assets	High		0.6

**Not yet present, but SL is competitive in needed assets » Target investment & knowhow from abroad

z-score



	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	-1.36	Very low
Wages per value added (USA)	63%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	84	Average
Average wage rate (peers; z-score)	0.76	High
Average wage rate (USA; USD per year)	56,877	High
Employment for youth (in SL)	44%	Very high
Employment for women (in SL)	12%	Very low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	50%	High
Employment beyond Western Prov.	33%	Low
1.4 New linkages potential		
Opportunity Gain index (z-score)	1.56	Very high

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	1,251	High
Imports in SL (vs global per capita)	30%	Low
Imports in SL (3-year increase, USD mn)	-547	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	5,963	High
Imports in India (vs global per capita)	2%	Low
Imports in India (3-year increase, USD mn)	-1,221	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	90,981	High
Imports in China (vs global per capita)	33%	Average
2.3 World market opportunity		
Imports globally (current, USD bn)	1,427.0	Very high
Imports globally (3-year increase, USD bn)	+105.9	Very high

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	5	Low
New exporters in SL (>10k USD)	33	Low
New exporters in SL (>100k USD)	10	Low
Rate of new vs. consistent exporters	1.3	Very low
3.2 Investors' regional market access		
China's share of Indian market	13%	Low
Japan's share of Indian market	12%	Very high
Korea's share of Indian market	16%	Very high
3.3 Strength in related countries		
Exports from peers (vs global per capita)	75%	Low
Exports from India (vs global per capita)	5%	Low
Exports from China (vs global per capita)	19%	Very low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	40.4	Low
Exports from SL (vs global per capita)	1.0%	Low
SL's share of Indian market	0.11%	Low
4.2 Current strength of SL workforce		
Current employment in SL	3,840	Very low
Worker training in SL	37%	Very high
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	8	Low
Consistent exporters in SL (>1mn USD)	4	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	5	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-1.18	Very low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	4.4x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.7x avg
Engineers required (in USA)	1.1x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	0.6x avg
Skilled workers required (in SL)	2.1x avg
Skilled workers required (in USA)	1.3x avg
Research & development use (in OECD)	2.4x avg
Research & development use (in UK)	1.2x avg

Notes:

Sector defined as ISIC C29. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Accommodation and food service (tourism)

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	2,431.1	Major exporters (over USD 1mn for 3 years)	n/a
Imports from Sri Lanka (USD mn)	1,262.5	BOI companies in operation	249
World market (USD bn)	1,073.2	Employment in Sri Lanka	213,202

SECTOR PRIORITIZATION

4th / 30 full sectors (score = 0.48)

TOP PRIORITY*

1 Impact for Sri Lankan economy

Average

0.2

1.1 Job creation potential

High



0.3

1.2 Job quality potential

Low



-0.5

1.3 Potential beyond Western Province

Very high



1.1

1.4 New linkages potential

n/a



n/a

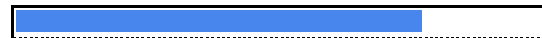
2 Market opportunity

High

0.8

2.1 Domestic market opportunity

High



0.7

2.2 Regional market opportunity

High



0.4

2.3 World market opportunity

Very high



>1.2

3 Investor interest (direct & indirect)

High

0.4

3.1 Investor interest in SL

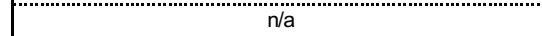
Very high



1.0

3.2 Investors' regional market access

n/a



n/a

3.3 Strength in related countries

High



0.3

*Highest impact, market opportunity, or investor interest » Top priority for promotion

z-score

SECTOR STRATEGY

EXISTING OR EMERGING**

4 Current strength in Sri Lanka

Very high

0.9

4.1 Current strength of SL exports

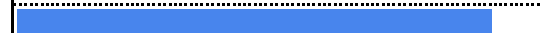
Very high



0.9

4.2 Current strength of SL workforce

Very high



1.0

4.3 Current strength of SL companies

High



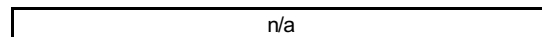
0.8

5 Current know-how in Sri Lanka

n/a

5.1 Strength in related products

n/a



n/a

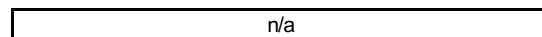
6 Hard & soft asset competitiveness

Very high

1.1

6.1 Competitiveness of required hard assets

n/a



n/a

6.2 Competitiveness of required soft assets

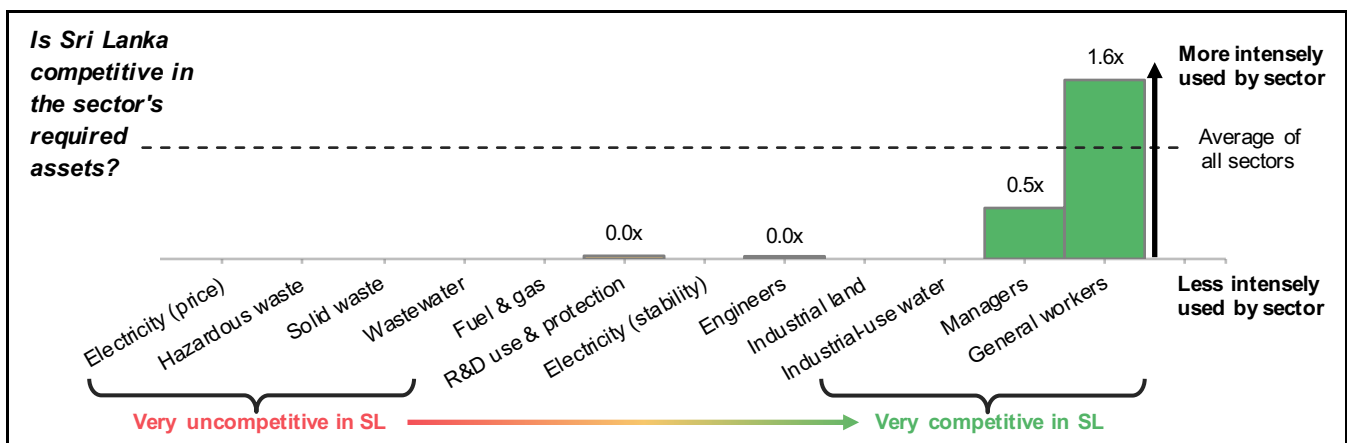
Very high



1.1

**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Accommodation and food service (tourism)

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	1.28	Very high
Jobs per value added (peers; z-score)	.	n/a
Wages per value added (USA)	58%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	76	Low
Average wage rate (peers; z-score)	.	n/a
Average wage rate (USA; USD per year)	16,846	Very low
Employment for youth (in SL)	24%	Low
Employment for women (in SL)	29%	Average
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	65%	Very high
Employment beyond Western Prov.	59%	Very high
1.4 New linkages potential		
Opportunity Gain index (z-score)	.	n/a

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	1,263	High
Imports in SL (vs global per capita)	39%	Average
Imports in SL (3-year increase, USD mn)	+762	Very high
2.2 Regional market opportunity		
Imports in India (current, USD mn)	14,596	High
Imports in India (vs global per capita)	7%	Average
Imports in India (3-year increase, USD mn)	+897	High
Coverage under ISFTA	.	n/a
Imports in China (current, USD mn)	164,859	Very high
Imports in China (vs global per capita)	77%	Very high
2.3 World market opportunity		
Imports globally (current, USD bn)	1,073.2	Very high
Imports globally (3-year increase, USD bn)	+174.2	Very high

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	239	Very high
New exporters in SL (>10k USD)	.	n/a
New exporters in SL (>100k USD)	.	n/a
Rate of new vs. consistent exporters	.	n/a
3.2 Investors' regional market access		
China's share of Indian market	.	n/a
Japan's share of Indian market	.	n/a
Korea's share of Indian market	.	n/a
3.3 Strength in related countries		
Exports from peers (vs global per capita)	279%	Very high
Exports from India (vs global per capita)	9%	Low
Exports from China (vs global per capita)	.	n/a

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	2,431.1	Very high
Exports from SL (vs global per capita)	70.3%	High
SL's share of Indian market	.	n/a
4.2 Current strength of SL workforce		
Current employment in SL	213,202	Very high
Worker training in SL	14%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	.	n/a
Consistent exporters in SL (>1mn USD)	.	n/a
Consistent exporters in SL (>10mn USD)	.	n/a
BOI companies in operation	249	Very high

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	.	n/a

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	n/a
Energy use (UNIDO estimate)	n/a
Energy use (BOI estimate)	n/a
Electricity stability required (BOI estimate)	n/a
Fuel or gas use (BOI estimate)	n/a
Industrial water use (BOI estimate)	n/a
Wastewater production (BOI estimate)	n/a
Solid waste production (BOI estimate)	n/a
Hazardous waste production (BOI estimate)	n/a
6.2 Soft asset requirements	
Managers required (in USA)	0.5x avg
Engineers required (in USA)	0.0x avg
General workers required (in SL)	1.6x avg
General workers required (in peer countries)	n/a
Skilled workers required (in SL)	1.0x avg
Skilled workers required (in USA)	0.4x avg
Research & development use (in OECD)	n/a
Research & development use (in UK)	0.0x avg

Notes:

Sector defined as ISIC I. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Electrical equipment

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	240.5	Major exporters (over USD 1mn for 3 years)	13
Imports from Sri Lanka (USD mn)	497.9	BOI companies in operation	23
World market (USD bn)	867.2	Employment in Sri Lanka	10,355

SECTOR PRIORITIZATION

5th / 30 full sectors (score = 0.39)

TOP PRIORITY*

1 Impact for Sri Lankan economy

High

0.3

1.1 Job creation potential

High

0.3

1.2 Job quality potential

Average

0.1

1.3 Potential beyond Western Province

Very low

-1.1

1.4 New linkages potential

Very high

1.2

2 Market opportunity

High

0.5

2.1 Domestic market opportunity

Average

-0.1

2.2 Regional market opportunity

High

0.3

2.3 World market opportunity

Very high

0.9

3 Investor interest (direct & indirect)

High

0.3

3.1 Investor interest in SL

Average

-0.2

3.2 Investors' regional market access

High

0.8

3.3 Strength in related countries

Average

0.2

*Highest impact, market opportunity, or investor interest » Top priority for promotion

z-score

SECTOR STRATEGY

EXISTING OR EMERGING**

4 Current strength in Sri Lanka

Average

-0.2

4.1 Current strength of SL exports

Average

-0.1

4.2 Current strength of SL workforce

Average

-0.2

4.3 Current strength of SL companies

Average

-0.2

5 Current know-how in Sri Lanka

Low

-0.7

5.1 Strength in related products

Low

-0.7

6 Hard & soft asset competitiveness

High

0.3

6.1 Competitiveness of required hard assets

Average

-0.2

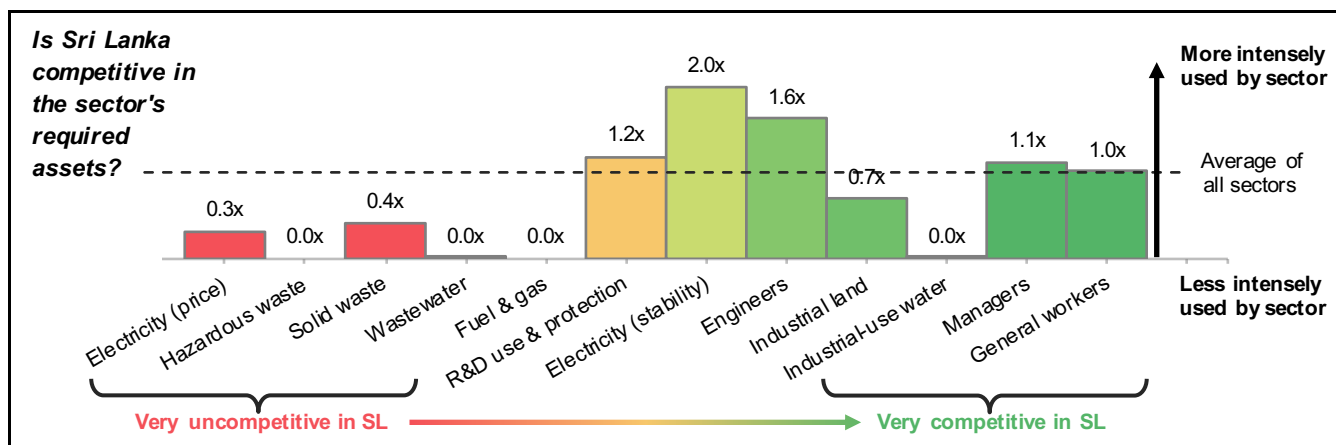
6.2 Competitiveness of required soft assets

High

0.7

**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Electrical equipment

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	-0.08	Average
Wages per value added (USA)	74%	High
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	99	High
Average wage rate (peers; z-score)	0.20	Average
Average wage rate (USA; USD per year)	50,122	High
Employment for youth (in SL)	38%	High
Employment for women (in SL)	12%	Very low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	9%	Low
Employment beyond Western Prov.	12%	Very low
1.4 New linkages potential		
Opportunity Gain index (z-score)	1.16	Very high

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	498	High
Imports in SL (vs global per capita)	20%	Low
Imports in SL (3-year increase, USD mn)	-71	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	9,922	High
Imports in India (vs global per capita)	6%	Low
Imports in India (3-year increase, USD mn)	-730	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	50,837	High
Imports in China (vs global per capita)	31%	Average
2.3 World market opportunity		
Imports globally (current, USD bn)	867.2	High
Imports globally (3-year increase, USD bn)	+90.9	Very high

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	20	Average
New exporters in SL (>10k USD)	106	Low
New exporters in SL (>100k USD)	42	Low
Rate of new vs. consistent exporters	1.5	Average
3.2 Investors' regional market access		
China's share of Indian market	38%	High
Japan's share of Indian market	5%	High
Korea's share of Indian market	7%	Very high
3.3 Strength in related countries		
Exports from peers (vs global per capita)	184%	High
Exports from India (vs global per capita)	5%	Low
Exports from China (vs global per capita)	139%	Very high

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	240.5	High
Exports from SL (vs global per capita)	9.6%	Low
SL's share of Indian market	0.59%	Average
4.2 Current strength of SL workforce		
Current employment in SL	10,355	Low
Worker training in SL	32%	Very high
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	28	Low
Consistent exporters in SL (>1mn USD)	13	Average
Consistent exporters in SL (>10mn USD)	4	Average
BOI companies in operation	23	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.66	Low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.3x avg
Electricity stability required (BOI estimate)	2.0x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.1x avg
Engineers required (in USA)	1.6x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	1.0x avg
Skilled workers required (in SL)	2.0x avg
Skilled workers required (in USA)	1.1x avg
Research & development use (in OECD)	1.4x avg
Research & development use (in UK)	1.0x avg

Notes:

Sector defined as ISIC C27. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Fabricated metal products

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	38.4	Major exporters (over USD 1mn for 3 years)	3
Imports from Sri Lanka (USD mn)	476.5	BOI companies in operation	36
World market (USD bn)	402.2	Employment in Sri Lanka	40,977

SECTOR PRIORITIZATION

6th / 30 full sectors (score = 0.38)

TOP PRIORITY*

1 Impact for Sri Lankan economy

High

0.4

1.1 Job creation potential

High

0.7

1.2 Job quality potential

Low

-0.4

1.3 Potential beyond Western Province

Average

0.0

1.4 New linkages potential

Very high

0.9

2 Market opportunity

Average

0.2

2.1 Domestic market opportunity

Average

0.2

2.2 Regional market opportunity

Average

0.1

2.3 World market opportunity

Average

0.2

3 Investor interest (direct & indirect)

High

0.6

3.1 Investor interest in SL

High

0.3

3.2 Investors' regional market access

Very high

>1.2

3.3 Strength in related countries

Average

0.0

*Highest impact, market opportunity, or investor interest » Top priority for promotion

z-score

SECTOR STRATEGY

KNOWHOW NEEDED**

4 Current strength in Sri Lanka

Low

-0.3

4.1 Current strength of SL exports

Low

-0.6

4.2 Current strength of SL workforce

Average

0.2

4.3 Current strength of SL companies

Low

-0.4

5 Current know-how in Sri Lanka

Low

-0.6

5.1 Strength in related products

Low

-0.6

6 Hard & soft asset competitiveness

High

0.3

6.1 Competitiveness of required hard assets

Low

-0.5

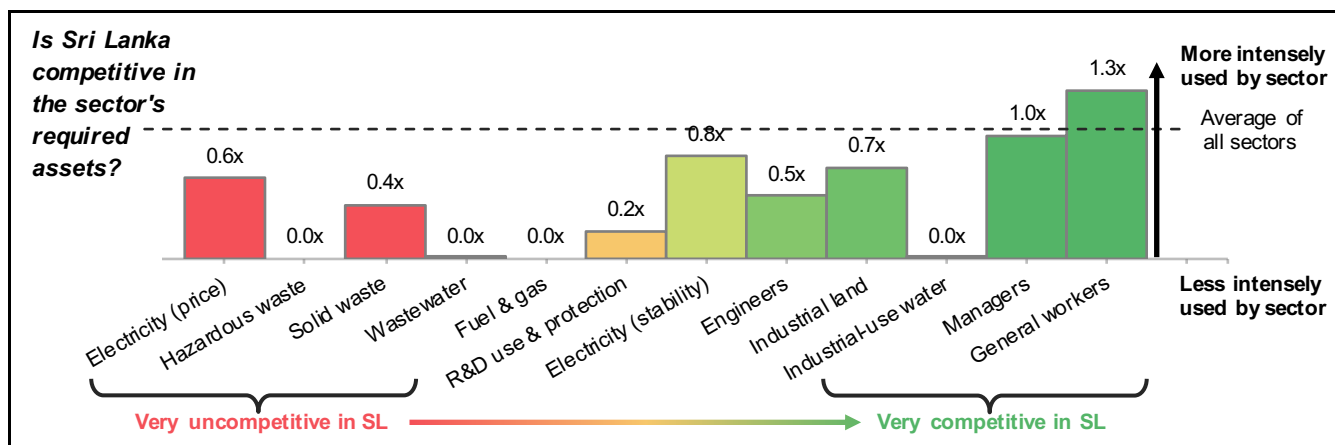
6.2 Competitiveness of required soft assets

Very high

1.0

**Not yet present, but SL is competitive in needed assets » Target investment & knowhow from abroad

z-score



Fabricated metal products

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	1.25	Very high
Jobs per value added (peers; z-score)	0.02	High
Wages per value added (USA)	76%	High
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	81	Low
Average wage rate (peers; z-score)	-0.06	Low
Average wage rate (USA; USD per year)	40,776	Low
Employment for youth (in SL)	30%	Average
Employment for women (in SL)	9%	Very low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	20%	Low
Employment beyond Western Prov.	46%	High
1.4 New linkages potential		
Opportunity Gain index (z-score)	0.85	Very high

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	476	High
Imports in SL (vs global per capita)	41%	Average
Imports in SL (3-year increase, USD mn)	+117	High
2.2 Regional market opportunity		
Imports in India (current, USD mn)	4,633	Average
Imports in India (vs global per capita)	6%	Low
Imports in India (3-year increase, USD mn)	-458	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	14,063	Average
Imports in China (vs global per capita)	18%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	402.2	Average
Imports globally (3-year increase, USD bn)	+31.3	Average

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	24	Average
New exporters in SL (>10k USD)	154	Average
New exporters in SL (>100k USD)	46	Low
Rate of new vs. consistent exporters	2.1	Very high
3.2 Investors' regional market access		
China's share of Indian market	30%	High
Japan's share of Indian market	8%	Very high
Korea's share of Indian market	10%	Very high
3.3 Strength in related countries		
Exports from peers (vs global per capita)	124%	Low
Exports from India (vs global per capita)	11%	Average
Exports from China (vs global per capita)	116%	High

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	38.4	Low
Exports from SL (vs global per capita)	3.3%	Low
SL's share of Indian market	0.17%	Low
4.2 Current strength of SL workforce		
Current employment in SL	40,977	High
Worker training in SL	14%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	22	Low
Consistent exporters in SL (>1mn USD)	3	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	36	Average

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.63	Low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.7x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.0x avg
Engineers required (in USA)	0.5x avg
General workers required (in SL)	1.6x avg
General workers required (in peer countries)	1.0x avg
Skilled workers required (in SL)	0.4x avg
Skilled workers required (in USA)	0.6x avg
Research & development use (in OECD)	0.3x avg
Research & development use (in UK)	0.1x avg

Notes:

Sector defined as ISIC C25. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Chemical products

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	225.7	Major exporters (over USD 1mn for 3 years)	11
Imports from Sri Lanka (USD mn)	1,849.0	BOI companies in operation	33
World market (USD bn)	1,447.2	Employment in Sri Lanka	30,579

SECTOR PRIORITIZATION

7th / 30 full sectors (score = 0.36)

TOP PRIORITY*

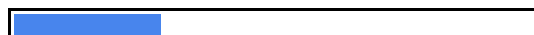
1 Impact for Sri Lankan economy

Average

0.2

1.1 Job creation potential

Low



-0.6

1.2 Job quality potential

High



0.5

1.3 Potential beyond Western Province

Average



0.1

1.4 New linkages potential

High



0.8

2 Market opportunity

High

0.7

2.1 Domestic market opportunity

High



0.3

2.2 Regional market opportunity

Very high



0.9

2.3 World market opportunity

High



0.6

3 Investor interest (direct & indirect)

Average

0.1

3.1 Investor interest in SL

Average



0.2

3.2 Investors' regional market access

Average



0.2

3.3 Strength in related countries

Average



-0.2

*Highest impact, market opportunity, or investor interest » Top priority for promotion

z-score

SECTOR STRATEGY

EXISTING OR EMERGING, ASSET IMPROVEMENTS NEEDED**

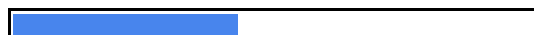
4 Current strength in Sri Lanka

Average

-0.1

4.1 Current strength of SL exports

Average



-0.2

4.2 Current strength of SL workforce

Average



0.1

4.3 Current strength of SL companies

Average



-0.2

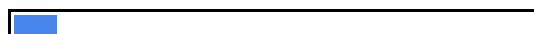
5 Current know-how in Sri Lanka

Very low

-1.0

5.1 Strength in related products

Very low



-1.0

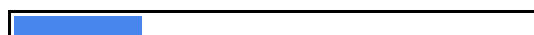
6 Hard & soft asset competitiveness

Low

-0.3

6.1 Competitiveness of required hard assets

Low



-0.6

6.2 Competitiveness of required soft assets

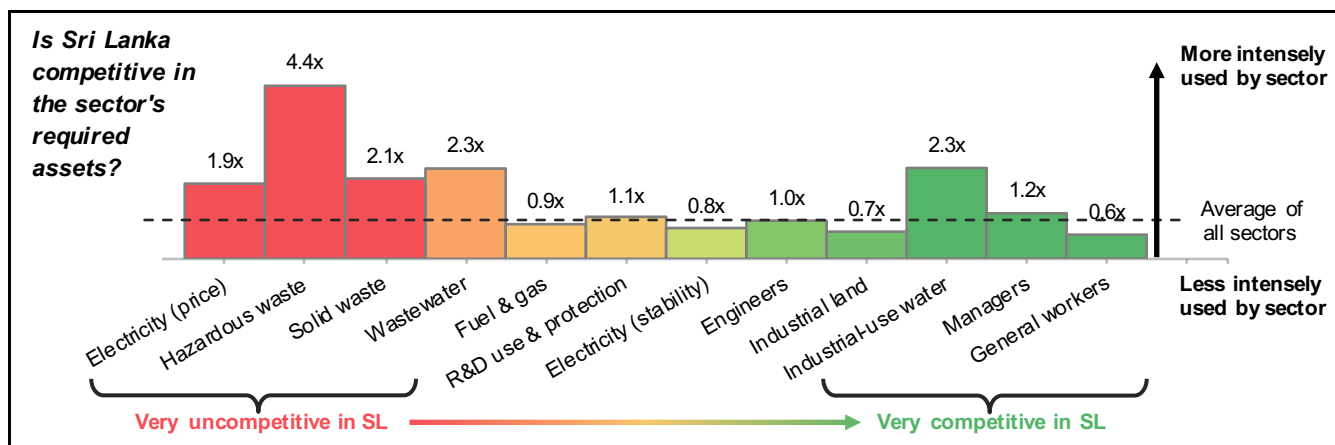
High



0.7

**Strong or emerging, but SL lacks needed assets » Promote existing firms, upgrade infrastructure & skills

z-score



Chemical products

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.46	Low
Jobs per value added (peers; z-score)	-1.27	Low
Wages per value added (USA)	54%	Low
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	71	Low
Average wage rate (peers; z-score)	0.91	High
Average wage rate (USA; USD per year)	69,954	Very high
Employment for youth (in SL)	33%	High
Employment for women (in SL)	40%	High
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	33%	Average
Employment beyond Western Prov.	41%	Average
1.4 New linkages potential		
Opportunity Gain index (z-score)	0.81	High

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	1,849	Very high
Imports in SL (vs global per capita)	44%	Average
Imports in SL (3-year increase, USD mn)	-4	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	43,756	Very high
Imports in India (vs global per capita)	17%	Very high
Imports in India (3-year increase, USD mn)	+2,097	Very high
Coverage under ISFTA	98%	High
Imports in China (current, USD mn)	156,606	Very high
Imports in China (vs global per capita)	57%	High
2.3 World market opportunity		
Imports globally (current, USD bn)	1,447.2	Very high
Imports globally (3-year increase, USD bn)	-29.0	Very low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	20	Average
New exporters in SL (>10k USD)	236	High
New exporters in SL (>100k USD)	82	Average
Rate of new vs. consistent exporters	1.7	High
3.2 Investors' regional market access		
China's share of Indian market	22%	Average
Japan's share of Indian market	3%	Average
Korea's share of Indian market	7%	High
3.3 Strength in related countries		
Exports from peers (vs global per capita)	170%	Average
Exports from India (vs global per capita)	10%	Average
Exports from China (vs global per capita)	44%	Low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	225.7	High
Exports from SL (vs global per capita)	5.4%	Low
SL's share of Indian market	0.05%	Low
4.2 Current strength of SL workforce		
Current employment in SL	30,579	Average
Worker training in SL	16%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	49	Average
Consistent exporters in SL (>1mn USD)	11	Average
Consistent exporters in SL (>10mn USD)	2	Average
BOI companies in operation	33	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-1.05	Very low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	3.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.9x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	2.1x avg
Hazardous waste production (BOI estimate)	4.4x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.2x avg
Engineers required (in USA)	1.0x avg
General workers required (in SL)	0.6x avg
General workers required (in peer countries)	0.7x avg
Skilled workers required (in SL)	1.5x avg
Skilled workers required (in USA)	1.8x avg
Research & development use (in OECD)	1.4x avg
Research & development use (in UK)	0.7x avg

Notes:

Sector defined as ISIC C20. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Medical products, jewelry, toys, other

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	301.2	Major exporters (over USD 1mn for 3 years)	32
Imports from Sri Lanka (USD mn)	244.9	BOI companies in operation	132
World market (USD bn)	458.5	Employment in Sri Lanka	35,628

SECTOR PRIORITIZATION

8th / 30 full sectors (score = 0.23)

TOP PRIORITY*

1 Impact for Sri Lankan economy

Average

0.2

1.1 Job creation potential

High



0.5

1.2 Job quality potential

Average



-0.1

1.3 Potential beyond Western Province

Average



0.1

1.4 New linkages potential

Average



0.2

2 Market opportunity

Average

0.2

2.1 Domestic market opportunity

Average



-0.2

2.2 Regional market opportunity

Average



0.1

2.3 World market opportunity

High



0.4

3 Investor interest (direct & indirect)

High

0.3

3.1 Investor interest in SL

High



0.6

3.2 Investors' regional market access

Average



-0.1

3.3 Strength in related countries

High



0.3

z-score

*Highest impact, market opportunity, or investor interest » Top priority for promotion

SECTOR STRATEGY

EXISTING OR EMERGING**

4 Current strength in Sri Lanka

Average

0.2

4.1 Current strength of SL exports

Average



0.0

4.2 Current strength of SL workforce

Average



0.2

4.3 Current strength of SL companies

High



0.6

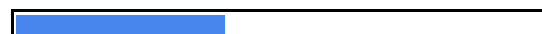
5 Current know-how in Sri Lanka

Low

-0.3

5.1 Strength in related products

Low



-0.3

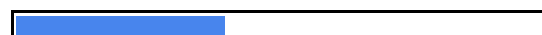
6 Hard & soft asset competitiveness

High

0.4

6.1 Competitiveness of required hard assets

Low



-0.3

6.2 Competitiveness of required soft assets

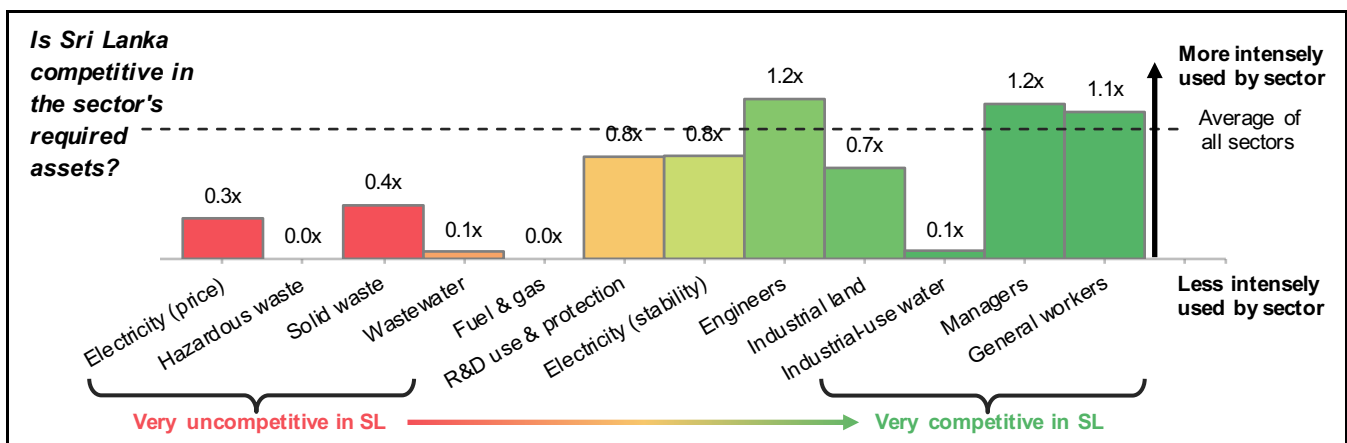
High



0.8

z-score

**Currently strong or emerging in SL » Promote existing exporters & new FDI



Medical products, jewelry, toys, other

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.83	Average
Jobs per value added (peers; z-score)	0.66	High
Wages per value added (USA)	70%	High
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	78	Low
Average wage rate (peers; z-score)	-0.42	Low
Average wage rate (USA; USD per year)	52,406	High
Employment for youth (in SL)	25%	Low
Employment for women (in SL)	38%	High
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	28%	Average
Employment beyond Western Prov.	44%	Average
1.4 New linkages potential		
Opportunity Gain index (z-score)	0.21	Average

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	245	Average
Imports in SL (vs global per capita)	18%	Low
Imports in SL (3-year increase, USD mn)	+49	Average
2.2 Regional market opportunity		
Imports in India (current, USD mn)	5,105	Average
Imports in India (vs global per capita)	6%	Low
Imports in India (3-year increase, USD mn)	+306	Average
Coverage under ISFTA	99%	High
Imports in China (current, USD mn)	15,590	Average
Imports in China (vs global per capita)	18%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	458.5	High
Imports globally (3-year increase, USD bn)	+45.9	High

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	34	Average
New exporters in SL (>10k USD)	397	Very high
New exporters in SL (>100k USD)	189	Very high
Rate of new vs. consistent exporters	1.5	Average
3.2 Investors' regional market access		
China's share of Indian market	19%	Average
Japan's share of Indian market	3%	Average
Korea's share of Indian market	2%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	165%	Average
Exports from India (vs global per capita)	19%	High
Exports from China (vs global per capita)	117%	High

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	301.2	High
Exports from SL (vs global per capita)	22.7%	Average
SL's share of Indian market	0.11%	Low
4.2 Current strength of SL workforce		
Current employment in SL	35,628	High
Worker training in SL	17%	Average
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	124	Very high
Consistent exporters in SL (>1mn USD)	32	High
Consistent exporters in SL (>10mn USD)	2	Average
BOI companies in operation	132	Very high

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.26	Low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.3x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.1x avg
Wastewater production (BOI estimate)	0.1x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.2x avg
Engineers required (in USA)	1.2x avg
General workers required (in SL)	1.1x avg
General workers required (in peer countries)	1.2x avg
Skilled workers required (in SL)	1.1x avg
Skilled workers required (in USA)	1.3x avg
Research & development use (in OECD)	1.3x avg
Research & development use (in UK)	0.3x avg

Notes:

Sector defined as ISIC C32. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Food products

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	1,204.4	Major exporters (over USD 1mn for 3 years)	90
Imports from Sri Lanka (USD mn)	1,505.0	BOI companies in operation	93
World market (USD bn)	869.0	Employment in Sri Lanka	209,819

SECTOR PRIORITIZATION **9th** / 30 full sectors (score = 0.23) **TOP PRIORITY***

Category	Priority	z-score
1 Impact for Sri Lankan economy	Low	-0.3
1.1 Job creation potential	Low	-0.4
1.2 Job quality potential	Low	-0.4
1.3 Potential beyond Western Province	Very high	1.0
1.4 New linkages potential	Low	-0.7
2 Market opportunity	High	0.5
2.1 Domestic market opportunity	High	0.5
2.2 Regional market opportunity	High	0.4
2.3 World market opportunity	High	0.7
3 Investor interest (direct & indirect)	High	0.4
3.1 Investor interest in SL	Very high	>1.2
3.2 Investors' regional market access	Very low	-0.9
3.3 Strength in related countries	High	0.3

*Highest impact, market opportunity, or investor interest » Top priority for promotion

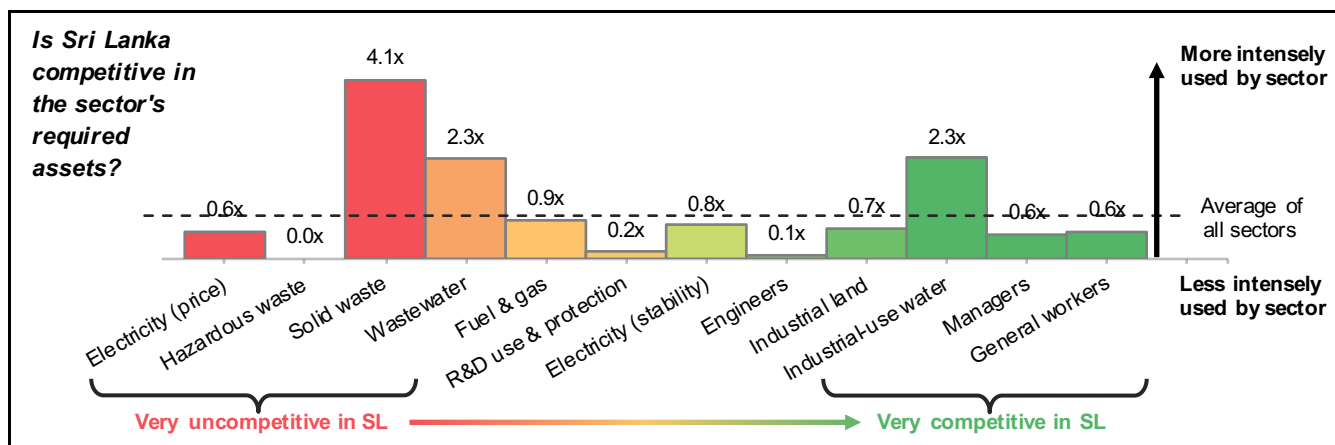
z-score

SECTOR STRATEGY **EXISTING OR EMERGING****

Category	Priority	z-score
4 Current strength in Sri Lanka	Very high	1.0
4.1 Current strength of SL exports	High	0.5
4.2 Current strength of SL workforce	Very high	0.9
4.3 Current strength of SL companies	Very high	>1.2
5 Current know-how in Sri Lanka	High	0.4
5.1 Strength in related products	High	0.4
6 Hard & soft asset competitiveness	Average	-0.2
6.1 Competitiveness of required hard assets	Low	-0.4
6.2 Competitiveness of required soft assets	Very high	1.0

**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Food products

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.26	Very low
Jobs per value added (peers; z-score)	-0.31	Average
Wages per value added (USA)	57%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	64	Very low
Average wage rate (peers; z-score)	-0.28	Low
Average wage rate (USA; USD per year)	35,435	Low
Employment for youth (in SL)	21%	Low
Employment for women (in SL)	46%	High
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	37%	High
Employment beyond Western Prov.	75%	Very high
1.4 New linkages potential		
Opportunity Gain index (z-score)	-0.72	Low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	1,505	Very high
Imports in SL (vs global per capita)	60%	High
Imports in SL (3-year increase, USD mn)	+65	Average
2.2 Regional market opportunity		
Imports in India (current, USD mn)	12,077	High
Imports in India (vs global per capita)	8%	Average
Imports in India (3-year increase, USD mn)	+1,283	High
Coverage under ISFTA	98%	High
Imports in China (current, USD mn)	40,761	High
Imports in China (vs global per capita)	25%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	869.0	High
Imports globally (3-year increase, USD bn)	+51.5	High

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	70	High
New exporters in SL (>10k USD)	779	Very high
New exporters in SL (>100k USD)	416	Very high
Rate of new vs. consistent exporters	1.4	Average
3.2 Investors' regional market access		
China's share of Indian market	1%	Very low
Japan's share of Indian market	0%	Low
Korea's share of Indian market	0%	Very low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	345%	Very high
Exports from India (vs global per capita)	14%	Average
Exports from China (vs global per capita)	23%	Low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	1,204.4	Very high
Exports from SL (vs global per capita)	47.9%	Average
SL's share of Indian market	0.43%	Low
4.2 Current strength of SL workforce		
Current employment in SL	209,819	Very high
Worker training in SL	8%	Very low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	288	Very high
Consistent exporters in SL (>1mn USD)	90	Very high
Consistent exporters in SL (>10mn USD)	21	Very high
BOI companies in operation	93	High

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	0.39	High

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.7x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.9x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	4.1x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.6x avg
Engineers required (in USA)	0.1x avg
General workers required (in SL)	0.3x avg
General workers required (in peer countries)	0.9x avg
Skilled workers required (in SL)	0.7x avg
Skilled workers required (in USA)	0.6x avg
Research & development use (in OECD)	0.2x avg
Research & development use (in UK)	0.2x avg

Notes:

Sector defined as ISIC C10. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Business administration and support (BPO)

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	42.6	Major exporters (over USD 1mn for 3 years)	n/a
Imports from Sri Lanka (USD mn)	58.3	BOI companies in operation	72
World market (USD bn)	1,005.3	Employment in Sri Lanka	11,133

SECTOR PRIORITIZATION **10th** / 30 full sectors (score = 0.19) **TOP PRIORITY***

Category	Overall Rating	z-score
1 Impact for Sri Lankan economy	Average	0.0
1.1 Job creation potential	Average	0.1
1.2 Job quality potential	Average	0.2
1.3 Potential beyond Western Province	Low	-0.5
1.4 New linkages potential	n/a	n/a
2 Market opportunity	High	0.6
2.1 Domestic market opportunity	Low	-0.6
2.2 Regional market opportunity	High	0.6
2.3 World market opportunity	Very high	0.9
3 Investor interest (direct & indirect)	Average	-0.1
3.1 Investor interest in SL	Average	-0.1
3.2 Investors' regional market access	n/a	n/a
3.3 Strength in related countries	Average	-0.2

z-score

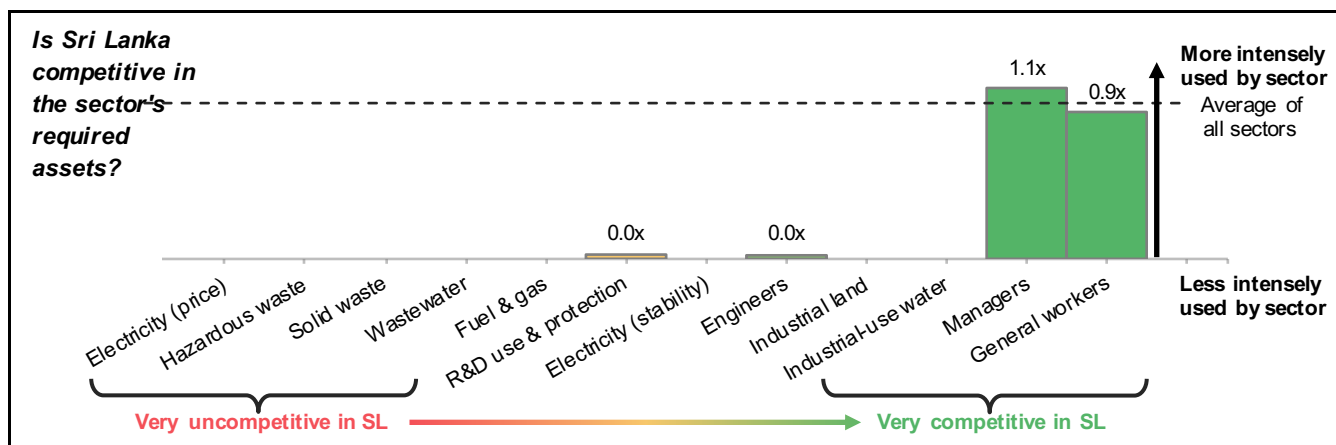
*Highest impact, market opportunity, or investor interest » Top priority for promotion

SECTOR STRATEGY **EXISTING OR EMERGING****

4 Current strength in Sri Lanka	Low	-0.3
4.1 Current strength of SL exports	Low	-0.5
4.2 Current strength of SL workforce	Low	-0.3
4.3 Current strength of SL companies	Average	0.1
5 Current know-how in Sri Lanka	n/a	
5.1 Strength in related products	n/a	n/a
6 Hard & soft asset competitiveness	Very high	1.1
6.1 Competitiveness of required hard assets	n/a	n/a
6.2 Competitiveness of required soft assets	Very high	1.1

z-score

**Currently strong or emerging in SL » Promote existing exporters & new FDI



Business administration and support (BPO)

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.74	Average
Jobs per value added (peers; z-score)	.	n/a
Wages per value added (USA)	64%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	99	High
Average wage rate (peers; z-score)	.	n/a
Average wage rate (USA; USD per year)	24,467	Very low
Employment for youth (in SL)	42%	Very high
Employment for women (in SL)	36%	High
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	13%	Low
Employment beyond Western Prov.	33%	Low
1.4 New linkages potential		
Opportunity Gain index (z-score)	.	n/a

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	58	Very low
Imports in SL (vs global per capita)	2%	Very low
Imports in SL (3-year increase, USD mn)	-315	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	31,226	Very high
Imports in India (vs global per capita)	16%	High
Imports in India (3-year increase, USD mn)	+642	High
Coverage under ISFTA	.	n/a
Imports in China (current, USD mn)	53,370	High
Imports in China (vs global per capita)	27%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	1,005.3	Very high
Imports globally (3-year increase, USD bn)	+71.4	Very high

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	19	Low
New exporters in SL (>10k USD)	.	n/a
New exporters in SL (>100k USD)	.	n/a
Rate of new vs. consistent exporters	.	n/a
3.2 Investors' regional market access		
China's share of Indian market	.	n/a
Japan's share of Indian market	.	n/a
Korea's share of Indian market	.	n/a
3.3 Strength in related countries		
Exports from peers (vs global per capita)	76%	Low
Exports from India (vs global per capita)	14%	Average
Exports from China (vs global per capita)	.	n/a

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	42.6	Low
Exports from SL (vs global per capita)	1.3%	Low
SL's share of Indian market	.	n/a
4.2 Current strength of SL workforce		
Current employment in SL	11,133	Low
Worker training in SL	26%	High
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	.	n/a
Consistent exporters in SL (>1mn USD)	.	n/a
Consistent exporters in SL (>10mn USD)	.	n/a
BOI companies in operation	72	High

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	.	n/a

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	n/a
Energy use (UNIDO estimate)	n/a
Energy use (BOI estimate)	n/a
Electricity stability required (BOI estimate)	n/a
Fuel or gas use (BOI estimate)	n/a
Industrial water use (BOI estimate)	n/a
Wastewater production (BOI estimate)	n/a
Solid waste production (BOI estimate)	n/a
Hazardous waste production (BOI estimate)	n/a
6.2 Soft asset requirements	
Managers required (in USA)	1.1x avg
Engineers required (in USA)	0.0x avg
General workers required (in SL)	0.9x avg
General workers required (in peer countries)	n/a
Skilled workers required (in SL)	2.8x avg
Skilled workers required (in USA)	0.7x avg
Research & development use (in OECD)	n/a
Research & development use (in UK)	0.0x avg

Notes:

Sector defined as ISIC N82. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

IT and software development

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	627.9	Major exporters (over USD 1mn for 3 years)	n/a
Imports from Sri Lanka (USD mn)	300.3	BOI companies in operation	108
World market (USD bn)	189.5	Employment in Sri Lanka	14,327

SECTOR PRIORITIZATION **11th** / 30 full sectors (score = 0.17) **NORMAL PRIORITY***

Category	Qualitative	Bar Chart	z-score
1 Impact for Sri Lankan economy	Average		0.0
1.1 Job creation potential	High		0.3
1.2 Job quality potential	Very high		1.0
1.3 Potential beyond Western Province	Very low		<-1.2
1.4 New linkages potential	n/a	n/a	
2 Market opportunity	Average		0.2
2.1 Domestic market opportunity	High		0.4
2.2 Regional market opportunity	Average		0.1
2.3 World market opportunity	High		0.3
3 Investor interest (direct & indirect)	High		0.3
3.1 Investor interest in SL	Average		0.0
3.2 Investors' regional market access	n/a	n/a	
3.3 Strength in related countries	Very high		>1.2

z-score

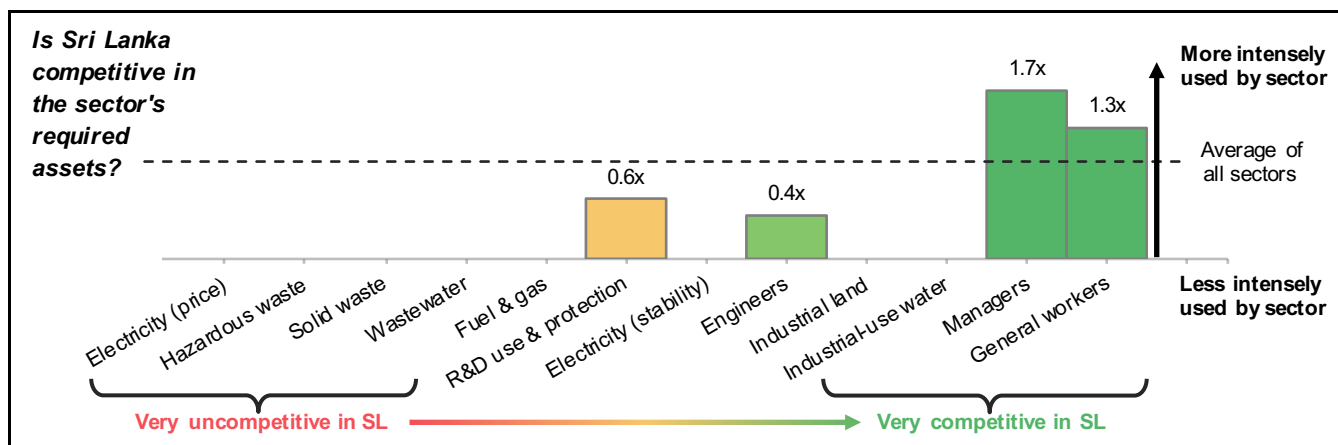
*High impact, market opportunity, or investor interest » Normal priority for promotion

SECTOR STRATEGY **EXISTING OR EMERGING****

4 Current strength in Sri Lanka	High		0.3
4.1 Current strength of SL exports	High		0.5
4.2 Current strength of SL workforce	Average		0.2
4.3 Current strength of SL companies	Average		0.2
5 Current know-how in Sri Lanka	n/a		
5.1 Strength in related products	n/a	n/a	
6 Hard & soft asset competitiveness	Very high		0.9
6.1 Competitiveness of required hard assets	n/a	n/a	
6.2 Competitiveness of required soft assets	Very high		0.9

z-score

**Currently strong or emerging in SL » Promote existing exporters & new FDI



IT and software development

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	1.07	High
Jobs per value added (peers; z-score)	.	n/a
Wages per value added (USA)	64%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	149	Very high
Average wage rate (peers; z-score)	.	n/a
Average wage rate (USA; USD per year)	49,522	Average
Employment for youth (in SL)	57%	Very high
Employment for women (in SL)	26%	Average
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	4%	Very low
Employment beyond Western Prov.	6%	Very low
1.4 New linkages potential		
Opportunity Gain index (z-score)	.	n/a

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	300	Average
Imports in SL (vs global per capita)	52%	Average
Imports in SL (3-year increase, USD mn)	+300	Very high
2.2 Regional market opportunity		
Imports in India (current, USD mn)	3,265	Average
Imports in India (vs global per capita)	9%	Average
Imports in India (3-year increase, USD mn)	+1,408	High
Coverage under ISFTA	.	n/a
Imports in China (current, USD mn)	10,748	Low
Imports in China (vs global per capita)	28%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	189.5	Low
Imports globally (3-year increase, USD bn)	+69.4	Very high

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	29	Average
New exporters in SL (>10k USD)	.	n/a
New exporters in SL (>100k USD)	.	n/a
Rate of new vs. consistent exporters	.	n/a
3.2 Investors' regional market access		
China's share of Indian market	.	n/a
Japan's share of Indian market	.	n/a
Korea's share of Indian market	.	n/a
3.3 Strength in related countries		
Exports from peers (vs global per capita)	7%	Very low
Exports from India (vs global per capita)	104%	Very high
Exports from China (vs global per capita)	.	n/a

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	627.9	Very high
Exports from SL (vs global per capita)	56.5%	Average
SL's share of Indian market	.	n/a
4.2 Current strength of SL workforce		
Current employment in SL	14,327	Low
Worker training in SL	50%	Very high
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	.	n/a
Consistent exporters in SL (>1mn USD)	.	n/a
Consistent exporters in SL (>10mn USD)	.	n/a
BOI companies in operation	108	Very high

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	.	n/a

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	n/a
Energy use (UNIDO estimate)	n/a
Energy use (BOI estimate)	n/a
Electricity stability required (BOI estimate)	n/a
Fuel or gas use (BOI estimate)	n/a
Industrial water use (BOI estimate)	n/a
Wastewater production (BOI estimate)	n/a
Solid waste production (BOI estimate)	n/a
Hazardous waste production (BOI estimate)	n/a
6.2 Soft asset requirements	
Managers required (in USA)	1.7x avg
Engineers required (in USA)	0.4x avg
General workers required (in SL)	1.3x avg
General workers required (in peer countries)	n/a
Skilled workers required (in SL)	4.6x avg
Skilled workers required (in USA)	2.4x avg
Research & development use (in OECD)	n/a
Research & development use (in UK)	0.6x avg

Notes:

Sector defined as ISIC J62, J63. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Basic metals

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	99.7	Major exporters (over USD 1mn for 3 years)	9
Imports from Sri Lanka (USD mn)	902.5	BOI companies in operation	17
World market (USD bn)	1,175.1	Employment in Sri Lanka	2,371

SECTOR PRIORITIZATION **12th** / 30 full sectors (score = 0.16) **NORMAL PRIORITY***

Category	Overall Rating	Z-score
1 Impact for Sri Lankan economy	Average	0.1
1.1 Job creation potential	Average	0.0
1.2 Job quality potential	Average	-0.2
1.3 Potential beyond Western Province	Low	-0.6
1.4 New linkages potential	High	0.6
2 Market opportunity	High	0.7
2.1 Domestic market opportunity	Average	0.1
2.2 Regional market opportunity	Very high	0.9
2.3 World market opportunity	High	0.5
3 Investor interest (direct & indirect)	Low	-0.4
3.1 Investor interest in SL	Low	-0.6
3.2 Investors' regional market access	Average	0.0
3.3 Strength in related countries	Low	-0.5

z-score

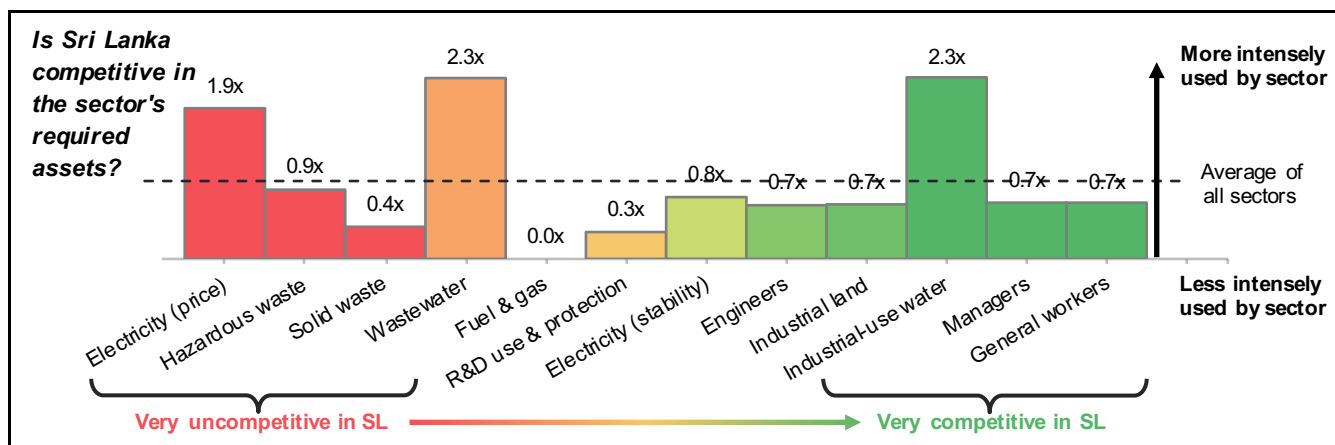
*High impact, market opportunity, or investor interest » Normal priority for promotion

SECTOR STRATEGY **IMPROVEMENTS NEEDED****

4 Current strength in Sri Lanka	Low	-0.7
4.1 Current strength of SL exports	Low	-0.4
4.2 Current strength of SL workforce	Very low	<-1.2
4.3 Current strength of SL companies	Low	-0.4
5 Current know-how in Sri Lanka	Very low	-1.0
5.1 Strength in related products	Very low	-1.0
6 Hard & soft asset competitiveness	Low	-0.3
6.1 Competitiveness of required hard assets	Low	-0.6
6.2 Competitiveness of required soft assets	High	0.8

z-score

**Less current potential, and SL lacks the needed hard or soft assets » Upgrade infrastructure or skills



Basic metals

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	.	n/a
Jobs per value added (peers; z-score)	-1.10	Low
Wages per value added (USA)	72%	High
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	83	Low
Average wage rate (peers; z-score)	0.68	High
Average wage rate (USA; USD per year)	47,185	Average
Employment for youth (in SL)	30%	Average
Employment for women (in SL)	5%	Very low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	10%	Low
Employment beyond Western Prov.	29%	Low
1.4 New linkages potential		
Opportunity Gain index (z-score)	0.64	High

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	903	High
Imports in SL (vs global per capita)	27%	Low
Imports in SL (3-year increase, USD mn)	-505	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	51,995	Very high
Imports in India (vs global per capita)	24%	Very high
Imports in India (3-year increase, USD mn)	-21,139	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	131,920	Very high
Imports in China (vs global per capita)	59%	High
2.3 World market opportunity		
Imports globally (current, USD bn)	1,175.1	Very high
Imports globally (3-year increase, USD bn)	-92.2	Very low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	5	Low
New exporters in SL (>10k USD)	83	Low
New exporters in SL (>100k USD)	25	Low
Rate of new vs. consistent exporters	1.2	Very low
3.2 Investors' regional market access		
China's share of Indian market	10%	Low
Japan's share of Indian market	3%	Average
Korea's share of Indian market	5%	High
3.3 Strength in related countries		
Exports from peers (vs global per capita)	81%	Low
Exports from India (vs global per capita)	10%	Low
Exports from China (vs global per capita)	48%	Low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	99.7	Average
Exports from SL (vs global per capita)	2.9%	Low
SL's share of Indian market	0.03%	Low
4.2 Current strength of SL workforce		
Current employment in SL	2,371	Very low
Worker training in SL	15%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	21	Low
Consistent exporters in SL (>1mn USD)	9	Low
Consistent exporters in SL (>10mn USD)	1	Low
BOI companies in operation	17	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-1.01	Very low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	3.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.9x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.7x avg
Engineers required (in USA)	0.7x avg
General workers required (in SL)	n/a
General workers required (in peer countries)	0.7x avg
Skilled workers required (in SL)	0.2x avg
Skilled workers required (in USA)	0.6x avg
Research & development use (in OECD)	0.3x avg
Research & development use (in UK)	0.4x avg

Notes:

Sector defined as ISIC C24. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Cement, ceramics, glass, other mineral products

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	97.5	Major exporters (over USD 1mn for 3 years)	11
Imports from Sri Lanka (USD mn)	605.4	BOI companies in operation	50
World market (USD bn)	190.8	Employment in Sri Lanka	79,352

SECTOR PRIORITIZATION **13th** / 30 full sectors (score = 0.15) **NORMAL PRIORITY***

Category	Impact	Z-score
1 Impact for Sri Lankan economy	High	0.4
1.1 Job creation potential	Average	0.1
1.2 Job quality potential	Low	-0.4
1.3 Potential beyond Western Province	Very high	1.1
1.4 New linkages potential	High	0.6
2 Market opportunity	Average	-0.1
2.1 Domestic market opportunity	High	0.8
2.2 Regional market opportunity	Average	0.0
2.3 World market opportunity	Low	-0.3
3 Investor interest (direct & indirect)	Average	0.1
3.1 Investor interest in SL	Average	-0.2
3.2 Investors' regional market access	High	0.3
3.3 Strength in related countries	High	0.4

*High impact, market opportunity, or investor interest » Normal priority for promotion

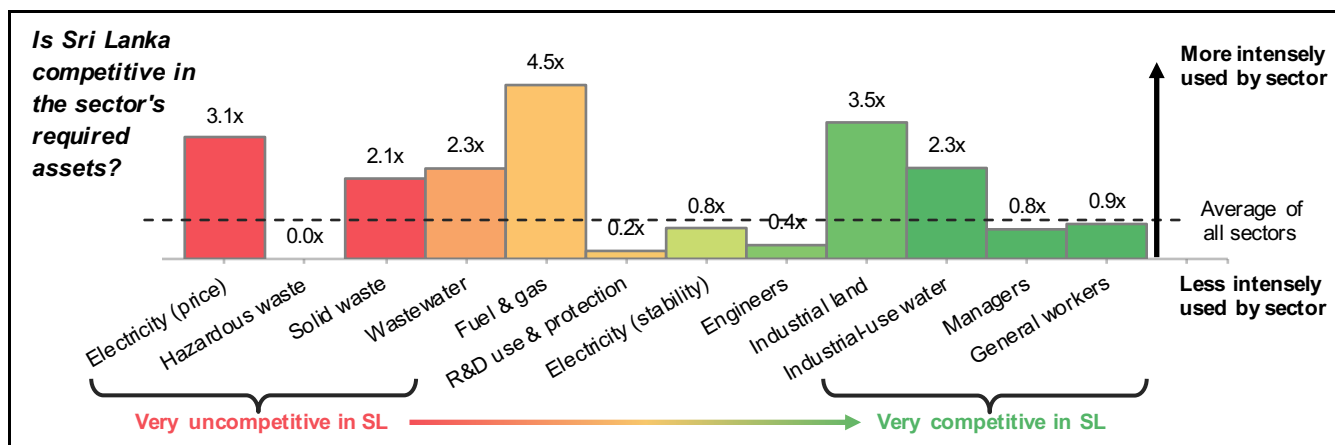
z-score

SECTOR STRATEGY **EXISTING OR EMERGING, ASSET IMPROVEMENTS NEEDED****

4 Current strength in Sri Lanka	Average	0.0
4.1 Current strength of SL exports	Average	-0.1
4.2 Current strength of SL workforce	High	0.4
4.3 Current strength of SL companies	Average	-0.2
5 Current know-how in Sri Lanka	Low	-0.5
5.1 Strength in related products	Low	-0.5
6 Hard & soft asset competitiveness	Low	-0.3
6.1 Competitiveness of required hard assets	Low	-0.4
6.2 Competitiveness of required soft assets	Very high	0.9

**Strong or emerging, but SL lacks needed assets » Promote existing firms, upgrade infrastructure & skills

z-score



Cement, ceramics, glass, other mineral products

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.65	Average
Jobs per value added (peers; z-score)	-0.25	Average
Wages per value added (USA)	71%	High
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	75	Low
Average wage rate (peers; z-score)	0.04	Average
Average wage rate (USA; USD per year)	41,334	Low
Employment for youth (in SL)	20%	Very low
Employment for women (in SL)	32%	Average
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	49%	High
Employment beyond Western Prov.	72%	Very high
1.4 New linkages potential		
Opportunity Gain index (z-score)	0.62	High

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	605	High
Imports in SL (vs global per capita)	110%	Very high
Imports in SL (3-year increase, USD mn)	+185	High
2.2 Regional market opportunity		
Imports in India (current, USD mn)	2,464	Average
Imports in India (vs global per capita)	7%	Average
Imports in India (3-year increase, USD mn)	+178	Average
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	10,023	Low
Imports in China (vs global per capita)	27%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	190.8	Low
Imports globally (3-year increase, USD bn)	+17.1	Low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	75	High
New exporters in SL (>10k USD)	126	Average
New exporters in SL (>100k USD)	35	Low
Rate of new vs. consistent exporters	1.3	Very low
3.2 Investors' regional market access		
China's share of Indian market	47%	Very high
Japan's share of Indian market	3%	Average
Korea's share of Indian market	1%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	238%	High
Exports from India (vs global per capita)	10%	Low
Exports from China (vs global per capita)	119%	High

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	97.5	Average
Exports from SL (vs global per capita)	17.7%	Low
SL's share of Indian market	1.34%	High
4.2 Current strength of SL workforce		
Current employment in SL	79,352	High
Worker training in SL	7%	Very low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	28	Low
Consistent exporters in SL (>1mn USD)	11	Average
Consistent exporters in SL (>10mn USD)	1	Low
BOI companies in operation	50	Average

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.50	Low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	3.5x avg
Energy use (UNIDO estimate)	3.3x avg
Energy use (BOI estimate)	3.0x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	4.5x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	2.1x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.8x avg
Engineers required (in USA)	0.4x avg
General workers required (in SL)	0.8x avg
General workers required (in peer countries)	0.9x avg
Skilled workers required (in SL)	0.5x avg
Skilled workers required (in USA)	0.6x avg
Research & development use (in OECD)	0.3x avg
Research & development use (in UK)	0.2x avg

Notes:

Sector defined as ISIC C23. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

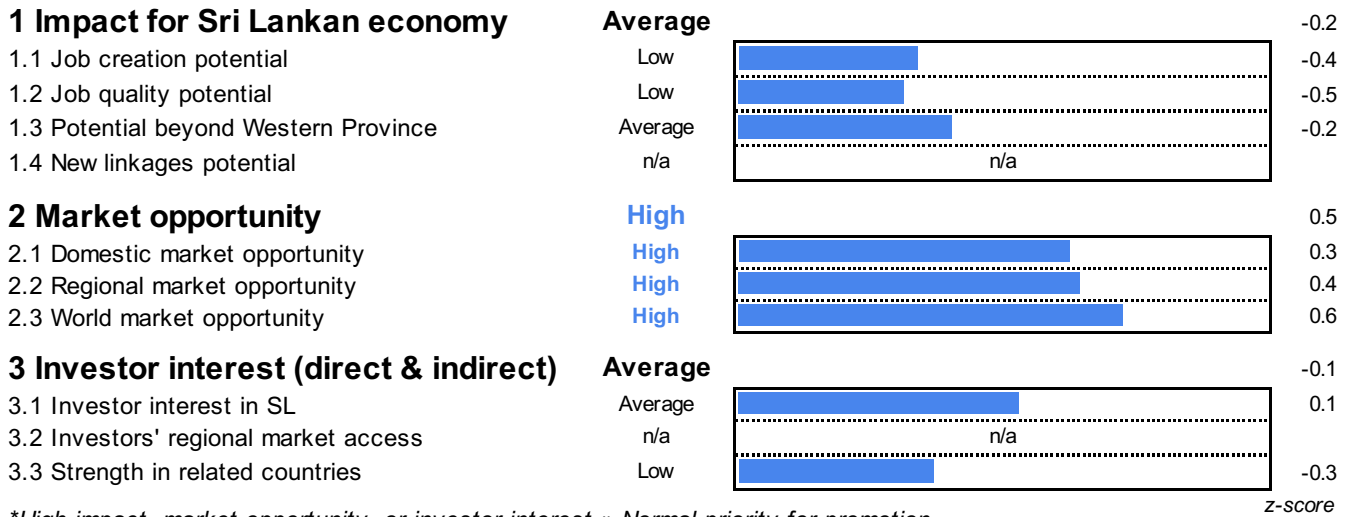
Transportation and storage (logistics)

Full sector

Key statistics (2015-2016)

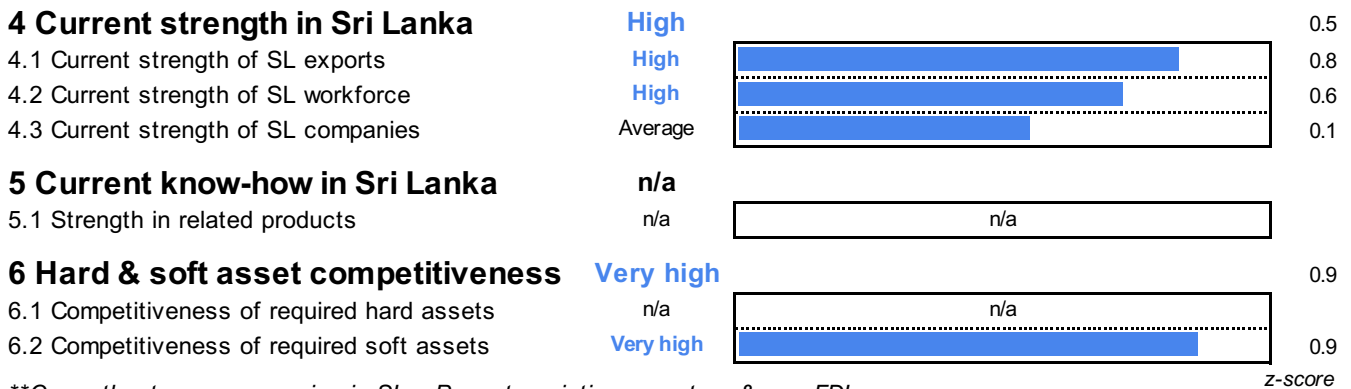
Exports from Sri Lanka (USD mn)	1,923.2	Major exporters (over USD 1mn for 3 years)	n/a
Imports from Sri Lanka (USD mn)	1,461.6	BOI companies in operation	82
World market (USD bn)	1,039.3	Employment in Sri Lanka	86,073

SECTOR PRIORITIZATION **14th** / 30 full sectors (score = 0.07) **NORMAL PRIORITY***

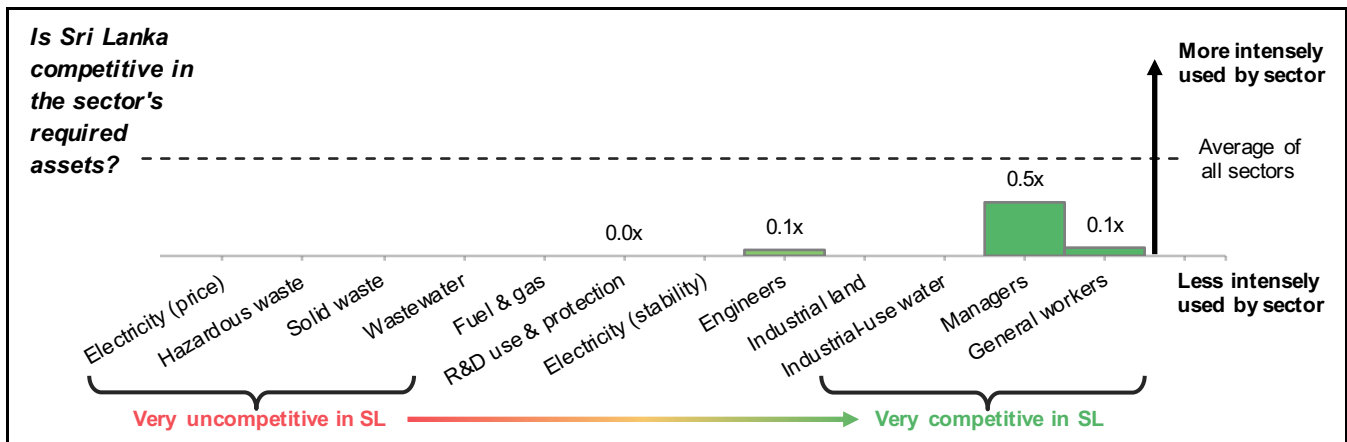


*High impact, market opportunity, or investor interest » Normal priority for promotion

SECTOR STRATEGY **EXISTING OR EMERGING****



**Currently strong or emerging in SL » Promote existing exporters & new FDI



Transportation and storage (logistics)

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.07	Very low
Jobs per value added (peers; z-score)	.	n/a
Wages per value added (USA)	62%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	89	Average
Average wage rate (peers; z-score)	.	n/a
Average wage rate (USA; USD per year)	40,366	Low
Employment for youth (in SL)	26%	Low
Employment for women (in SL)	4%	Very low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	3%	Very low
Employment beyond Western Prov.	50%	High
1.4 New linkages potential		
Opportunity Gain index (z-score)	.	n/a

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	1,462	Very high
Imports in SL (vs global per capita)	46%	Average
Imports in SL (3-year increase, USD mn)	-1,316	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	16,338	High
Imports in India (vs global per capita)	8%	Average
Imports in India (3-year increase, USD mn)	+1,028	High
Coverage under ISFTA	.	n/a
Imports in China (current, USD mn)	96,158	High
Imports in China (vs global per capita)	46%	High
2.3 World market opportunity		
Imports globally (current, USD bn)	1,039.3	Very high
Imports globally (3-year increase, USD bn)	+32.5	Average

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	49	High
New exporters in SL (>10k USD)	.	n/a
New exporters in SL (>100k USD)	.	n/a
Rate of new vs. consistent exporters	.	n/a
3.2 Investors' regional market access		
China's share of Indian market	.	n/a
Japan's share of Indian market	.	n/a
Korea's share of Indian market	.	n/a
3.3 Strength in related countries		
Exports from peers (vs global per capita)	68%	Low
Exports from India (vs global per capita)	11%	Average
Exports from China (vs global per capita)	.	n/a

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	1,923.2	Very high
Exports from SL (vs global per capita)	71.0%	High
SL's share of Indian market	.	n/a
4.2 Current strength of SL workforce		
Current employment in SL	86,073	High
Worker training in SL	15%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	.	n/a
Consistent exporters in SL (>1mn USD)	.	n/a
Consistent exporters in SL (>10mn USD)	.	n/a
BOI companies in operation	82	High

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	.	n/a

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	n/a
Energy use (UNIDO estimate)	n/a
Energy use (BOI estimate)	n/a
Electricity stability required (BOI estimate)	n/a
Fuel or gas use (BOI estimate)	n/a
Industrial water use (BOI estimate)	n/a
Wastewater production (BOI estimate)	n/a
Solid waste production (BOI estimate)	n/a
Hazardous waste production (BOI estimate)	n/a
6.2 Soft asset requirements	
Managers required (in USA)	0.5x avg
Engineers required (in USA)	0.1x avg
General workers required (in SL)	0.1x avg
General workers required (in peer countries)	n/a
Skilled workers required (in SL)	0.7x avg
Skilled workers required (in USA)	0.7x avg
Research & development use (in OECD)	n/a
Research & development use (in UK)	0.0x avg

Notes:

Sector defined as ISIC H. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

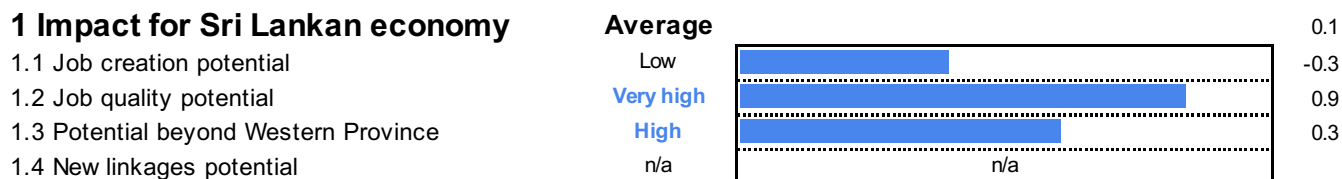
z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Key statistics (2015-2016)

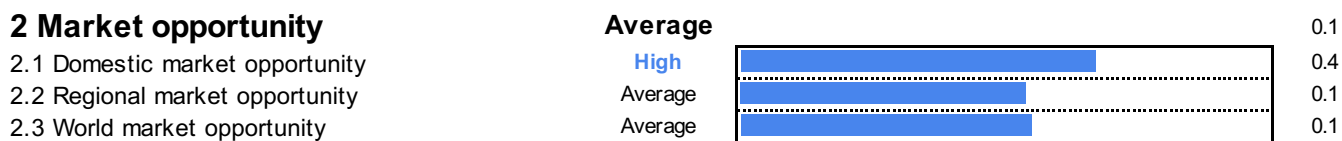
Exports from Sri Lanka (USD mn)	370.9	Major exporters (over USD 1mn for 3 years)	n/a
Imports from Sri Lanka (USD mn)	439.1	BOI companies in operation	41
World market (USD bn)	327.3	Employment in Sri Lanka	65,081

SECTOR PRIORITIZATION **15th** / 30 full sectors (score = 0.06) **NORMAL PRIORITY***

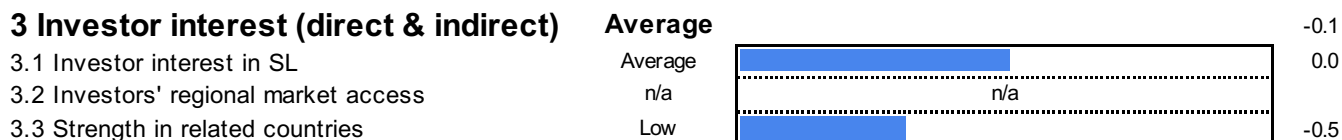
1 Impact for Sri Lankan economy



2 Market opportunity



3 Investor interest (direct & indirect)



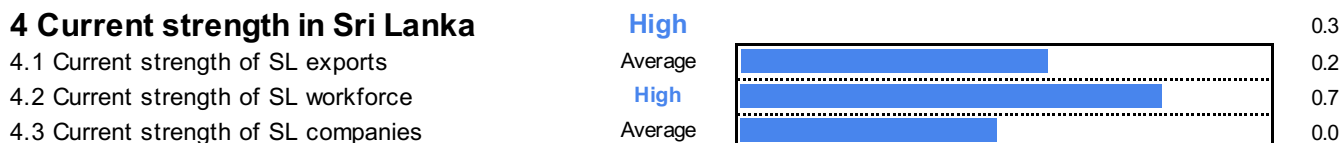
*High impact, market opportunity, or investor interest » Normal priority for promotion

z-score

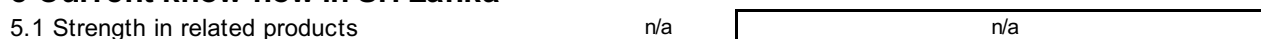
SECTOR STRATEGY

EXISTING OR EMERGING**

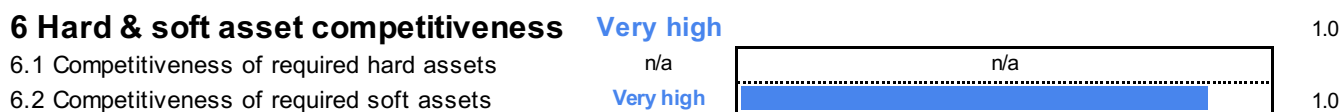
4 Current strength in Sri Lanka



5 Current know-how in Sri Lanka

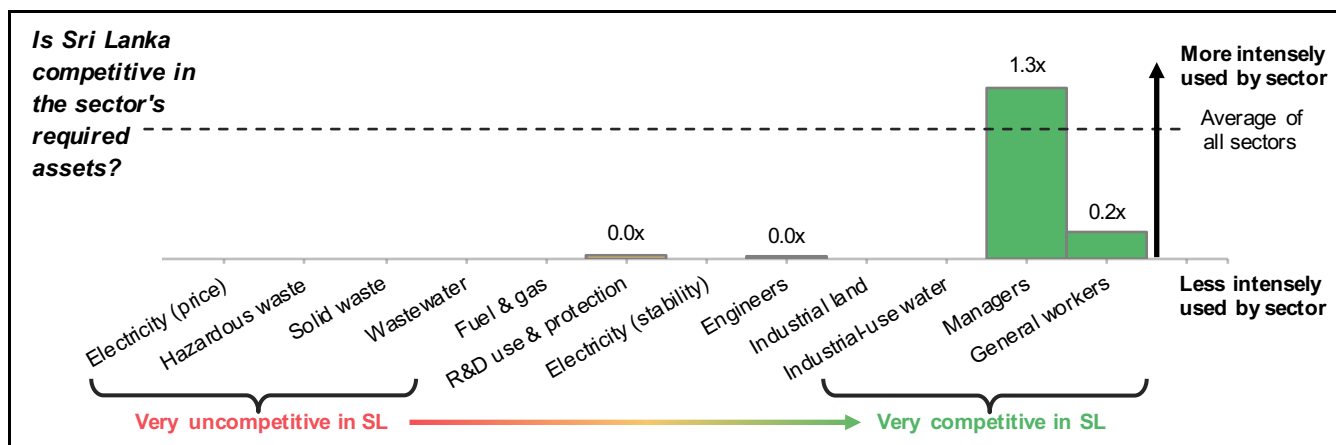


6 Hard & soft asset competitiveness



**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Finance and insurance

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.16	Very low
Jobs per value added (peers; z-score)	.	n/a
Wages per value added (USA)	67%	High
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	130	Very high
Average wage rate (peers; z-score)	.	n/a
Average wage rate (USA; USD per year)	60,020	Very high
Employment for youth (in SL)	44%	Very high
Employment for women (in SL)	43%	High
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	.	n/a
Employment beyond Western Prov.	52%	High
1.4 New linkages potential		
Opportunity Gain index (z-score)	.	n/a

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	439	Average
Imports in SL (vs global per capita)	63%	High
Imports in SL (3-year increase, USD mn)	+181	High
2.2 Regional market opportunity		
Imports in India (current, USD mn)	4,844	Average
Imports in India (vs global per capita)	10%	Average
Imports in India (3-year increase, USD mn)	-4,912	Very low
Coverage under ISFTA	.	n/a
Imports in China (current, USD mn)	27,394	Average
Imports in China (vs global per capita)	56%	High
2.3 World market opportunity		
Imports globally (current, USD bn)	327.3	Average
Imports globally (3-year increase, USD bn)	+30.1	Average

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	38	Average
New exporters in SL (>10k USD)	.	n/a
New exporters in SL (>100k USD)	.	n/a
Rate of new vs. consistent exporters	.	n/a
3.2 Investors' regional market access		
China's share of Indian market	.	n/a
Japan's share of Indian market	.	n/a
Korea's share of Indian market	.	n/a
3.3 Strength in related countries		
Exports from peers (vs global per capita)	26%	Very low
Exports from India (vs global per capita)	10%	Average
Exports from China (vs global per capita)	.	n/a

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	370.9	High
Exports from SL (vs global per capita)	32.5%	Average
SL's share of Indian market	.	n/a
4.2 Current strength of SL workforce		
Current employment in SL	65,081	High
Worker training in SL	35%	Very high
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	.	n/a
Consistent exporters in SL (>1mn USD)	.	n/a
Consistent exporters in SL (>10mn USD)	.	n/a
BOI companies in operation	41	Average

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	.	n/a

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	n/a
Energy use (UNIDO estimate)	n/a
Energy use (BOI estimate)	n/a
Electricity stability required (BOI estimate)	n/a
Fuel or gas use (BOI estimate)	n/a
Industrial water use (BOI estimate)	n/a
Wastewater production (BOI estimate)	n/a
Solid waste production (BOI estimate)	n/a
Hazardous waste production (BOI estimate)	n/a
6.2 Soft asset requirements	
Managers required (in USA)	1.3x avg
Engineers required (in USA)	0.0x avg
General workers required (in SL)	0.2x avg
General workers required (in peer countries)	n/a
Skilled workers required (in SL)	4.3x avg
Skilled workers required (in USA)	1.9x avg
Research & development use (in OECD)	n/a
Research & development use (in UK)	0.0x avg

Notes:

Sector defined as ISIC K. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Rubber and plastics products

Full sector

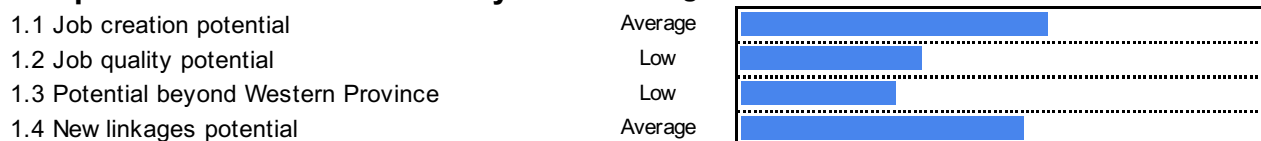
Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	1,043.9	Major exporters (over USD 1mn for 3 years)	45
Imports from Sri Lanka (USD mn)	445.6	BOI companies in operation	104
World market (USD bn)	449.1	Employment in Sri Lanka	38,216

SECTOR PRIORITIZATION **16th** / 30 full sectors (score = 0.04) **NORMAL PRIORITY***

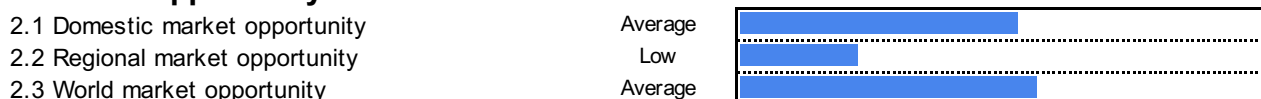
1 Impact for Sri Lankan economy

Average -0.1



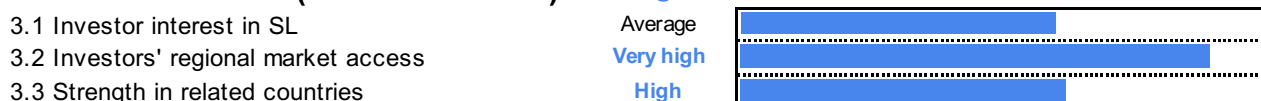
2 Market opportunity

Low -0.3



3 Investor interest (direct & indirect)

High 0.5



*High impact, market opportunity, or investor interest » Normal priority for promotion

z-score

SECTOR STRATEGY **EXISTING OR EMERGING, ASSET IMPROVEMENTS NEEDED****

4 Current strength in Sri Lanka

High 0.5



5 Current know-how in Sri Lanka

Average 0.0



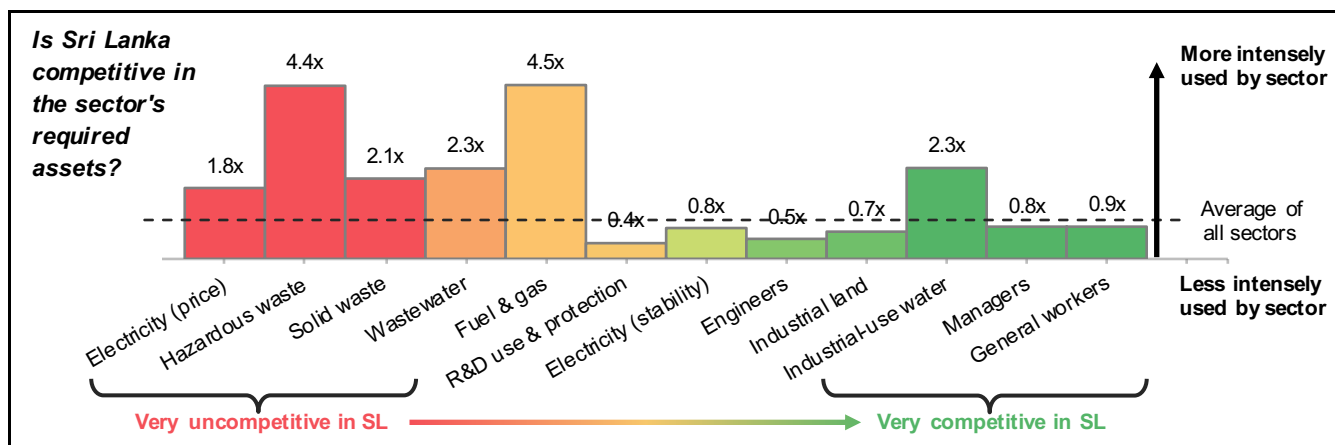
6 Hard & soft asset competitiveness

Low -0.3



**Strong or emerging, but SL lacks needed assets » Promote existing firms, upgrade infrastructure & skills

z-score



Rubber and plastics products

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.51	Low
Jobs per value added (peers; z-score)	0.17	High
Wages per value added (USA)	73%	High
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	67	Low
Average wage rate (peers; z-score)	-0.25	Low
Average wage rate (USA; USD per year)	40,882	Low
Employment for youth (in SL)	22%	Low
Employment for women (in SL)	34%	Average
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	15%	Low
Employment beyond Western Prov.	30%	Low
1.4 New linkages potential		
Opportunity Gain index (z-score)	0.09	Average

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	446	Average
Imports in SL (vs global per capita)	34%	Average
Imports in SL (3-year increase, USD mn)	+62	Average
2.2 Regional market opportunity		
Imports in India (current, USD mn)	3,820	Average
Imports in India (vs global per capita)	5%	Low
Imports in India (3-year increase, USD mn)	+394	Average
Coverage under ISFTA	20%	Very low
Imports in China (current, USD mn)	20,717	Average
Imports in China (vs global per capita)	24%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	449.1	High
Imports globally (3-year increase, USD bn)	+24.7	Average

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	38	Average
New exporters in SL (>10k USD)	279	High
New exporters in SL (>100k USD)	118	High
Rate of new vs. consistent exporters	1.5	Average
3.2 Investors' regional market access		
China's share of Indian market	30%	High
Japan's share of Indian market	7%	Very high
Korea's share of Indian market	6%	High
3.3 Strength in related countries		
Exports from peers (vs global per capita)	273%	Very high
Exports from India (vs global per capita)	7%	Low
Exports from China (vs global per capita)	94%	High

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	1,043.9	Very high
Exports from SL (vs global per capita)	80.3%	High
SL's share of Indian market	0.88%	Average
4.2 Current strength of SL workforce		
Current employment in SL	38,216	High
Worker training in SL	13%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	80	High
Consistent exporters in SL (>1mn USD)	45	High
Consistent exporters in SL (>10mn USD)	14	High
BOI companies in operation	104	Very high

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.03	Average

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.7x avg
Energy use (BOI estimate)	3.0x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	4.5x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	2.1x avg
Hazardous waste production (BOI estimate)	4.4x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.8x avg
Engineers required (in USA)	0.5x avg
General workers required (in SL)	0.6x avg
General workers required (in peer countries)	1.1x avg
Skilled workers required (in SL)	0.8x avg
Skilled workers required (in USA)	0.7x avg
Research & development use (in OECD)	0.6x avg
Research & development use (in UK)	0.2x avg

Notes:

Sector defined as ISIC C22. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Pharmaceutical products

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	8.4	Major exporters (over USD 1mn for 3 years)	0
Imports from Sri Lanka (USD mn)	398.2	BOI companies in operation	8
World market (USD bn)	601.0	Employment in Sri Lanka	5,025

SECTOR PRIORITIZATION **17th** / 30 full sectors (score = 0.03) **NORMAL PRIORITY***

Category	Priority	z-score
1 Impact for Sri Lankan economy	High	0.3
1.1 Job creation potential	Low	-0.3
1.2 Job quality potential	Average	0.2
1.3 Potential beyond Western Province	Low	-0.7
1.4 New linkages potential	Very high	>1.2
2 Market opportunity	High	0.3
2.1 Domestic market opportunity	Average	-0.1
2.2 Regional market opportunity	Average	0.1
2.3 World market opportunity	High	0.5
3 Investor interest (direct & indirect)	Low	-0.5
3.1 Investor interest in SL	Low	-0.8
3.2 Investors' regional market access	Average	-0.1
3.3 Strength in related countries	Low	-0.7

*High impact, market opportunity, or investor interest » Normal priority for promotion

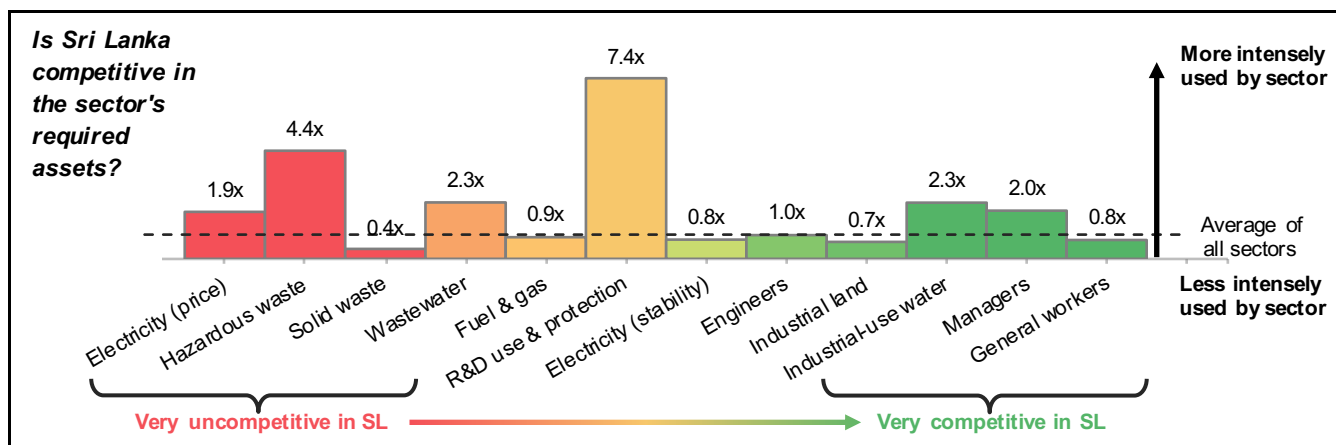
z-score

SECTOR STRATEGY **KNOWHOW NEEDED****

4 Current strength in Sri Lanka	Low	-0.8
4.1 Current strength of SL exports	Very low	-1.0
4.2 Current strength of SL workforce	Low	-0.7
4.3 Current strength of SL companies	Low	-0.6
5 Current know-how in Sri Lanka	Very low	<-1.2
5.1 Strength in related products	Very low	<-1.2
6 Hard & soft asset competitiveness	Average	-0.2
6.1 Competitiveness of required hard assets	Low	-0.6
6.2 Competitiveness of required soft assets	High	0.4

**Not yet present, but SL is competitive in needed assets » Target investment & knowhow from abroad

z-score



Pharmaceutical products

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.46	Low
Jobs per value added (peers; z-score)	-0.22	Average
Wages per value added (USA)	54%	Low
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	98	High
Average wage rate (peers; z-score)	0.63	High
Average wage rate (USA; USD per year)	69,954	Very high
Employment for youth (in SL)	16%	Very low
Employment for women (in SL)	48%	High
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	20%	Low
Employment beyond Western Prov.	17%	Very low
1.4 New linkages potential		
Opportunity Gain index (z-score)	1.25	Very high

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	398	Average
Imports in SL (vs global per capita)	23%	Low
Imports in SL (3-year increase, USD mn)	+44	Average
2.2 Regional market opportunity		
Imports in India (current, USD mn)	4,269	Average
Imports in India (vs global per capita)	4%	Low
Imports in India (3-year increase, USD mn)	+437	Average
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	17,531	Average
Imports in China (vs global per capita)	15%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	601.0	High
Imports globally (3-year increase, USD bn)	+46.9	High

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	17	Low
New exporters in SL (>10k USD)	32	Low
New exporters in SL (>100k USD)	6	Low
Rate of new vs. consistent exporters	1.0	Very low
3.2 Investors' regional market access		
China's share of Indian market	44%	Very high
Japan's share of Indian market	1%	Low
Korea's share of Indian market	2%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	12%	Very low
Exports from India (vs global per capita)	16%	Average
Exports from China (vs global per capita)	17%	Very low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	8.4	Very low
Exports from SL (vs global per capita)	0.5%	Low
SL's share of Indian market	0.01%	Low
4.2 Current strength of SL workforce		
Current employment in SL	5,025	Very low
Worker training in SL	27%	High
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	6	Low
Consistent exporters in SL (>1mn USD)	0	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	8	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-1.33	Very low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	3.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.9x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	4.4x avg
6.2 Soft asset requirements	
Managers required (in USA)	2.0x avg
Engineers required (in USA)	1.0x avg
General workers required (in SL)	0.6x avg
General workers required (in peer countries)	1.0x avg
Skilled workers required (in SL)	3.6x avg
Skilled workers required (in USA)	1.8x avg
Research & development use (in OECD)	5.2x avg
Research & development use (in UK)	9.6x avg

Notes:

Sector defined as ISIC C21. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Refined petroleum and coke products

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	86.6	Major exporters (over USD 1mn for 3 years)	0
Imports from Sri Lanka (USD mn)	2,854.8	BOI companies in operation	1
World market (USD bn)	966.4	Employment in Sri Lanka	233

SECTOR PRIORITIZATION **18th** / 30 full sectors (score = 0.02) **NORMAL PRIORITY***

Category	Assessment	Z-score
1 Impact for Sri Lankan economy	Average	-0.2
1.1 Job creation potential	Very low	<-1.2
1.2 Job quality potential	High	0.8
1.3 Potential beyond Western Province	Very high	1.0
1.4 New linkages potential	Low	-0.4
2 Market opportunity	High	0.5
2.1 Domestic market opportunity	Very high	>1.2
2.2 Regional market opportunity	High	0.4
2.3 World market opportunity	High	0.4
3 Investor interest (direct & indirect)	Average	-0.2
3.1 Investor interest in SL	Low	-0.5
3.2 Investors' regional market access	Low	-0.3
3.3 Strength in related countries	High	0.3

*High impact, market opportunity, or investor interest » Normal priority for promotion

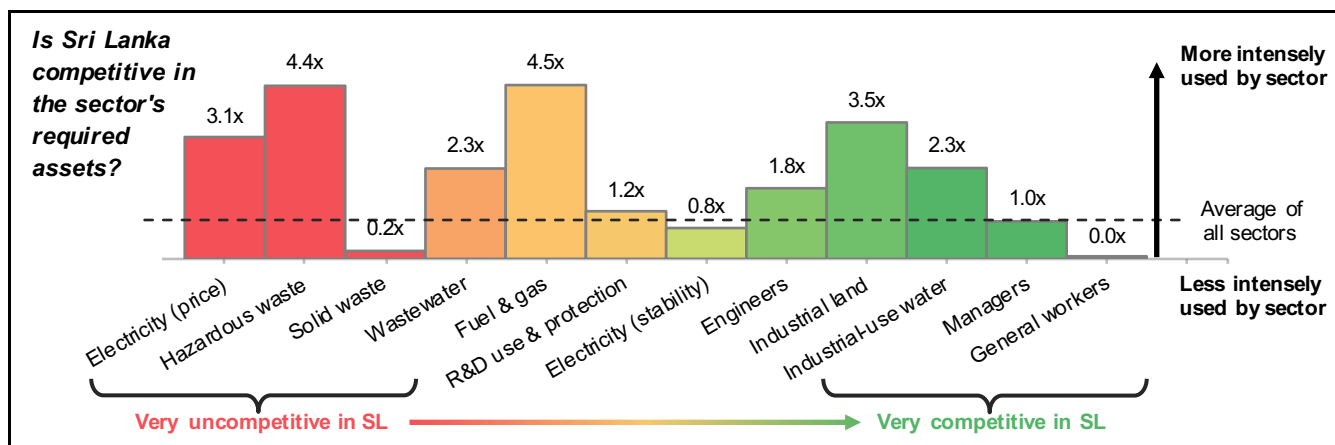
z-score

SECTOR STRATEGY **IMPROVEMENTS NEEDED****

4 Current strength in Sri Lanka	Very low	-1.1
4.1 Current strength of SL exports	Low	-0.4
4.2 Current strength of SL workforce	Very low	<-1.2
4.3 Current strength of SL companies	Low	-0.6
5 Current know-how in Sri Lanka	Low	-0.4
5.1 Strength in related products	Low	-0.4
6 Hard & soft asset competitiveness	Low	-0.3
6.1 Competitiveness of required hard assets	Low	-0.5
6.2 Competitiveness of required soft assets	High	0.4

**Less current potential, and SL lacks the needed hard or soft assets » Upgrade infrastructure or skills

z-score



Refined petroleum and coke products

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.00	Very low
Jobs per value added (peers; z-score)	-3.62	Very low
Wages per value added (USA)	60%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	132	Very high
Average wage rate (peers; z-score)	2.40	Very high
Average wage rate (USA; USD per year)	82,528	Very high
Employment for youth (in SL)	.	n/a
Employment for women (in SL)	16%	Low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	60%	Very high
Employment beyond Western Prov.	59%	Very high
1.4 New linkages potential		
Opportunity Gain index (z-score)	-0.45	Low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	2,855	Very high
Imports in SL (vs global per capita)	102%	Very high
Imports in SL (3-year increase, USD mn)	+441	Very high
2.2 Regional market opportunity		
Imports in India (current, USD mn)	14,393	High
Imports in India (vs global per capita)	8%	Average
Imports in India (3-year increase, USD mn)	+450	Average
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	33,159	High
Imports in China (vs global per capita)	18%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	966.4	Very high
Imports globally (3-year increase, USD bn)	-32.1	Very low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	7	Low
New exporters in SL (>10k USD)	1	Very low
New exporters in SL (>100k USD)	0	Low
Rate of new vs. consistent exporters	.	n/a
3.2 Investors' regional market access		
China's share of Indian market	4%	Very low
Japan's share of Indian market	1%	Low
Korea's share of Indian market	6%	High
3.3 Strength in related countries		
Exports from peers (vs global per capita)	247%	High
Exports from India (vs global per capita)	31%	Very high
Exports from China (vs global per capita)	11%	Very low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	86.6	Low
Exports from SL (vs global per capita)	3.1%	Low
SL's share of Indian market	0.17%	Low
4.2 Current strength of SL workforce		
Current employment in SL	233	Very low
Worker training in SL	.	n/a
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	0	Low
Consistent exporters in SL (>1mn USD)	0	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	1	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.37	Low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	3.5x avg
Energy use (UNIDO estimate)	3.3x avg
Energy use (BOI estimate)	3.0x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	4.5x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	0.2x avg
Hazardous waste production (BOI estimate)	4.4x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.0x avg
Engineers required (in USA)	1.8x avg
General workers required (in SL)	0.0x avg
General workers required (in peer countries)	0.0x avg
Skilled workers required (in SL)	n/a
Skilled workers required (in USA)	1.4x avg
Research & development use (in OECD)	0.5x avg
Research & development use (in UK)	1.9x avg

Notes:

Sector defined as ISIC C19. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Education

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	n/a	Major exporters (over USD 1mn for 3 years)	n/a
Imports from Sri Lanka (USD mn)	n/a	BOI companies in operation	16
World market (USD bn)	49.0	Employment in Sri Lanka	194,396

SECTOR PRIORITIZATION **19th** / 30 full sectors (score = 0.02) **NORMAL PRIORITY***

Category	Impact	z-score
1 Impact for Sri Lankan economy	High	0.6
1.1 Job creation potential	Very high	>1.2
1.2 Job quality potential	High	0.6
1.3 Potential beyond Western Province	High	0.3
1.4 New linkages potential	n/a	n/a
2 Market opportunity	Low	-0.4
2.1 Domestic market opportunity	n/a	n/a
2.2 Regional market opportunity	Average	0.1
2.3 World market opportunity	Very low	-1.1
3 Investor interest (direct & indirect)	Average	-0.1
3.1 Investor interest in SL	Average	0.0
3.2 Investors' regional market access	n/a	n/a
3.3 Strength in related countries	Average	-0.2

*High impact, market opportunity, or investor interest » Normal priority for promotion

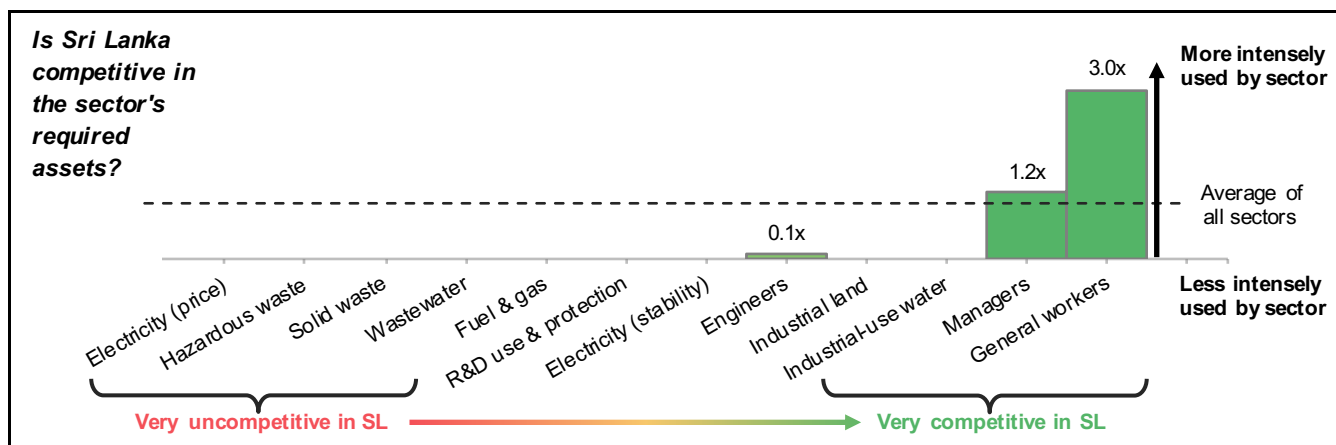
z-score

SECTOR STRATEGY **EXISTING OR EMERGING****

Category	Competitiveness	z-score
4 Current strength in Sri Lanka	High	0.5
4.1 Current strength of SL exports	n/a	n/a
4.2 Current strength of SL workforce	Very high	>1.2
4.3 Current strength of SL companies	Average	-0.1
5 Current know-how in Sri Lanka	n/a	
5.1 Strength in related products	n/a	n/a
6 Hard & soft asset competitiveness	Very high	1.1
6.1 Competitiveness of required hard assets	n/a	n/a
6.2 Competitiveness of required soft assets	Very high	1.1

**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Education

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	2.40	Very high
Jobs per value added (peers; z-score)	.	n/a
Wages per value added (USA)	92%	Very high
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	162	Very high
Average wage rate (peers; z-score)	.	n/a
Average wage rate (USA; USD per year)	37,000	Low
Employment for youth (in SL)	21%	Low
Employment for women (in SL)	71%	Very high
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	15%	Low
Employment beyond Western Prov.	64%	Very high
1.4 New linkages potential		
Opportunity Gain index (z-score)	.	n/a

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	.	n/a
Imports in SL (vs global per capita)	.	n/a
Imports in SL (3-year increase, USD mn)	.	n/a
2.2 Regional market opportunity		
Imports in India (current, USD mn)	1,400	Low
Imports in India (vs global per capita)	15%	High
Imports in India (3-year increase, USD mn)	+1,045	High
Coverage under ISFTA	.	n/a
Imports in China (current, USD mn)	873,000	Very high
Imports in China (vs global per capita)	9%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	49.0	Very low
Imports globally (3-year increase, USD bn)	+8.9	Low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	24	Average
New exporters in SL (>10k USD)	.	n/a
New exporters in SL (>100k USD)	.	n/a
Rate of new vs. consistent exporters	.	n/a
3.2 Investors' regional market access		
China's share of Indian market	.	n/a
Japan's share of Indian market	.	n/a
Korea's share of Indian market	.	n/a
3.3 Strength in related countries		
Exports from peers (vs global per capita)	64%	Low
Exports from India (vs global per capita)	18%	Average
Exports from China (vs global per capita)	.	n/a

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	.	n/a
Exports from SL (vs global per capita)	.	n/a
SL's share of Indian market	.	n/a
4.2 Current strength of SL workforce		
Current employment in SL	194,396	Very high
Worker training in SL	43%	Very high
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	.	n/a
Consistent exporters in SL (>1mn USD)	.	n/a
Consistent exporters in SL (>10mn USD)	.	n/a
BOI companies in operation	16	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	.	n/a

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	n/a
Energy use (UNIDO estimate)	n/a
Energy use (BOI estimate)	n/a
Electricity stability required (BOI estimate)	n/a
Fuel or gas use (BOI estimate)	n/a
Industrial water use (BOI estimate)	n/a
Wastewater production (BOI estimate)	n/a
Solid waste production (BOI estimate)	n/a
Hazardous waste production (BOI estimate)	n/a
6.2 Soft asset requirements	
Managers required (in USA)	1.2x avg
Engineers required (in USA)	0.1x avg
General workers required (in SL)	3.0x avg
General workers required (in peer countries)	n/a
Skilled workers required (in SL)	4.9x avg
Skilled workers required (in USA)	2.8x avg
Research & development use (in OECD)	n/a
Research & development use (in UK)	n/a

Notes:

Sector defined as ISIC P. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Ships, motorcycles, bicycles, aircraft, rail

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	91.0	Major exporters (over USD 1mn for 3 years)	7
Imports from Sri Lanka (USD mn)	2,885.2	BOI companies in operation	12
World market (USD bn)	541.1	Employment in Sri Lanka	5,728

SECTOR PRIORITIZATION 20th / 30 full sectors (score = 0.01) NORMAL PRIORITY*

Category	Average	z-score
1 Impact for Sri Lankan economy	Average	0.1
1.1 Job creation potential	High	0.6
1.2 Job quality potential	High	0.3
1.3 Potential beyond Western Province	Very low	<-1.2
1.4 New linkages potential	High	0.4
2 Market opportunity	High	0.4
2.1 Domestic market opportunity	Very high	>1.2
2.2 Regional market opportunity	Average	0.2
2.3 World market opportunity	High	0.3
3 Investor interest (direct & indirect)	Low	-0.6
3.1 Investor interest in SL	Low	-0.7
3.2 Investors' regional market access	Low	-0.5
3.3 Strength in related countries	Low	-0.6

*High impact, market opportunity, or investor interest » Normal priority for promotion

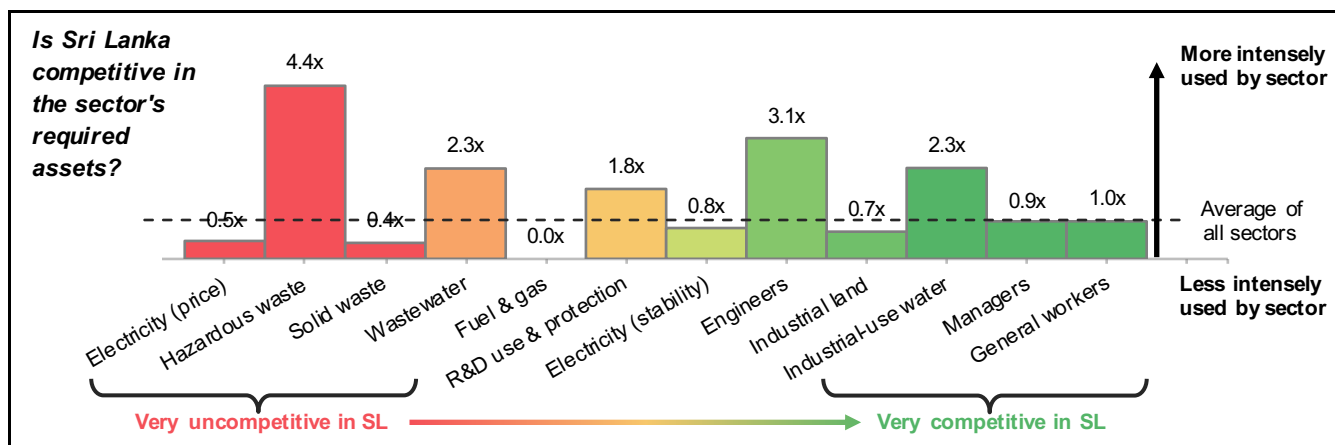
z-score

SECTOR STRATEGY KNOWHOW NEEDED**

4 Current strength in Sri Lanka	Low	-0.6
4.1 Current strength of SL exports	Low	-0.4
4.2 Current strength of SL workforce	Low	-0.8
4.3 Current strength of SL companies	Low	-0.4
5 Current know-how in Sri Lanka	Low	-0.7
5.1 Strength in related products	Low	-0.7
6 Hard & soft asset competitiveness	Average	0.1
6.1 Competitiveness of required hard assets	Low	-0.3
6.2 Competitiveness of required soft assets	High	0.5

**Not yet present, but SL is competitive in needed assets » Target investment & knowhow from abroad

z-score



Ships, motorcycles, bicycles, aircraft, rail

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	-0.29	Average
Wages per value added (USA)	92%	Very high
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	63	Very low
Average wage rate (peers; z-score)	0.48	High
Average wage rate (USA; USD per year)	56,877	High
Employment for youth (in SL)	47%	Very high
Employment for women (in SL)	19%	Low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	11%	Low
Employment beyond Western Prov.	5%	Very low
1.4 New linkages potential		
Opportunity Gain index (z-score)	0.42	High

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	2,885	Very high
Imports in SL (vs global per capita)	184%	Very high
Imports in SL (3-year increase, USD mn)	+2,100	Very high
2.2 Regional market opportunity		
Imports in India (current, USD mn)	6,012	High
Imports in India (vs global per capita)	6%	Low
Imports in India (3-year increase, USD mn)	+446	Average
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	37,190	High
Imports in China (vs global per capita)	36%	Average
2.3 World market opportunity		
Imports globally (current, USD bn)	541.1	High
Imports globally (3-year increase, USD bn)	+27.3	Average

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	14	Low
New exporters in SL (>10k USD)	33	Low
New exporters in SL (>100k USD)	18	Low
Rate of new vs. consistent exporters	1.2	Very low
3.2 Investors' regional market access		
China's share of Indian market	9%	Low
Japan's share of Indian market	1%	Low
Korea's share of Indian market	3%	Average
3.3 Strength in related countries		
Exports from peers (vs global per capita)	60%	Very low
Exports from India (vs global per capita)	11%	Average
Exports from China (vs global per capita)	32%	Low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	91.0	Low
Exports from SL (vs global per capita)	5.8%	Low
SL's share of Indian market	0.13%	Low
4.2 Current strength of SL workforce		
Current employment in SL	5,728	Very low
Worker training in SL	12%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	15	Low
Consistent exporters in SL (>1mn USD)	7	Low
Consistent exporters in SL (>10mn USD)	2	Average
BOI companies in operation	12	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.69	Low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	4.4x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.9x avg
Engineers required (in USA)	3.1x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	0.9x avg
Skilled workers required (in SL)	0.3x avg
Skilled workers required (in USA)	1.3x avg
Research & development use (in OECD)	2.3x avg
Research & development use (in UK)	1.3x avg

Notes:

Sector defined as ISIC C30. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Wearing apparel

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	5,271.2	Major exporters (over USD 1mn for 3 years)	145
Imports from Sri Lanka (USD mn)	844.1	BOI companies in operation	277
World market (USD bn)	465.9	Employment in Sri Lanka	393,434

SECTOR PRIORITIZATION **21st** / 30 full sectors (score = 0.00) LOWER PRIORITY*

Category	Quality	z-score
1 Impact for Sri Lankan economy	Average	0.0
1.1 Job creation potential	Very high	>1.2
1.2 Job quality potential	High	0.3
1.3 Potential beyond Western Province	High	0.4
1.4 New linkages potential	Very low	<-1.2
2 Market opportunity	Low	-0.4
2.1 Domestic market opportunity	High	0.4
2.2 Regional market opportunity	Very low	-1.1
2.3 World market opportunity	High	0.3
3 Investor interest (direct & indirect)	High	0.5
3.1 Investor interest in SL	High	0.8
3.2 Investors' regional market access	Average	-0.1
3.3 Strength in related countries	Very high	0.9

*Lower impact, market opportunity, or investor interest » Lower priority for promotion

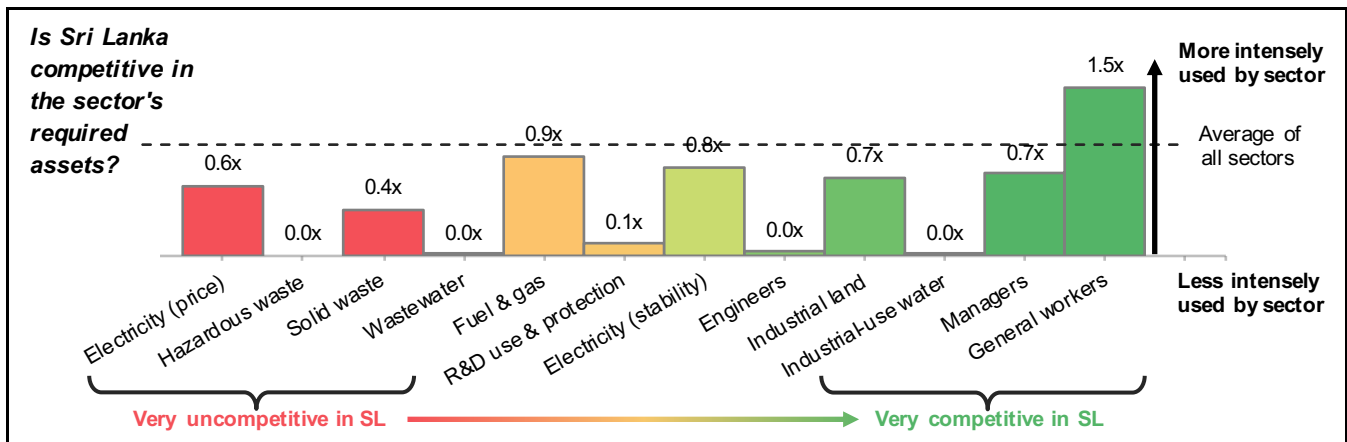
z-score

SECTOR STRATEGY **EXISTING OR EMERGING****

4 Current strength in Sri Lanka	Very high	>1.2
4.1 Current strength of SL exports	Very high	>1.2
4.2 Current strength of SL workforce	Very high	>1.2
4.3 Current strength of SL companies	Very high	>1.2
5 Current know-how in Sri Lanka	Very high	>1.2
5.1 Strength in related products	Very high	>1.2
6 Hard & soft asset competitiveness	High	0.3
6.1 Competitiveness of required hard assets	Low	-0.5
6.2 Competitiveness of required soft assets	Very high	1.1

**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Wearing apparel

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	1.30	Very high
Jobs per value added (peers; z-score)	1.32	Very high
Wages per value added (USA)	83%	Very high
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	68	Low
Average wage rate (peers; z-score)	-1.03	Very low
Average wage rate (USA; USD per year)	30,891	Very low
Employment for youth (in SL)	44%	Very high
Employment for women (in SL)	70%	Very high
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	44%	High
Employment beyond Western Prov.	46%	Average
1.4 New linkages potential		
Opportunity Gain index (z-score)	-1.31	Very low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	844	High
Imports in SL (vs global per capita)	63%	High
Imports in SL (3-year increase, USD mn)	+71	Average
2.2 Regional market opportunity		
Imports in India (current, USD mn)	1,182	Low
Imports in India (vs global per capita)	1%	Very low
Imports in India (3-year increase, USD mn)	+450	Average
Coverage under ISFTA	5%	Very low
Imports in China (current, USD mn)	6,419	Low
Imports in China (vs global per capita)	7%	Very low
2.3 World market opportunity		
Imports globally (current, USD bn)	465.9	High
Imports globally (3-year increase, USD bn)	+35.0	High

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	76	High
New exporters in SL (>10k USD)	437	Very high
New exporters in SL (>100k USD)	279	Very high
Rate of new vs. consistent exporters	1.2	Very low
3.2 Investors' regional market access		
China's share of Indian market	59%	Very high
Japan's share of Indian market	0%	Low
Korea's share of Indian market	1%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	180%	Average
Exports from India (vs global per capita)	23%	High
Exports from China (vs global per capita)	201%	Very high

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	5,271.2	Very high
Exports from SL (vs global per capita)	390.9%	Very high
SL's share of Indian market	5.58%	Very high
4.2 Current strength of SL workforce		
Current employment in SL	393,434	Very high
Worker training in SL	15%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	227	Very high
Consistent exporters in SL (>1mn USD)	145	Very high
Consistent exporters in SL (>10mn USD)	56	Very high
BOI companies in operation	277	Very high

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	2.62	Very high

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.7x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.9x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.7x avg
Engineers required (in USA)	0.0x avg
General workers required (in SL)	1.6x avg
General workers required (in peer countries)	1.4x avg
Skilled workers required (in SL)	1.1x avg
Skilled workers required (in USA)	0.7x avg
Research & development use (in OECD)	0.2x avg
Research & development use (in UK)	0.0x avg

Notes:

Sector defined as ISIC C14. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Footwear, leather, travel goods and related

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	63.2	Major exporters (over USD 1mn for 3 years)	2
Imports from Sri Lanka (USD mn)	60.3	BOI companies in operation	11
World market (USD bn)	222.4	Employment in Sri Lanka	20,502

SECTOR PRIORITIZATION **22nd** / 30 full sectors (score = 0.00) LOWER PRIORITY*

Category	Average	z-score
1 Impact for Sri Lankan economy	Average	0.0
1.1 Job creation potential	Very high	1.1
1.2 Job quality potential	Average	0.1
1.3 Potential beyond Western Province	Average	-0.2
1.4 New linkages potential	Low	-0.8
2 Market opportunity	Average	-0.1
2.1 Domestic market opportunity	Low	-0.7
2.2 Regional market opportunity	Average	-0.1
2.3 World market opportunity	Average	0.0
3 Investor interest (direct & indirect)	Average	0.1
3.1 Investor interest in SL	Average	0.0
3.2 Investors' regional market access	Low	-0.4
3.3 Strength in related countries	Very high	1.0

z-score

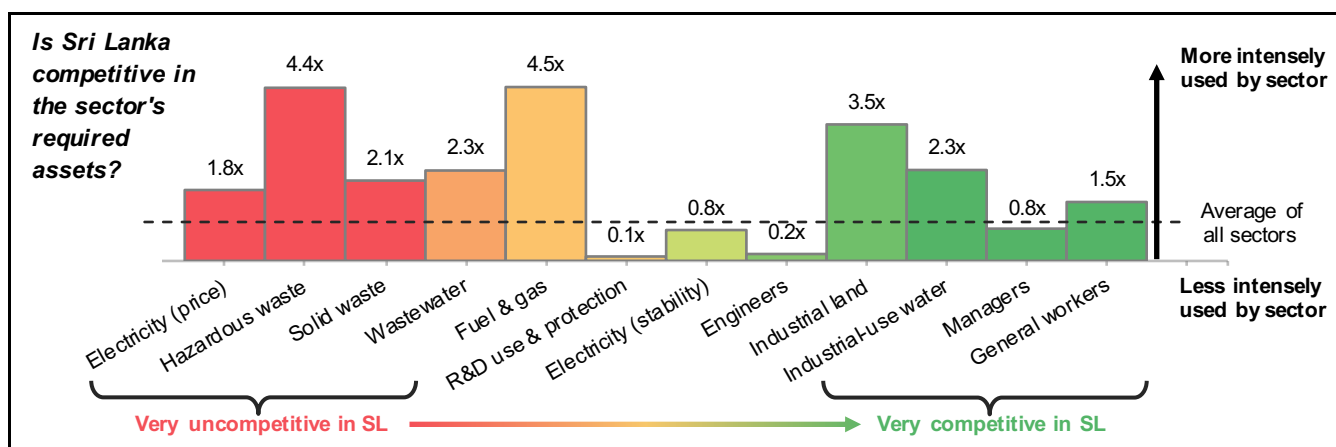
*Lower impact, market opportunity, or investor interest » Lower priority for promotion

SECTOR STRATEGY **EXISTING OR EMERGING****

4 Current strength in Sri Lanka	Low	-0.4
4.1 Current strength of SL exports	Low	-0.5
4.2 Current strength of SL workforce	Low	-0.3
4.3 Current strength of SL companies	Low	-0.5
5 Current know-how in Sri Lanka	High	0.7
5.1 Strength in related products	High	0.7
6 Hard & soft asset competitiveness	Average	-0.1
6.1 Competitiveness of required hard assets	Low	-0.3
6.2 Competitiveness of required soft assets	Very high	1.1

z-score

**Currently strong or emerging in SL » Promote existing exporters & new FDI



Footwear, leather, travel goods and related

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	1.30	Very high
Jobs per value added (peers; z-score)	1.24	Very high
Wages per value added (USA)	78%	Very high
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	67	Low
Average wage rate (peers; z-score)	-0.84	Very low
Average wage rate (USA; USD per year)	36,790	Low
Employment for youth (in SL)	37%	High
Employment for women (in SL)	56%	Very high
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	8%	Low
Employment beyond Western Prov.	46%	Average
1.4 New linkages potential		
Opportunity Gain index (z-score)	-0.81	Low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	60	Very low
Imports in SL (vs global per capita)	9%	Low
Imports in SL (3-year increase, USD mn)	+21	Low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	1,490	Low
Imports in India (vs global per capita)	4%	Low
Imports in India (3-year increase, USD mn)	+410	Average
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	7,156	Low
Imports in China (vs global per capita)	17%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	222.4	Average
Imports globally (3-year increase, USD bn)	+34.9	High

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	7	Low
New exporters in SL (>10k USD)	54	Low
New exporters in SL (>100k USD)	18	Low
Rate of new vs. consistent exporters	2.0	Very high
3.2 Investors' regional market access		
China's share of Indian market	40%	High
Japan's share of Indian market	0%	Low
Korea's share of Indian market	1%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	248%	High
Exports from India (vs global per capita)	16%	Average
Exports from China (vs global per capita)	206%	Very high

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	63.2	Low
Exports from SL (vs global per capita)	9.8%	Low
SL's share of Indian market	0.10%	Low
4.2 Current strength of SL workforce		
Current employment in SL	20,502	Average
Worker training in SL	6%	Very low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	9	Low
Consistent exporters in SL (>1mn USD)	2	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	11	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	0.74	High

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	3.5x avg
Energy use (UNIDO estimate)	0.7x avg
Energy use (BOI estimate)	3.0x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	4.5x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	2.1x avg
Hazardous waste production (BOI estimate)	4.4x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.8x avg
Engineers required (in USA)	0.2x avg
General workers required (in SL)	1.6x avg
General workers required (in peer countries)	1.4x avg
Skilled workers required (in SL)	0.8x avg
Skilled workers required (in USA)	1.0x avg
Research & development use (in OECD)	0.2x avg
Research & development use (in UK)	0.0x avg

Notes:

Sector defined as ISIC C15. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Paper products

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	48.2	Major exporters (over USD 1mn for 3 years)	6
Imports from Sri Lanka (USD mn)	494.0	BOI companies in operation	22
World market (USD bn)	222.1	Employment in Sri Lanka	12,011

SECTOR PRIORITIZATION **23rd** / 30 full sectors (score = -0.01) **LOWER PRIORITY***

1 Impact for Sri Lankan economy

	Average		
1.1 Job creation potential	High		0.5
1.2 Job quality potential	Average		0.2
1.3 Potential beyond Western Province	Low		-0.6
1.4 New linkages potential	High		0.3

2 Market opportunity

	Average		
2.1 Domestic market opportunity	High		0.4
2.2 Regional market opportunity	Average		0.1
2.3 World market opportunity	Average		-0.1

3 Investor interest (direct & indirect)

	Low		
3.1 Investor interest in SL	Average		-0.1
3.2 Investors' regional market access	Average		-0.2
3.3 Strength in related countries	Low		-0.7

*Lower impact, market opportunity, or investor interest » Lower priority for promotion

z-score

SECTOR STRATEGY

IMPROVEMENTS NEEDED**

4 Current strength in Sri Lanka

	Low		
4.1 Current strength of SL exports	Low		-0.5
4.2 Current strength of SL workforce	Low		-0.4
4.3 Current strength of SL companies	Low		-0.4

5 Current know-how in Sri Lanka

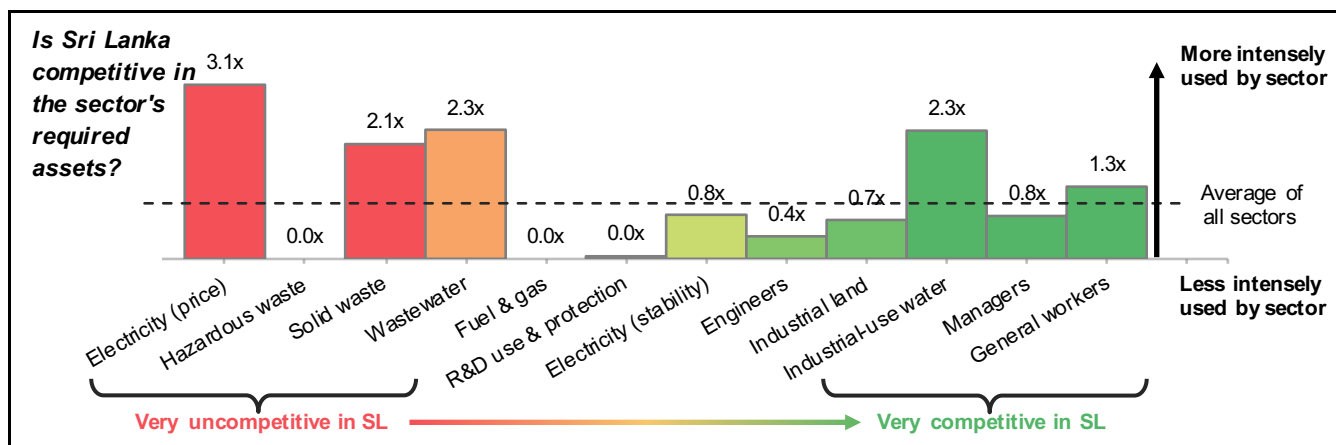
	Low		
5.1 Strength in related products	Low		-0.8

6 Hard & soft asset competitiveness

	Low		
6.1 Competitiveness of required hard assets	Low		-0.7
6.2 Competitiveness of required soft assets	Very high		1.0

**Less current potential, and SL lacks the needed hard or soft assets » Upgrade infrastructure or skills

z-score



Paper products

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	1.24	Very high
Jobs per value added (peers; z-score)	0.03	High
Wages per value added (USA)	65%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	70	Low
Average wage rate (peers; z-score)	-0.15	Low
Average wage rate (USA; USD per year)	50,991	High
Employment for youth (in SL)	28%	Average
Employment for women (in SL)	60%	Very high
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	12%	Low
Employment beyond Western Prov.	31%	Low
1.4 New linkages potential		
Opportunity Gain index (z-score)	0.34	High

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	494	High
Imports in SL (vs global per capita)	77%	High
Imports in SL (3-year increase, USD mn)	+54	Average
2.2 Regional market opportunity		
Imports in India (current, USD mn)	3,575	Average
Imports in India (vs global per capita)	9%	Average
Imports in India (3-year increase, USD mn)	+319	Average
Coverage under ISFTA	93%	Average
Imports in China (current, USD mn)	15,624	Average
Imports in China (vs global per capita)	37%	Average
2.3 World market opportunity		
Imports globally (current, USD bn)	222.1	Average
Imports globally (3-year increase, USD bn)	-2.5	Very low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	10	Low
New exporters in SL (>10k USD)	135	Average
New exporters in SL (>100k USD)	38	Low
Rate of new vs. consistent exporters	1.7	High
3.2 Investors' regional market access		
China's share of Indian market	12%	Low
Japan's share of Indian market	1%	Low
Korea's share of Indian market	7%	Very high
3.3 Strength in related countries		
Exports from peers (vs global per capita)	72%	Low
Exports from India (vs global per capita)	2%	Low
Exports from China (vs global per capita)	40%	Low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	48.2	Low
Exports from SL (vs global per capita)	7.5%	Low
SL's share of Indian market	0.32%	Low
4.2 Current strength of SL workforce		
Current employment in SL	12,011	Low
Worker training in SL	13%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	22	Low
Consistent exporters in SL (>1mn USD)	6	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	22	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.76	Low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	3.3x avg
Energy use (BOI estimate)	3.0x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	2.1x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.8x avg
Engineers required (in USA)	0.4x avg
General workers required (in SL)	1.6x avg
General workers required (in peer countries)	1.0x avg
Skilled workers required (in SL)	0.8x avg
Skilled workers required (in USA)	0.8x avg
Research & development use (in OECD)	0.1x avg
Research & development use (in UK)	0.0x avg

Notes:

Sector defined as ISIC C17. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

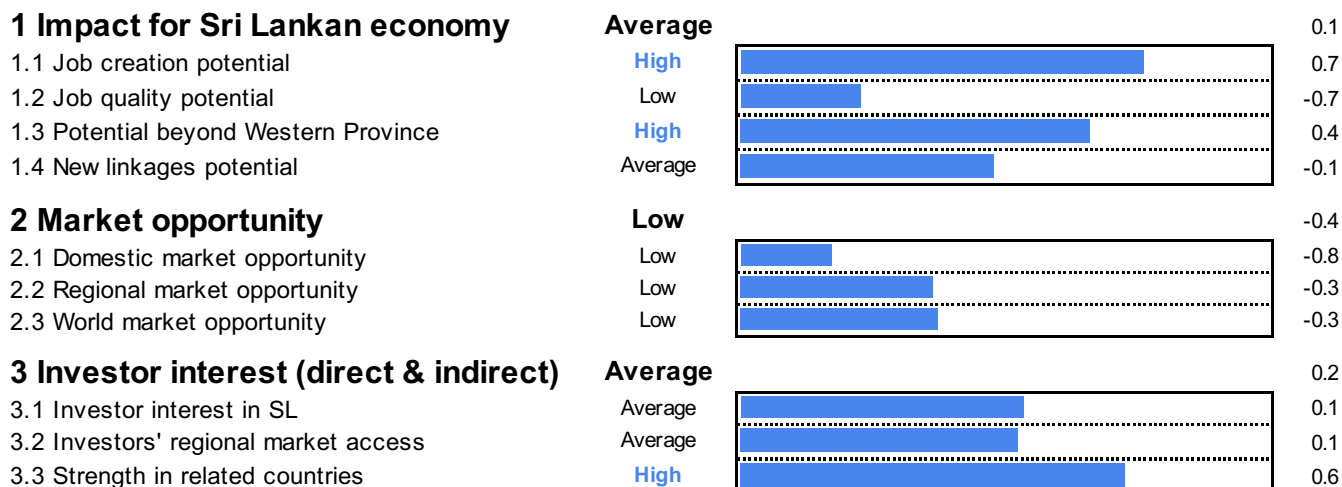
Furniture

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	29.5	Major exporters (over USD 1mn for 3 years)	4
Imports from Sri Lanka (USD mn)	37.7	BOI companies in operation	10
World market (USD bn)	156.8	Employment in Sri Lanka	34,726

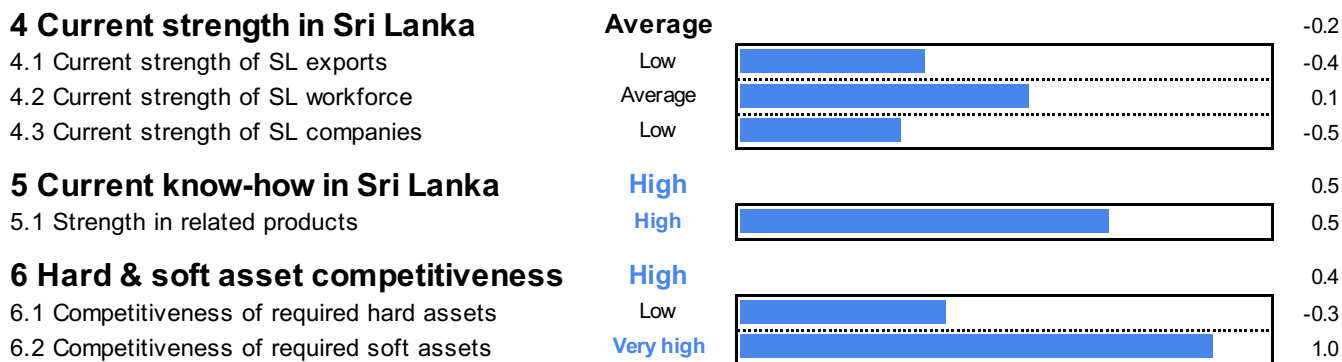
SECTOR PRIORITIZATION **24th** / 30 full sectors (score = -0.03) LOWER PRIORITY*



z-score

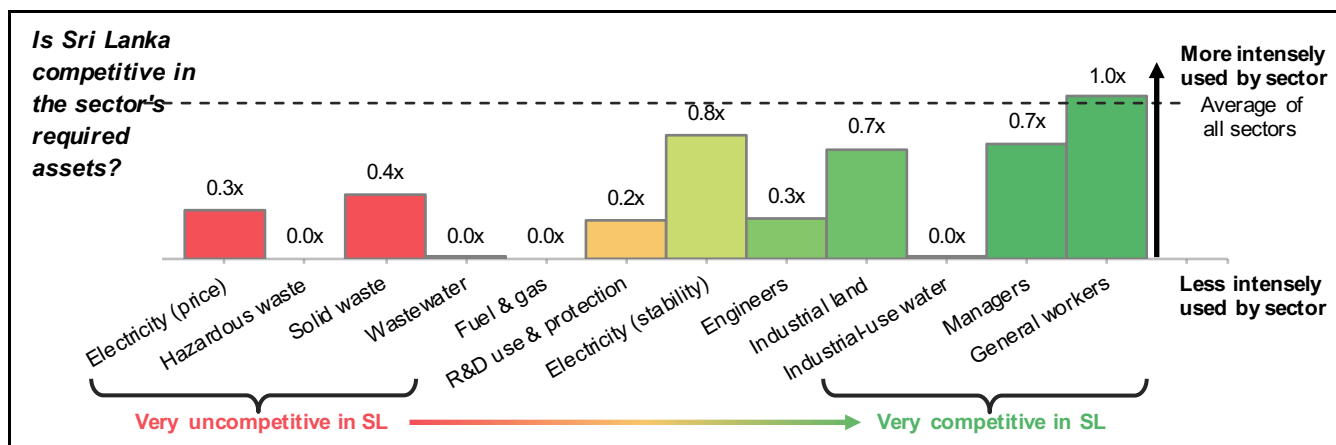
*Lower impact, market opportunity, or investor interest » Lower priority for promotion

SECTOR STRATEGY **EXISTING OR EMERGING****



z-score

**Currently strong or emerging in SL » Promote existing exporters & new FDI



	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.59	Low
Jobs per value added (peers; z-score)	1.11	Very high
Wages per value added (USA)	81%	Very high
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	85	Average
Average wage rate (peers; z-score)	-0.80	Very low
Average wage rate (USA; USD per year)	32,530	Very low
Employment for youth (in SL)	26%	Low
Employment for women (in SL)	8%	Very low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	30%	Average
Employment beyond Western Prov.	57%	High
1.4 New linkages potential		
Opportunity Gain index (z-score)	-0.05	Average

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	38	Very low
Imports in SL (vs global per capita)	8%	Low
Imports in SL (3-year increase, USD mn)	+14	Low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	888	Low
Imports in India (vs global per capita)	3%	Low
Imports in India (3-year increase, USD mn)	+87	Low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	2,456	Very low
Imports in China (vs global per capita)	8%	Very low
2.3 World market opportunity		
Imports globally (current, USD bn)	156.8	Low
Imports globally (3-year increase, USD bn)	+20.1	Average

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	12	Low
New exporters in SL (>10k USD)	104	Low
New exporters in SL (>100k USD)	18	Low
Rate of new vs. consistent exporters	2.0	Very high
3.2 Investors' regional market access		
China's share of Indian market	50%	Very high
Japan's share of Indian market	2%	Low
Korea's share of Indian market	2%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	263%	Very high
Exports from India (vs global per capita)	3%	Low
Exports from China (vs global per capita)	167%	Very high

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	29.5	Very low
Exports from SL (vs global per capita)	6.5%	Low
SL's share of Indian market	1.90%	Very high
4.2 Current strength of SL workforce		
Current employment in SL	34,726	Average
Worker training in SL	15%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	9	Low
Consistent exporters in SL (>1mn USD)	4	Low
Consistent exporters in SL (>10mn USD)	1	Low
BOI companies in operation	10	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	0.49	High

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.3x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.7x avg
Engineers required (in USA)	0.3x avg
General workers required (in SL)	0.7x avg
General workers required (in peer countries)	1.3x avg
Skilled workers required (in SL)	0.5x avg
Skilled workers required (in USA)	0.6x avg
Research & development use (in OECD)	0.2x avg
Research & development use (in UK)	0.3x avg

Notes:

Sector defined as ISIC C31. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Textiles

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	355.1	Major exporters (over USD 1mn for 3 years)	16
Imports from Sri Lanka (USD mn)	1,391.5	BOI companies in operation	36
World market (USD bn)	247.8	Employment in Sri Lanka	72,082

SECTOR PRIORITIZATION **25th** / 30 full sectors (score = -0.11) **LOWER PRIORITY***

1 Impact for Sri Lankan economy

	Average		0.0
1.1 Job creation potential	Very high		0.9
1.2 Job quality potential	Low		-0.4
1.3 Potential beyond Western Province	Average		-0.1
1.4 New linkages potential	Low		-0.4

2 Market opportunity

	Low		-0.7
2.1 Domestic market opportunity	Very high		>1.2
2.2 Regional market opportunity	Very low		-1.0
2.3 World market opportunity	Low		-0.6

3 Investor interest (direct & indirect)

	High		0.4
3.1 Investor interest in SL	Average		0.2
3.2 Investors' regional market access	High		0.4
3.3 Strength in related countries	High		0.8

*Lower impact, market opportunity, or investor interest » Lower priority for promotion

z-score

SECTOR STRATEGY **EXISTING OR EMERGING, ASSET IMPROVEMENTS NEEDED****

4 Current strength in Sri Lanka

	Average		0.2
4.1 Current strength of SL exports	High		0.3
4.2 Current strength of SL workforce	High		0.4
4.3 Current strength of SL companies	Average		0.0

5 Current know-how in Sri Lanka

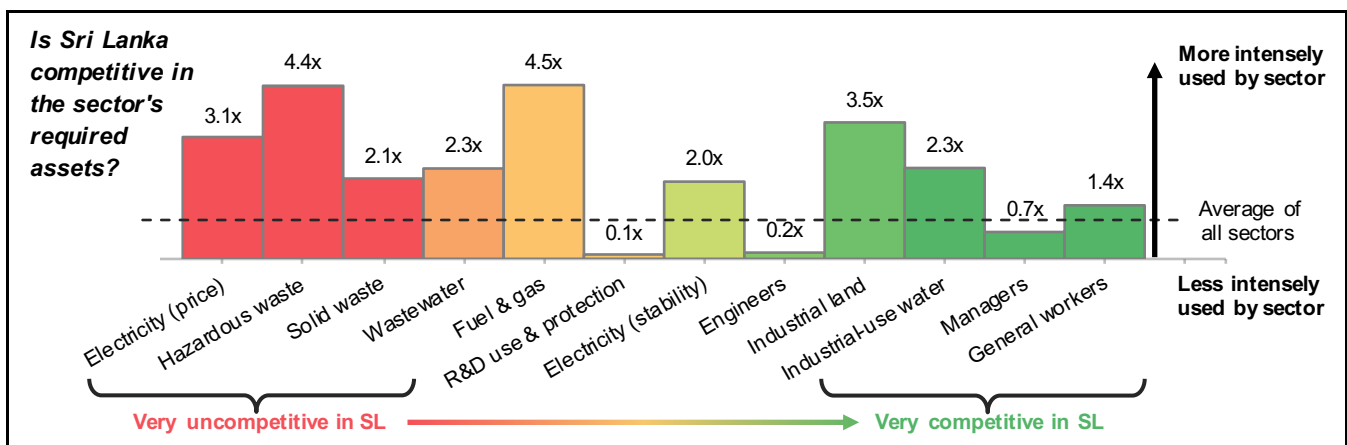
	High		0.5
5.1 Strength in related products	High		0.5

6 Hard & soft asset competitiveness

	Low		-0.3
6.1 Competitiveness of required hard assets	Low		-0.5
6.2 Competitiveness of required soft assets	Very high		1.1

**Strong or emerging, but SL lacks needed assets » Promote existing firms, upgrade infrastructure & skills

z-score



	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	1.30	Very high
Jobs per value added (peers; z-score)	0.56	High
Wages per value added (USA)	77%	Very high
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	57	Very low
Average wage rate (peers; z-score)	-0.93	Very low
Average wage rate (USA; USD per year)	34,003	Low
Employment for youth (in SL)	19%	Very low
Employment for women (in SL)	63%	Very high
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	9%	Low
Employment beyond Western Prov.	51%	High
1.4 New linkages potential		
Opportunity Gain index (z-score)	-0.40	Low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	1,391	Very high
Imports in SL (vs global per capita)	194%	Very high
Imports in SL (3-year increase, USD mn)	-139	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	3,251	Average
Imports in India (vs global per capita)	7%	Average
Imports in India (3-year increase, USD mn)	+50	Low
Coverage under ISFTA	1%	Very low
Imports in China (current, USD mn)	14,947	Average
Imports in China (vs global per capita)	32%	Average
2.3 World market opportunity		
Imports globally (current, USD bn)	247.8	Average
Imports globally (3-year increase, USD bn)	+6.5	Very low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	11	Low
New exporters in SL (>10k USD)	291	High
New exporters in SL (>100k USD)	104	High
Rate of new vs. consistent exporters	1.6	Average
3.2 Investors' regional market access		
China's share of Indian market	54%	Very high
Japan's share of Indian market	3%	Average
Korea's share of Indian market	2%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	135%	Average
Exports from India (vs global per capita)	37%	Very high
Exports from China (vs global per capita)	172%	Very high

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	355.1	High
Exports from SL (vs global per capita)	49.5%	Average
SL's share of Indian market	0.69%	Average
4.2 Current strength of SL workforce		
Current employment in SL	72,082	High
Worker training in SL	10%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	66	Average
Consistent exporters in SL (>1mn USD)	16	Average
Consistent exporters in SL (>10mn USD)	5	Average
BOI companies in operation	36	Average

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	0.50	High

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	3.5x avg
Energy use (UNIDO estimate)	3.3x avg
Energy use (BOI estimate)	3.0x avg
Electricity stability required (BOI estimate)	2.0x avg
Fuel or gas use (BOI estimate)	4.5x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	2.1x avg
Hazardous waste production (BOI estimate)	4.4x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.7x avg
Engineers required (in USA)	0.2x avg
General workers required (in SL)	1.6x avg
General workers required (in peer countries)	1.2x avg
Skilled workers required (in SL)	0.7x avg
Skilled workers required (in USA)	0.5x avg
Research & development use (in OECD)	0.2x avg
Research & development use (in UK)	0.0x avg

Notes:

Sector defined as ISIC C13. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

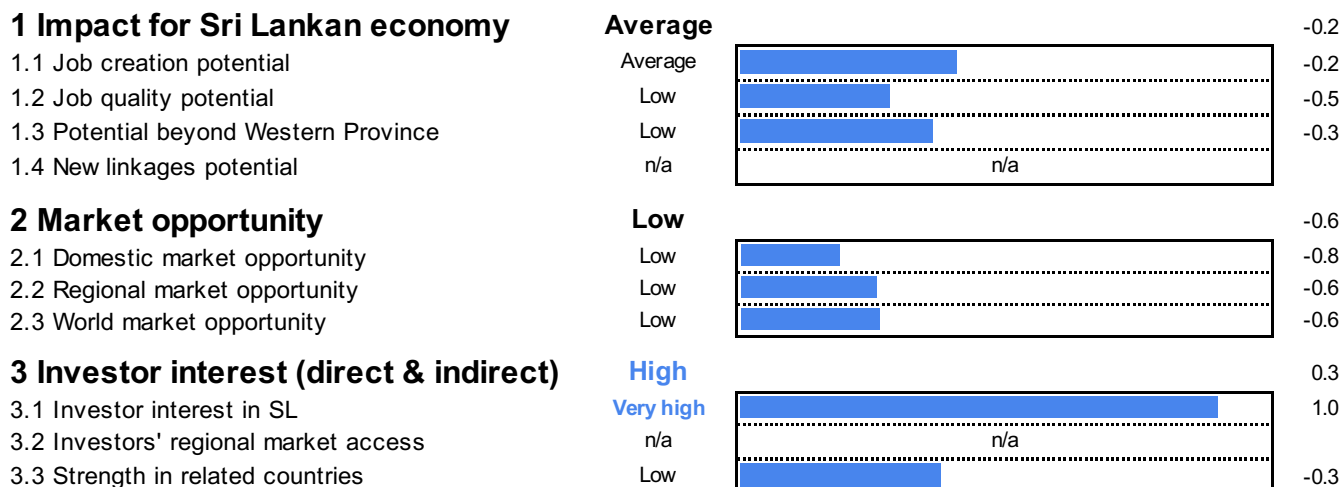
Construction

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	58.1	Major exporters (over USD 1mn for 3 years)	n/a
Imports from Sri Lanka (USD mn)	28.8	BOI companies in operation	134
World market (USD bn)	88.5	Employment in Sri Lanka	72,395

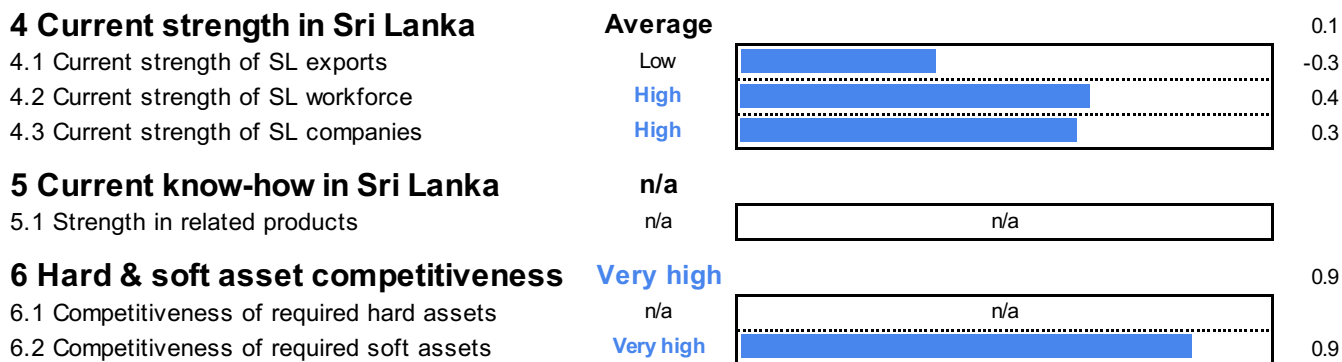
SECTOR PRIORITIZATION **26th** / 30 full sectors (score = -0.21) LOWER PRIORITY*



*Lower impact, market opportunity, or investor interest » Lower priority for promotion

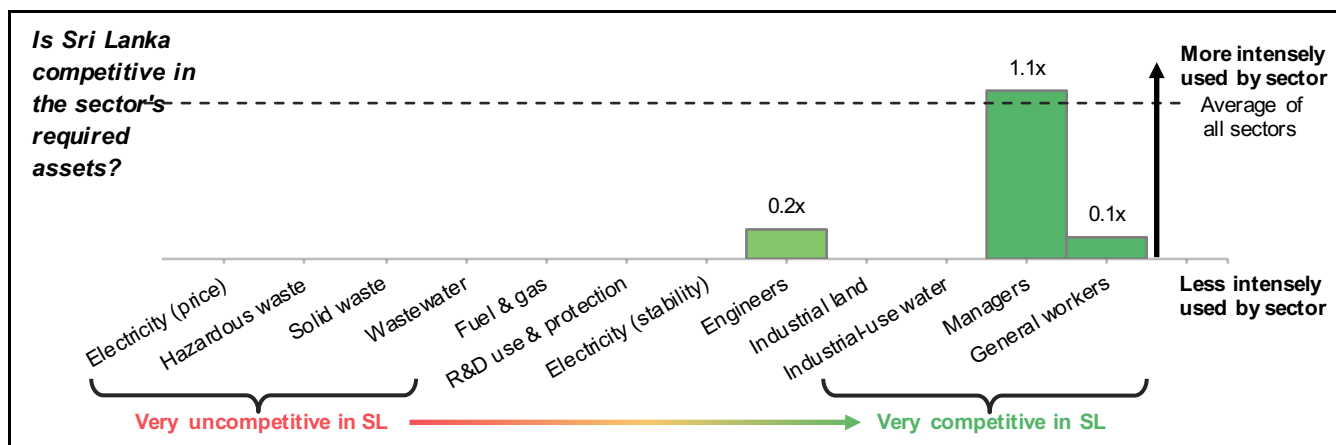
z-score

SECTOR STRATEGY **EXISTING OR EMERGING****



**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Construction

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.11	Very low
Jobs per value added (peers; z-score)	.	n/a
Wages per value added (USA)	70%	High
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	86	Average
Average wage rate (peers; z-score)	.	n/a
Average wage rate (USA; USD per year)	33,082	Low
Employment for youth (in SL)	27%	Low
Employment for women (in SL)	3%	Very low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	3%	Very low
Employment beyond Western Prov.	45%	Average
1.4 New linkages potential		
Opportunity Gain index (z-score)	.	n/a

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	29	Very low
Imports in SL (vs global per capita)	11%	Low
Imports in SL (3-year increase, USD mn)	+22	Low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	1,134	Low
Imports in India (vs global per capita)	7%	Low
Imports in India (3-year increase, USD mn)	+2	Very low
Coverage under ISFTA	.	n/a
Imports in China (current, USD mn)	4,870	Low
Imports in China (vs global per capita)	27%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	88.5	Very low
Imports globally (3-year increase, USD bn)	+16.6	Low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	243	Very high
New exporters in SL (>10k USD)	.	n/a
New exporters in SL (>100k USD)	.	n/a
Rate of new vs. consistent exporters	.	n/a
3.2 Investors' regional market access		
China's share of Indian market	.	n/a
Japan's share of Indian market	.	n/a
Korea's share of Indian market	.	n/a
3.3 Strength in related countries		
Exports from peers (vs global per capita)	88%	Low
Exports from India (vs global per capita)	9%	Low
Exports from China (vs global per capita)	.	n/a

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	58.1	Low
Exports from SL (vs global per capita)	19.7%	Low
SL's share of Indian market	.	n/a
4.2 Current strength of SL workforce		
Current employment in SL	72,395	High
Worker training in SL	9%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	.	n/a
Consistent exporters in SL (>1mn USD)	.	n/a
Consistent exporters in SL (>10mn USD)	.	n/a
BOI companies in operation	134	Very high

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	.	n/a

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	n/a
Energy use (UNIDO estimate)	n/a
Energy use (BOI estimate)	n/a
Electricity stability required (BOI estimate)	n/a
Fuel or gas use (BOI estimate)	n/a
Industrial water use (BOI estimate)	n/a
Wastewater production (BOI estimate)	n/a
Solid waste production (BOI estimate)	n/a
Hazardous waste production (BOI estimate)	n/a
6.2 Soft asset requirements	
Managers required (in USA)	1.1x avg
Engineers required (in USA)	0.2x avg
General workers required (in SL)	0.1x avg
General workers required (in peer countries)	n/a
Skilled workers required (in SL)	0.4x avg
Skilled workers required (in USA)	0.5x avg
Research & development use (in OECD)	n/a
Research & development use (in UK)	n/a

Notes:

Sector defined as ISIC F. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

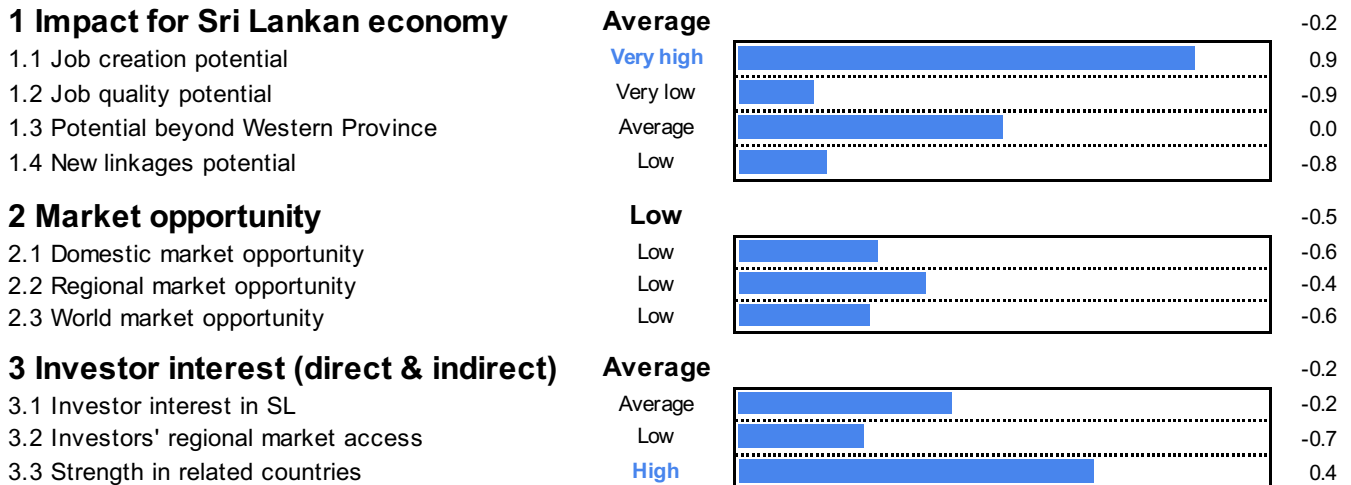
Wood, cork, and straw products

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	46.0	Major exporters (over USD 1mn for 3 years)	4
Imports from Sri Lanka (USD mn)	76.0	BOI companies in operation	10
World market (USD bn)	117.0	Employment in Sri Lanka	44,962

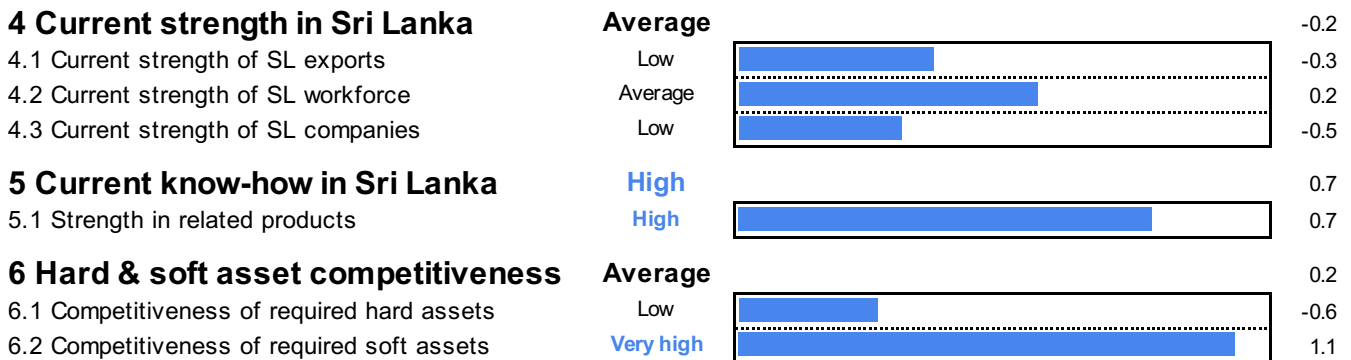
SECTOR PRIORITIZATION 27th / 30 full sectors (score = -0.32) LOWER PRIORITY*



*Lower impact, market opportunity, or investor interest » Lower priority for promotion

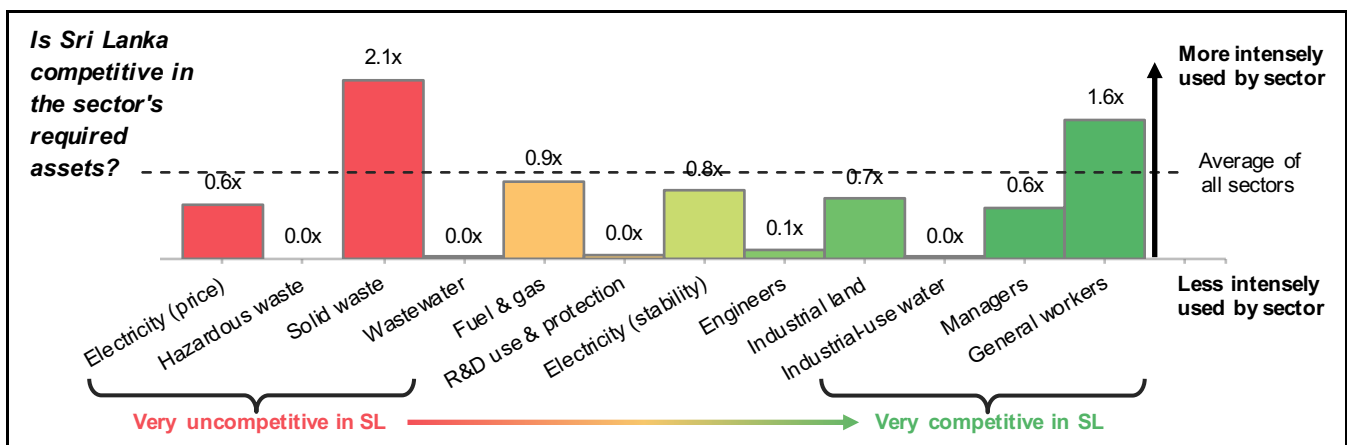
z-score

SECTOR STRATEGY EXISTING OR EMERGING**



**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Wood, cork, and straw products

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	1.55	Very high
Jobs per value added (peers; z-score)	0.82	Very high
Wages per value added (USA)	65%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	83	Low
Average wage rate (peers; z-score)	-1.23	Very low
Average wage rate (USA; USD per year)	32,249	Very low
Employment for youth (in SL)	23%	Low
Employment for women (in SL)	3%	Very low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	0%	Very low
Employment beyond Western Prov.	61%	Very high
1.4 New linkages potential		
Opportunity Gain index (z-score)	-0.83	Low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	76	Low
Imports in SL (vs global per capita)	22%	Low
Imports in SL (3-year increase, USD mn)	+13	Low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	727	Low
Imports in India (vs global per capita)	3%	Low
Imports in India (3-year increase, USD mn)	+56	Low
Coverage under ISFTA	98%	High
Imports in China (current, USD mn)	9,920	Low
Imports in China (vs global per capita)	44%	Average
2.3 World market opportunity		
Imports globally (current, USD bn)	117.0	Low
Imports globally (3-year increase, USD bn)	+11.7	Low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	3	Low
New exporters in SL (>10k USD)	96	Low
New exporters in SL (>100k USD)	31	Low
Rate of new vs. consistent exporters	1.6	High
3.2 Investors' regional market access		
China's share of Indian market	20%	Average
Japan's share of Indian market	0%	Low
Korea's share of Indian market	0%	Very low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	390%	Very high
Exports from India (vs global per capita)	2%	Low
Exports from China (vs global per capita)	70%	Average

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	46.0	Low
Exports from SL (vs global per capita)	13.6%	Low
SL's share of Indian market	1.28%	High
4.2 Current strength of SL workforce		
Current employment in SL	44,962	High
Worker training in SL	9%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	19	Low
Consistent exporters in SL (>1mn USD)	4	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	10	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	0.71	High

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.7x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.9x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	2.1x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.6x avg
Engineers required (in USA)	0.1x avg
General workers required (in SL)	2.0x avg
General workers required (in peer countries)	1.2x avg
Skilled workers required (in SL)	0.3x avg
Skilled workers required (in USA)	0.5x avg
Research & development use (in OECD)	0.1x avg
Research & development use (in UK)	0.0x avg

Notes:

Sector defined as ISIC C16. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

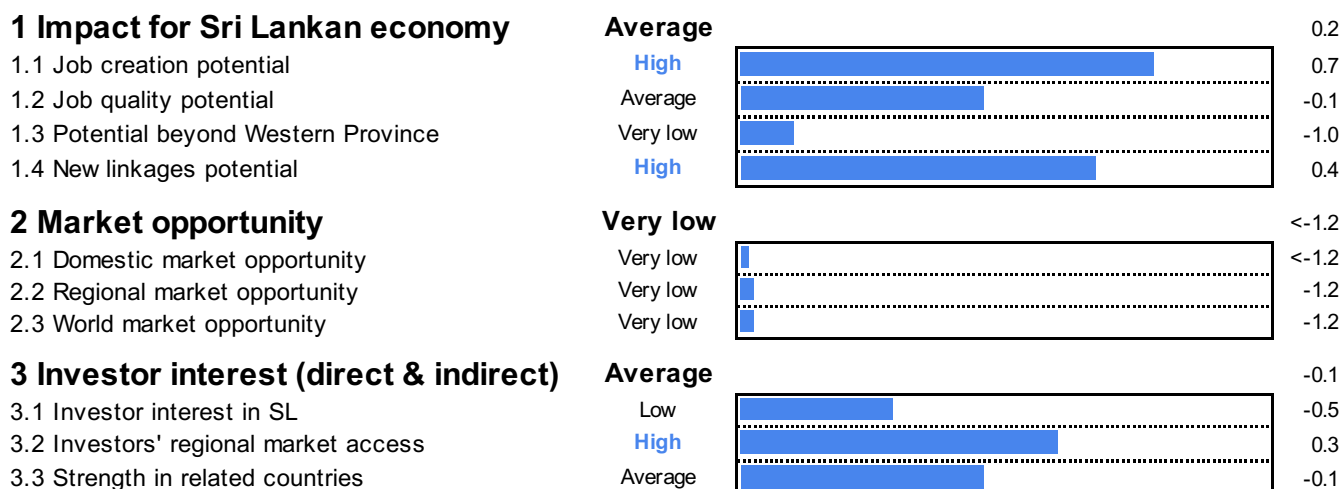
Printing and rerecorded media

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	3.2	Major exporters (over USD 1mn for 3 years)	1
Imports from Sri Lanka (USD mn)	5.5	BOI companies in operation	3
World market (USD bn)	11.4	Employment in Sri Lanka	23,361

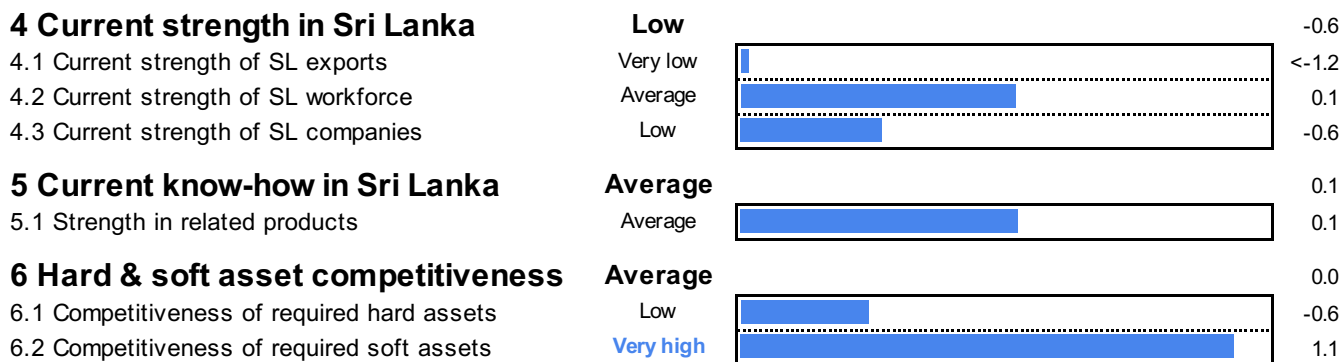
SECTOR PRIORITIZATION **28th** / 30 full sectors (score = -0.44) LOWER PRIORITY*



*Lower impact, market opportunity, or investor interest » Lower priority for promotion

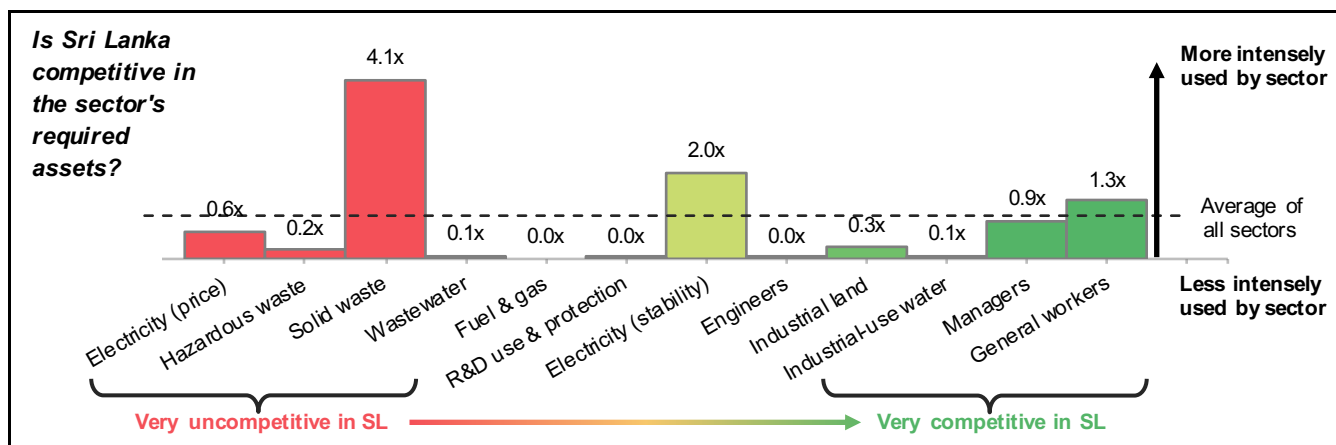
z-score

SECTOR STRATEGY **EXISTING OR EMERGING****



**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Printing and rerecorded media

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	1.24	Very high
Jobs per value added (peers; z-score)	0.32	High
Wages per value added (USA)	73%	High
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	94	Average
Average wage rate (peers; z-score)	0.14	Average
Average wage rate (USA; USD per year)	41,096	Low
Employment for youth (in SL)	31%	Average
Employment for women (in SL)	23%	Low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	0%	Very low
Employment beyond Western Prov.	21%	Very low
1.4 New linkages potential		
Opportunity Gain index (z-score)	0.44	High

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	5	Very low
Imports in SL (vs global per capita)	17%	Low
Imports in SL (3-year increase, USD mn)	+0	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	57	Very low
Imports in India (vs global per capita)	3%	Low
Imports in India (3-year increase, USD mn)	+1	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	106	Very low
Imports in China (vs global per capita)	5%	Very low
2.3 World market opportunity		
Imports globally (current, USD bn)	11.4	Very low
Imports globally (3-year increase, USD bn)	-0.7	Very low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	0	Low
New exporters in SL (>10k USD)	21	Low
New exporters in SL (>100k USD)	3	Low
Rate of new vs. consistent exporters	1.5	Average
3.2 Investors' regional market access		
China's share of Indian market	43%	Very high
Japan's share of Indian market	4%	High
Korea's share of Indian market	1%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	130%	Average
Exports from India (vs global per capita)	7%	Low
Exports from China (vs global per capita)	99%	High

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	3.2	Very low
Exports from SL (vs global per capita)	9.8%	Low
SL's share of Indian market	0.07%	Low
4.2 Current strength of SL workforce		
Current employment in SL	23,361	Average
Worker training in SL	23%	High
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	2	Low
Consistent exporters in SL (>1mn USD)	1	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	3	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	0.06	Average

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.3x avg
Energy use (UNIDO estimate)	0.7x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	2.0x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.1x avg
Wastewater production (BOI estimate)	0.1x avg
Solid waste production (BOI estimate)	4.1x avg
Hazardous waste production (BOI estimate)	0.2x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.9x avg
Engineers required (in USA)	0.0x avg
General workers required (in SL)	1.6x avg
General workers required (in peer countries)	1.1x avg
Skilled workers required (in SL)	2.1x avg
Skilled workers required (in USA)	0.8x avg
Research & development use (in OECD)	0.1x avg
Research & development use (in UK)	0.0x avg

Notes:

Sector defined as ISIC C18. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Beverages

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	27.4	Major exporters (over USD 1mn for 3 years)	2
Imports from Sri Lanka (USD mn)	61.8	BOI companies in operation	33
World market (USD bn)	112.8	Employment in Sri Lanka	8,902

SECTOR PRIORITIZATION **29th** / 30 full sectors (score = -0.67) LOWER PRIORITY*

Category	Overall Rating	Sub-category Rating	z-score
1 Impact for Sri Lankan economy	Low		-0.4
1.1 Job creation potential	Low		-0.7
1.2 Job quality potential	Average		-0.1
1.3 Potential beyond Western Province	Low		-0.3
1.4 New linkages potential	Low		-0.5
2 Market opportunity	Very low		-1.0
2.1 Domestic market opportunity	Low		-0.5
2.2 Regional market opportunity	Very low		-1.2
2.3 World market opportunity	Low		-0.8
3 Investor interest (direct & indirect)	Low		-0.6
3.1 Investor interest in SL	Average		-0.2
3.2 Investors' regional market access	Very low		-0.9
3.3 Strength in related countries	Low		-0.8

*Lower impact, market opportunity, or investor interest » Lower priority for promotion

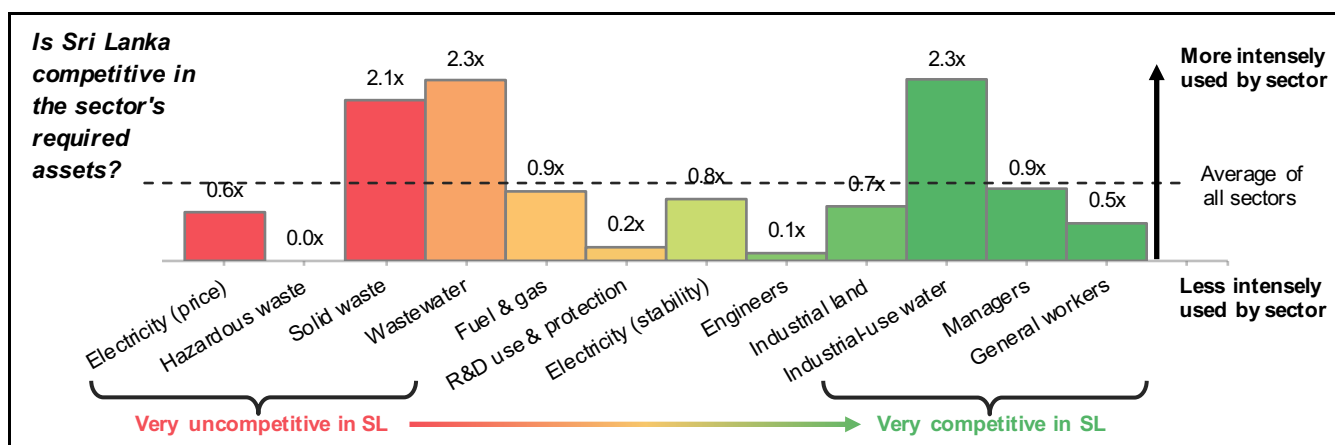
z-score

SECTOR STRATEGY **EXISTING OR EMERGING****

Category	Overall Rating	Sub-category Rating	z-score
4 Current strength in Sri Lanka	Low		-0.5
4.1 Current strength of SL exports	Low		-0.5
4.2 Current strength of SL workforce	Low		-0.7
4.3 Current strength of SL companies	Low		-0.4
5 Current know-how in Sri Lanka	Average		-0.1
5.1 Strength in related products	Average		-0.1
6 Hard & soft asset competitiveness	Average		-0.1
6.1 Competitiveness of required hard assets	Low		-0.3
6.2 Competitiveness of required soft assets	Very high		1.0

**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Beverages

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.26	Very low
Jobs per value added (peers; z-score)	-1.39	Very low
Wages per value added (USA)	57%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	90	Average
Average wage rate (peers; z-score)	0.67	High
Average wage rate (USA; USD per year)	53,244	High
Employment for youth (in SL)	22%	Low
Employment for women (in SL)	28%	Average
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	36%	High
Employment beyond Western Prov.	22%	Very low
1.4 New linkages potential		
Opportunity Gain index (z-score)	-0.49	Low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	62	Very low
Imports in SL (vs global per capita)	19%	Low
Imports in SL (3-year increase, USD mn)	-15	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	479	Very low
Imports in India (vs global per capita)	2%	Low
Imports in India (3-year increase, USD mn)	+182	Average
Coverage under ISFTA	21%	Very low
Imports in China (current, USD mn)	3,109	Very low
Imports in China (vs global per capita)	14%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	112.8	Low
Imports globally (3-year increase, USD bn)	+8.2	Very low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	13	Low
New exporters in SL (>10k USD)	62	Low
New exporters in SL (>100k USD)	9	Low
Rate of new vs. consistent exporters	1.8	Very high
3.2 Investors' regional market access		
China's share of Indian market	1%	Very low
Japan's share of Indian market	0%	Low
Korea's share of Indian market	1%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	94%	Low
Exports from India (vs global per capita)	2%	Low
Exports from China (vs global per capita)	8%	Very low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	27.4	Very low
Exports from SL (vs global per capita)	8.4%	Low
SL's share of Indian market	1.40%	High
4.2 Current strength of SL workforce		
Current employment in SL	8,902	Low
Worker training in SL	8%	Very low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	5	Low
Consistent exporters in SL (>1mn USD)	2	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	33	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.12	Average

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.7x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.9x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	2.1x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.9x avg
Engineers required (in USA)	0.1x avg
General workers required (in SL)	0.3x avg
General workers required (in peer countries)	0.6x avg
Skilled workers required (in SL)	1.0x avg
Skilled workers required (in USA)	1.2x avg
Research & development use (in OECD)	0.2x avg
Research & development use (in UK)	0.2x avg

Notes:

Sector defined as ISIC C11. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Tobacco products

Full sector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	56.0	Major exporters (over USD 1mn for 3 years)	2
Imports from Sri Lanka (USD mn)	8.3	BOI companies in operation	2
World market (USD bn)	28.9	Employment in Sri Lanka	8,884

SECTOR PRIORITIZATION **30th** / 30 full sectors (score = -0.97) **LOWER PRIORITY***

Category	Overall Rating	Z-score
1 Impact for Sri Lankan economy	Very low	-1.0
1.1 Job creation potential	Very low	<-1.2
1.2 Job quality potential	High	0.4
1.3 Potential beyond Western Province	Low	-0.6
1.4 New linkages potential	Very low	<-1.2
2 Market opportunity	Very low	-1.1
2.1 Domestic market opportunity	Very low	<-1.2
2.2 Regional market opportunity	Very low	<-1.2
2.3 World market opportunity	Low	-0.8
3 Investor interest (direct & indirect)	Low	-0.8
3.1 Investor interest in SL	Very low	-1.0
3.2 Investors' regional market access	Low	-0.8
3.3 Strength in related countries	Low	-0.6

z-score

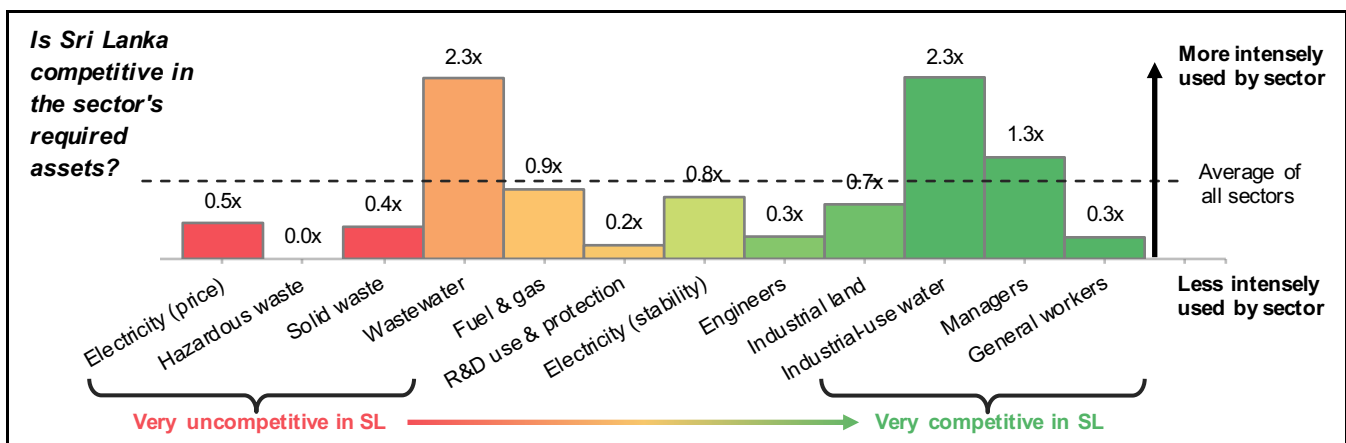
*Lower impact, market opportunity, or investor interest » Lower priority for promotion

SECTOR STRATEGY **EXISTING OR EMERGING****

4 Current strength in Sri Lanka	Low	-0.4
4.1 Current strength of SL exports	Average	-0.1
4.2 Current strength of SL workforce	Low	-0.7
4.3 Current strength of SL companies	Low	-0.6
5 Current know-how in Sri Lanka	Very high	1.1
5.1 Strength in related products	Very high	1.1
6 Hard & soft asset competitiveness	Average	0.1
6.1 Competitiveness of required hard assets	Average	-0.2
6.2 Competitiveness of required soft assets	High	0.8

z-score

**Currently strong or emerging in SL » Promote existing exporters & new FDI



Tobacco products

Full sector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.26	Very low
Jobs per value added (peers; z-score)	-2.80	Very low
Wages per value added (USA)	18%	Very low
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	28	Very low
Average wage rate (peers; z-score)	2.77	Very high
Average wage rate (USA; USD per year)	53,244	High
Employment for youth (in SL)	11%	Very low
Employment for women (in SL)	92%	Very high
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	0%	Very low
Employment beyond Western Prov.	38%	Average
1.4 New linkages potential		
Opportunity Gain index (z-score)	-1.38	Very low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	8	Very low
Imports in SL (vs global per capita)	10%	Low
Imports in SL (3-year increase, USD mn)	+1	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	29	Very low
Imports in India (vs global per capita)	1%	Very low
Imports in India (3-year increase, USD mn)	+3	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	192	Very low
Imports in China (vs global per capita)	3%	Very low
2.3 World market opportunity		
Imports globally (current, USD bn)	28.9	Very low
Imports globally (3-year increase, USD bn)	-0.0	Very low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	2	Low
New exporters in SL (>10k USD)	5	Very low
New exporters in SL (>100k USD)	3	Low
Rate of new vs. consistent exporters	1.0	Very low
3.2 Investors' regional market access		
China's share of Indian market	10%	Low
Japan's share of Indian market	0%	Low
Korea's share of Indian market	0%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	129%	Average
Exports from India (vs global per capita)	5%	Low
Exports from China (vs global per capita)	14%	Very low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	56.0	Low
Exports from SL (vs global per capita)	66.9%	High
SL's share of Indian market	0.83%	Average
4.2 Current strength of SL workforce		
Current employment in SL	8,884	Low
Worker training in SL	3%	Very low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	3	Low
Consistent exporters in SL (>1mn USD)	2	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	2	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	1.05	Very high

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.9x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.3x avg
Engineers required (in USA)	0.3x avg
General workers required (in SL)	0.3x avg
General workers required (in peer countries)	0.2x avg
Skilled workers required (in SL)	0.3x avg
Skilled workers required (in USA)	1.2x avg
Research & development use (in OECD)	0.2x avg
Research & development use (in UK)	0.2x avg

Notes:

Sector defined as ISIC C12. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Solar panels and cells, transistors, diodes

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	0.5	Major exporters (over USD 1mn for 3 years)	0
Imports from Sri Lanka (USD mn)	12.7	BOI companies in operation	7
World market (USD bn)	102.0	Employment in Sri Lanka	<100

SECTOR PRIORITIZATION

1st / 29 subsectors (score = 0.52)

TOP PRIORITY*

1 Impact for Sri Lankan economy

Average

0.2

1.1 Job creation potential

Average

0.2

1.2 Job quality potential

Average

0.2

1.3 Potential beyond Western Province

Average

-0.2

1.4 New linkages potential

High

0.4

2 Market opportunity

Very high

1.0

2.1 Domestic market opportunity

Average

-0.2

2.2 Regional market opportunity

Very high

1.1

2.3 World market opportunity

Very high

1.1

3 Investor interest (direct & indirect)

High

0.3

3.1 Investor interest in SL

Low

-0.5

3.2 Investors' regional market access

High

0.3

3.3 Strength in related countries

Very high

>1.2

z-score

*Highest impact, market opportunity, or investor interest » Top priority for promotion

SECTOR STRATEGY

KNOWHOW NEEDED**

4 Current strength in Sri Lanka

Very low

-1.0

4.1 Current strength of SL exports

Low

-0.6

4.2 Current strength of SL workforce

Very low

<-1.2

4.3 Current strength of SL companies

Low

-0.5

5 Current know-how in Sri Lanka

Low

-0.4

5.1 Strength in related products

Low

-0.4

6 Hard & soft asset competitiveness

Average

0.2

6.1 Competitiveness of required hard assets

Average

-0.1

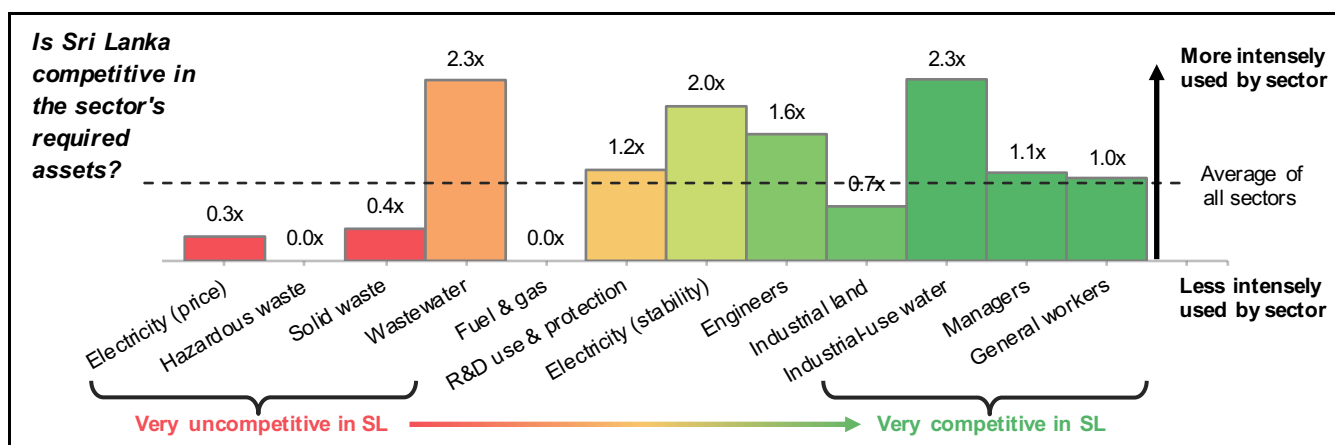
6.2 Competitiveness of required soft assets

High

0.7

z-score

**Not yet present, but SL is competitive in needed assets » Target investment & knowhow from abroad



Solar panels and cells, transistors, diodes

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	0.25	Average
Wages per value added (USA)	76%	High
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	99	Very high
Average wage rate (peers; z-score)	-0.03	Average
Average wage rate (USA; USD per year)	50,000	Average
Employment for youth (in SL)	38%	High
Employment for women (in SL)	12%	Very low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	11%	Low
Employment beyond Western Prov.	33%	Average
1.4 New linkages potential		
Opportunity Gain index (z-score)	0.39	High

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	13	Low
Imports in SL (vs global per capita)	4%	Low
Imports in SL (3-year increase, USD mn)	+6	Average
2.2 Regional market opportunity		
Imports in India (current, USD mn)	2,409	Very high
Imports in India (vs global per capita)	13%	Very high
Imports in India (3-year increase, USD mn)	+1,242	Very high
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	19,790	Very high
Imports in China (vs global per capita)	104%	Very high
2.3 World market opportunity		
Imports globally (current, USD bn)	102.0	Very high
Imports globally (3-year increase, USD bn)	+18.2	Very high

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	9	Average
New exporters in SL (>10k USD)	2	Low
New exporters in SL (>100k USD)	1	Low
Rate of new vs. consistent exporters	1.0	Low
3.2 Investors' regional market access		
China's share of Indian market	71%	Very high
Japan's share of Indian market	4%	Average
Korea's share of Indian market	1%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	852%	Very high
Exports from India (vs global per capita)	1%	Low
Exports from China (vs global per capita)	160%	High

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	0.5	Very low
Exports from SL (vs global per capita)	0.2%	Low
SL's share of Indian market	0.00%	Low
4.2 Current strength of SL workforce		
Current employment in SL	<100	Very low
Worker training in SL	32%	Very high
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	1	Low
Consistent exporters in SL (>1mn USD)	0	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	7	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.36	Low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.3x avg
Electricity stability required (BOI estimate)	2.0x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.1x avg
Engineers required (in USA)	1.6x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	1.1x avg
Skilled workers required (in SL)	2.0x avg
Skilled workers required (in USA)	1.1x avg
Research & development use (in OECD)	1.4x avg
Research & development use (in UK)	1.0x avg

Notes:

Sector defined as HS 8541. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

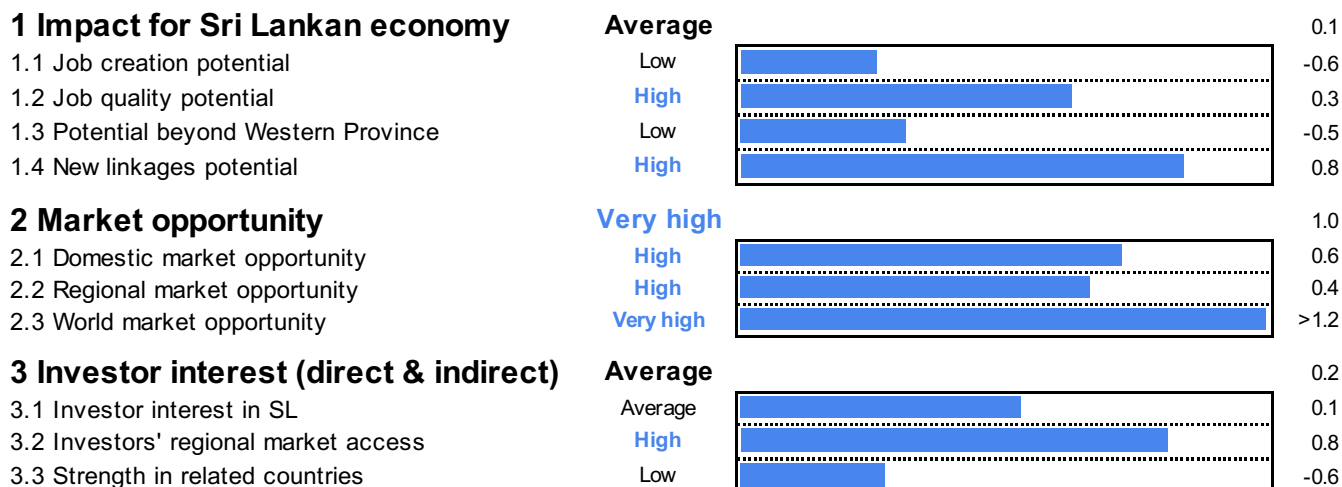
Motor vehicle parts and accessories

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	6.6	Major exporters (over USD 1mn for 3 years)	1
Imports from Sri Lanka (USD mn)	93.0	BOI companies in operation	1
World market (USD bn)	338.8	Employment in Sri Lanka	1,654

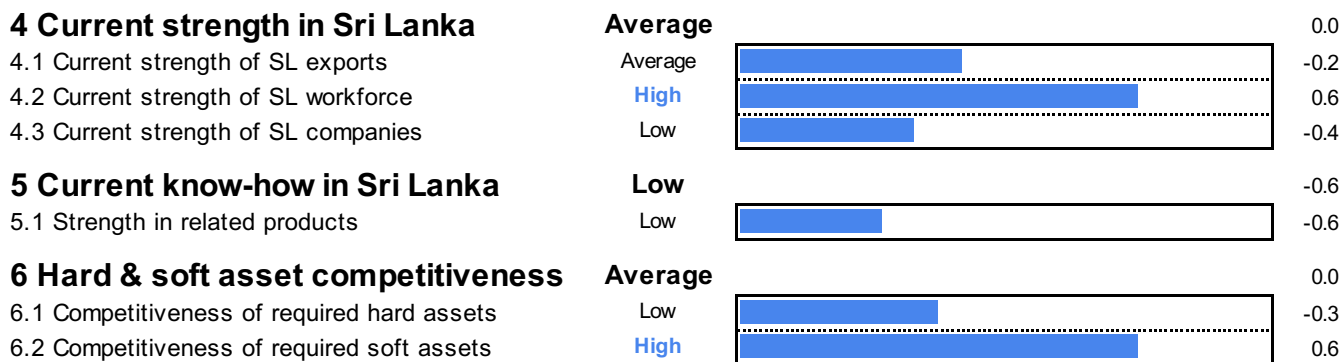
SECTOR PRIORITIZATION **2nd / 29 subsectors (score = 0.45)** **TOP PRIORITY***



*Highest impact, market opportunity, or investor interest » Top priority for promotion

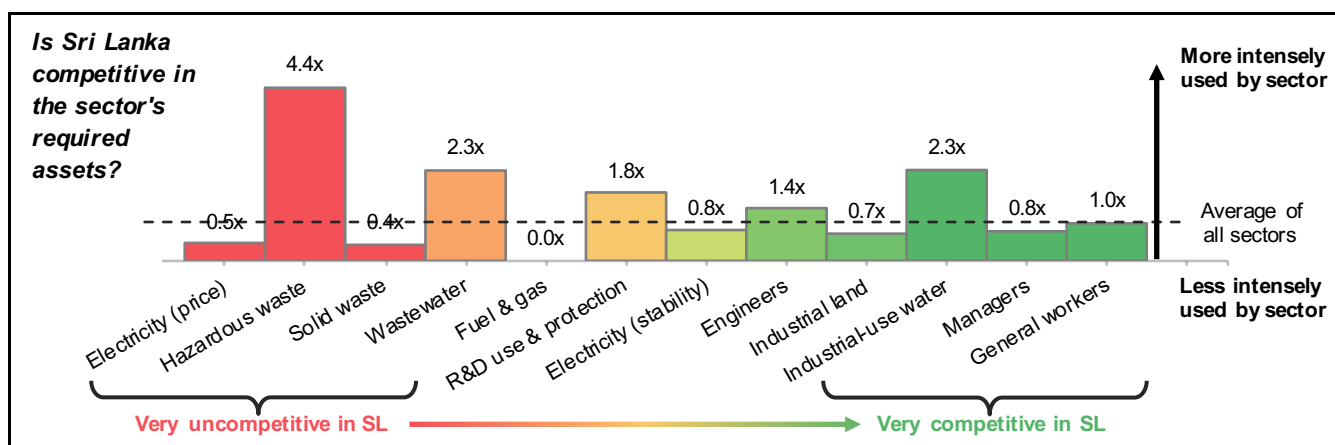
z-score

SECTOR STRATEGY **EXISTING OR EMERGING****



**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Motor vehicle parts and accessories

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	-0.29	Low
Wages per value added (USA)	63%	Very low
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	84	High
Average wage rate (peers; z-score)	0.13	High
Average wage rate (USA; USD per year)	57,000	Very high
Employment for youth (in SL)	44%	Very high
Employment for women (in SL)	12%	Very low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	0%	Low
Employment beyond Western Prov.	27%	Low
1.4 New linkages potential		
Opportunity Gain index (z-score)	0.84	High

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	93	Very high
Imports in SL (vs global per capita)	10%	Low
Imports in SL (3-year increase, USD mn)	+24	Very high
2.2 Regional market opportunity		
Imports in India (current, USD mn)	3,482	Very high
Imports in India (vs global per capita)	6%	Low
Imports in India (3-year increase, USD mn)	+9	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	22,534	Very high
Imports in China (vs global per capita)	36%	Average
2.3 World market opportunity		
Imports globally (current, USD bn)	338.8	Very high
Imports globally (3-year increase, USD bn)	+24.6	Very high

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	0	Low
New exporters in SL (>10k USD)	16	Average
New exporters in SL (>100k USD)	6	Low
Rate of new vs. consistent exporters	2.0	Very high
3.2 Investors' regional market access		
China's share of Indian market	17%	Low
Japan's share of Indian market	13%	Very high
Korea's share of Indian market	17%	Very high
3.3 Strength in related countries		
Exports from peers (vs global per capita)	90%	Low
Exports from India (vs global per capita)	6%	Low
Exports from China (vs global per capita)	44%	Low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	6.6	Average
Exports from SL (vs global per capita)	0.7%	Low
SL's share of Indian market	0.01%	Low
4.2 Current strength of SL workforce		
Current employment in SL	1,654	High
Worker training in SL	37%	Very high
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	3	Low
Consistent exporters in SL (>1mn USD)	1	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	1	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.58	Low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	4.4x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.8x avg
Engineers required (in USA)	1.4x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	0.9x avg
Skilled workers required (in SL)	1.1x avg
Skilled workers required (in USA)	1.3x avg
Research & development use (in OECD)	2.3x avg
Research & development use (in UK)	1.2x avg

Notes:

Sector defined as HS 8708. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Hand tool components

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	5.5	Major exporters (over USD 1mn for 3 years)	1
Imports from Sri Lanka (USD mn)	9.5	BOI companies in operation	4
World market (USD bn)	20.3	Employment in Sri Lanka	<100

SECTOR PRIORITIZATION **3rd / 29 subsectors (score = 0.35)** **TOP PRIORITY***

Category	Priority	z-score
1 Impact for Sri Lankan economy	High	0.5
1.1 Job creation potential	High	0.5
1.2 Job quality potential	Average	0.0
1.3 Potential beyond Western Province	Low	-0.4
1.4 New linkages potential	Very high	>1.2
2 Market opportunity	Average	0.1
2.1 Domestic market opportunity	Low	-0.4
2.2 Regional market opportunity	High	0.5
2.3 World market opportunity	Average	-0.1
3 Investor interest (direct & indirect)	High	0.4
3.1 Investor interest in SL	Average	-0.2
3.2 Investors' regional market access	Very high	>1.2
3.3 Strength in related countries	Low	-0.5

*Highest impact, market opportunity, or investor interest » Top priority for promotion

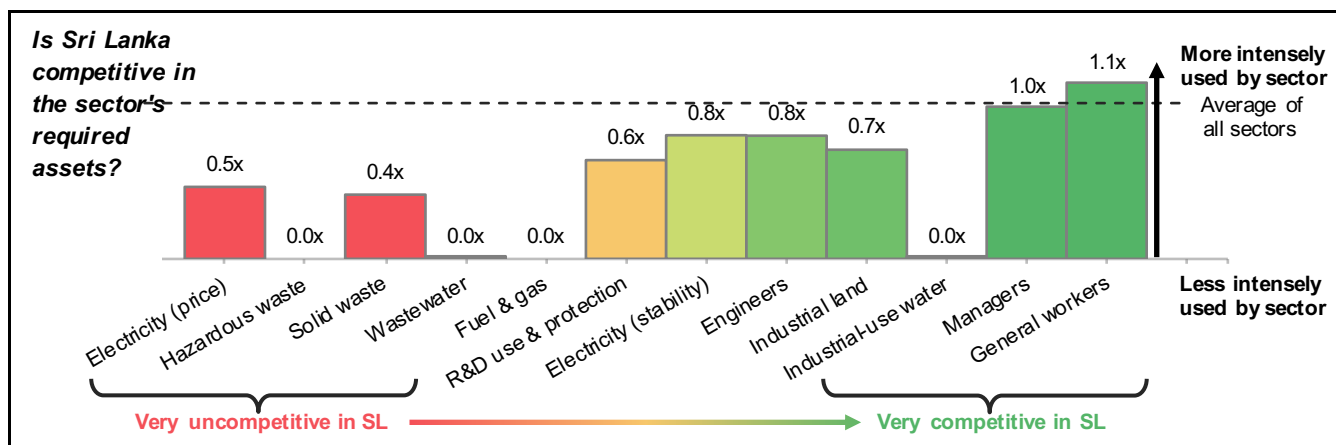
z-score

SECTOR STRATEGY **KNOWHOW NEEDED****

4 Current strength in Sri Lanka	Very low	-1.0
4.1 Current strength of SL exports	Average	-0.2
4.2 Current strength of SL workforce	Very low	<-1.2
4.3 Current strength of SL companies	Low	-0.4
5 Current know-how in Sri Lanka	Very low	-1.1
5.1 Strength in related products	Very low	-1.1
6 Hard & soft asset competitiveness	High	0.3
6.1 Competitiveness of required hard assets	Low	-0.4
6.2 Competitiveness of required soft assets	High	0.8

**Not yet present, but SL is competitive in needed assets » Target investment & knowhow from abroad

z-score



Hand tool components

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	0.78	Very high
Wages per value added (USA)	76%	High
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	99	Very high
Average wage rate (peers; z-score)	-0.50	Very low
Average wage rate (USA; USD per year)	50,122	High
Employment for youth (in SL)	38%	High
Employment for women (in SL)	12%	Very low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	25%	High
Employment beyond Western Prov.	0%	Very low
1.4 New linkages potential		
Opportunity Gain index (z-score)	1.25	Very high

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	9	Low
Imports in SL (vs global per capita)	16%	Low
Imports in SL (3-year increase, USD mn)	+3	Low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	505	High
Imports in India (vs global per capita)	14%	Very high
Imports in India (3-year increase, USD mn)	+65	Average
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	1,625	High
Imports in China (vs global per capita)	43%	High
2.3 World market opportunity		
Imports globally (current, USD bn)	20.3	Low
Imports globally (3-year increase, USD bn)	-0.3	Very low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	1	Low
New exporters in SL (>10k USD)	9	Low
New exporters in SL (>100k USD)	6	Low
Rate of new vs. consistent exporters	1.5	High
3.2 Investors' regional market access		
China's share of Indian market	15%	Low
Japan's share of Indian market	21%	Very high
Korea's share of Indian market	29%	Very high
3.3 Strength in related countries		
Exports from peers (vs global per capita)	121%	Low
Exports from India (vs global per capita)	5%	Low
Exports from China (vs global per capita)	43%	Low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	5.5	Average
Exports from SL (vs global per capita)	10.0%	Low
SL's share of Indian market	0.20%	Low
4.2 Current strength of SL workforce		
Current employment in SL	<100	Very low
Worker training in SL	32%	Very high
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	4	Low
Consistent exporters in SL (>1mn USD)	1	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	4	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-1.07	Very low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.0x avg
Engineers required (in USA)	0.8x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	1.2x avg
Skilled workers required (in SL)	2.0x avg
Skilled workers required (in USA)	1.1x avg
Research & development use (in OECD)	0.3x avg
Research & development use (in UK)	1.0x avg

Notes:

Sector defined as HS 8207. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

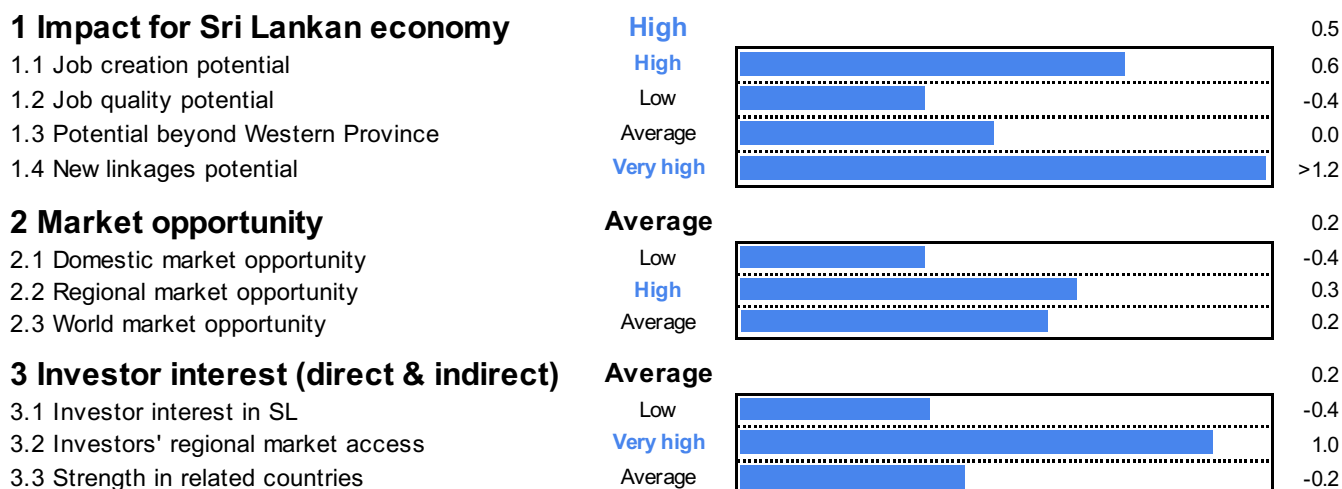
Screws, bolts, washers, nuts

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	1.4	Major exporters (over USD 1mn for 3 years)	0
Imports from Sri Lanka (USD mn)	21.8	BOI companies in operation	17
World market (USD bn)	34.9	Employment in Sri Lanka	2,594

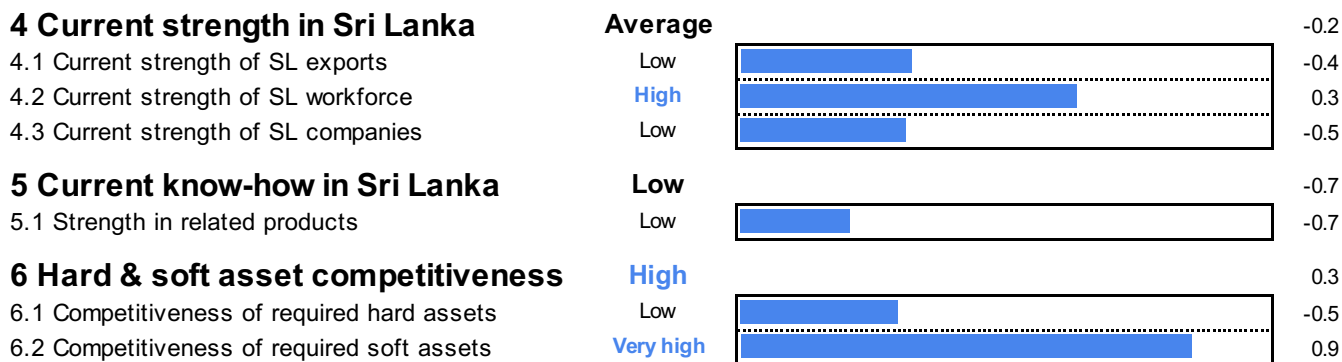
SECTOR PRIORITIZATION **4th** / 29 subsectors (score = 0.31) **TOP PRIORITY***



*Highest impact, market opportunity, or investor interest » Top priority for promotion

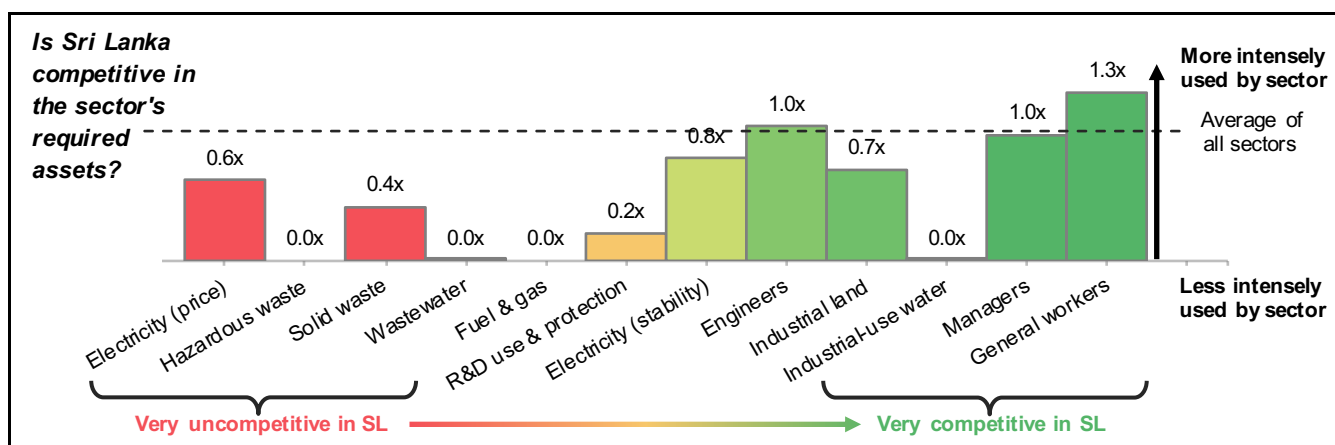
z-score

SECTOR STRATEGY **EXISTING OR EMERGING****



**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Screws, bolts, washers, nuts

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	1.25	Very high
Jobs per value added (peers; z-score)	-0.02	Low
Wages per value added (USA)	76%	High
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	81	High
Average wage rate (peers; z-score)	0.10	Average
Average wage rate (USA; USD per year)	41,000	Low
Employment for youth (in SL)	30%	Low
Employment for women (in SL)	9%	Very low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	20%	Average
Employment beyond Western Prov.	30%	Average
1.4 New linkages potential		
Opportunity Gain index (z-score)	1.26	Very high

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	22	Average
Imports in SL (vs global per capita)	22%	Low
Imports in SL (3-year increase, USD mn)	+1	Low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	604	High
Imports in India (vs global per capita)	9%	High
Imports in India (3-year increase, USD mn)	-45	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	2,393	High
Imports in China (vs global per capita)	37%	Average
2.3 World market opportunity		
Imports globally (current, USD bn)	34.9	Average
Imports globally (3-year increase, USD bn)	+5.6	Average

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	14	Average
New exporters in SL (>10k USD)	12	Low
New exporters in SL (>100k USD)	1	Low
Rate of new vs. consistent exporters	1.0	Low
3.2 Investors' regional market access		
China's share of Indian market	21%	Low
Japan's share of Indian market	16%	Very high
Korea's share of Indian market	12%	High
3.3 Strength in related countries		
Exports from peers (vs global per capita)	150%	Average
Exports from India (vs global per capita)	9%	Average
Exports from China (vs global per capita)	81%	Low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	1.4	Low
Exports from SL (vs global per capita)	2.0%	Low
SL's share of Indian market	0.01%	Low
4.2 Current strength of SL workforce		
Current employment in SL	2,594	High
Worker training in SL	14%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	0	Low
Consistent exporters in SL (>1mn USD)	0	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	17	Average

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.73	Low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.7x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.0x avg
Engineers required (in USA)	1.0x avg
General workers required (in SL)	1.6x avg
General workers required (in peer countries)	1.0x avg
Skilled workers required (in SL)	0.2x avg
Skilled workers required (in USA)	0.6x avg
Research & development use (in OECD)	0.3x avg
Research & development use (in UK)	0.1x avg

Notes:

Sector defined as HS 7318. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Medical devices

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	4.9	Major exporters (over USD 1mn for 3 years)	0
Imports from Sri Lanka (USD mn)	111.2	BOI companies in operation	4
World market (USD bn)	187.5	Employment in Sri Lanka	144

SECTOR PRIORITIZATION

5th / 29 subsectors (score = 0.31)

TOP PRIORITY*

1 Impact for Sri Lankan economy

High

0.3

1.1 Job creation potential

High



0.4

1.2 Job quality potential

Average



-0.1

1.3 Potential beyond Western Province

Low



-0.5

1.4 New linkages potential

High



0.7

2 Market opportunity

Very high

1.0

2.1 Domestic market opportunity

High



0.7

2.2 Regional market opportunity

High



0.5

2.3 World market opportunity

Very high



>1.2

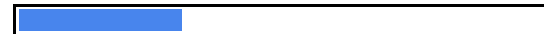
3 Investor interest (direct & indirect)

Low

-0.5

3.1 Investor interest in SL

Low



-0.5

3.2 Investors' regional market access

Low



-0.4

3.3 Strength in related countries

Low



-0.7

*Highest impact, market opportunity, or investor interest » Top priority for promotion

z-score

SECTOR STRATEGY

KNOWHOW NEEDED**

4 Current strength in Sri Lanka

Low

-0.5

4.1 Current strength of SL exports

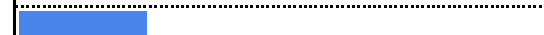
Low



-0.3

4.2 Current strength of SL workforce

Low



-0.6

4.3 Current strength of SL companies

Low



-0.5

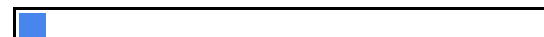
5 Current know-how in Sri Lanka

Very low

-1.1

5.1 Strength in related products

Very low



-1.1

6 Hard & soft asset competitiveness

High

0.3

6.1 Competitiveness of required hard assets

Average



-0.2

6.2 Competitiveness of required soft assets

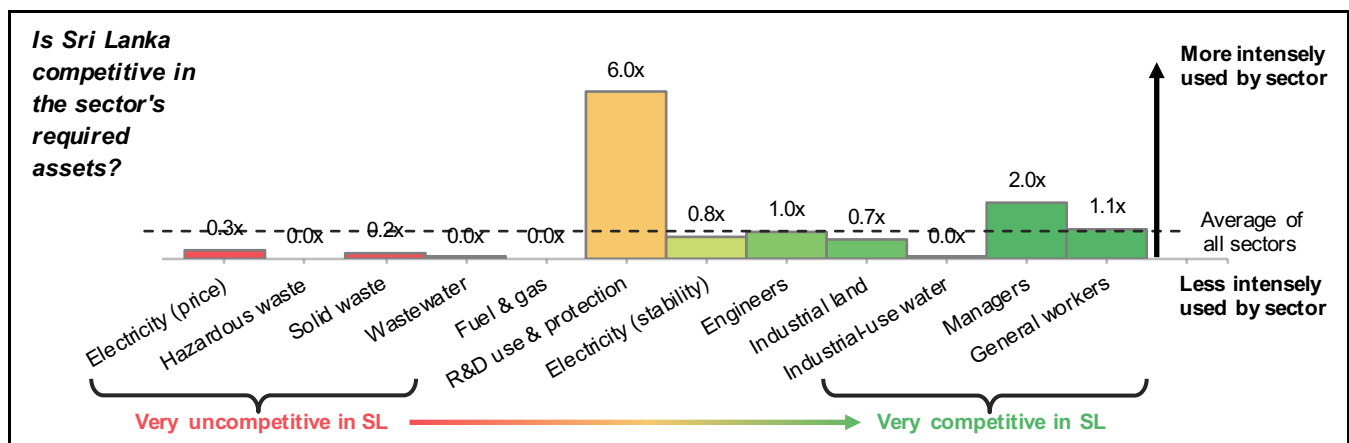
High



0.5

**Not yet present, but SL is competitive in needed assets » Target investment & knowhow from abroad

z-score



Medical devices

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.83	Average
Jobs per value added (peers; z-score)	0.24	Average
Wages per value added (USA)	81%	High
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	77	Average
Average wage rate (peers; z-score)	0.38	High
Average wage rate (USA; USD per year)	38,000	Low
Employment for youth (in SL)	25%	Very low
Employment for women (in SL)	39%	High
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	0%	Low
Employment beyond Western Prov.	26%	Low
1.4 New linkages potential		
Opportunity Gain index (z-score)	0.72	High

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	111	Very high
Imports in SL (vs global per capita)	22%	Low
Imports in SL (3-year increase, USD mn)	+27	Very high
2.2 Regional market opportunity		
Imports in India (current, USD mn)	2,196	Very high
Imports in India (vs global per capita)	7%	Average
Imports in India (3-year increase, USD mn)	-194	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	11,140	Very high
Imports in China (vs global per capita)	32%	Average
2.3 World market opportunity		
Imports globally (current, USD bn)	187.5	Very high
Imports globally (3-year increase, USD bn)	+41.8	Very high

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	8	Average
New exporters in SL (>10k USD)	8	Low
New exporters in SL (>100k USD)	1	Low
Rate of new vs. consistent exporters	1.0	Low
3.2 Investors' regional market access		
China's share of Indian market	14%	Low
Japan's share of Indian market	3%	Low
Korea's share of Indian market	7%	Average
3.3 Strength in related countries		
Exports from peers (vs global per capita)	103%	Low
Exports from India (vs global per capita)	4%	Low
Exports from China (vs global per capita)	28%	Very low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	4.9	Average
Exports from SL (vs global per capita)	0.7%	Low
SL's share of Indian market	0.02%	Low
4.2 Current strength of SL workforce		
Current employment in SL	144	Low
Worker training in SL	17%	Average
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	1	Low
Consistent exporters in SL (>1mn USD)	0	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	4	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-1.12	Very low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.3x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.2x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	2.0x avg
Engineers required (in USA)	1.0x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	1.1x avg
Skilled workers required (in SL)	1.1x avg
Skilled workers required (in USA)	1.4x avg
Research & development use (in OECD)	2.4x avg
Research & development use (in UK)	9.6x avg

Notes:

Sector defined as HS 9018, 9019, 9021, 9022. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Molding boxes for metal foundry

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	3.7	Major exporters (over USD 1mn for 3 years)	1
Imports from Sri Lanka (USD mn)	24.0	BOI companies in operation	3
World market (USD bn)	16.8	Employment in Sri Lanka	174

SECTOR PRIORITIZATION **6th** / 29 subsectors (score = 0.30) **TOP PRIORITY***

Category	Priority	z-score
1 Impact for Sri Lankan economy	High	0.6
1.1 Job creation potential	High	0.7
1.2 Job quality potential	Low	-0.3
1.3 Potential beyond Western Province	High	0.5
1.4 New linkages potential	Very high	1.0
2 Market opportunity	Average	0.2
2.1 Domestic market opportunity	Average	0.0
2.2 Regional market opportunity	High	0.8
2.3 World market opportunity	Low	-0.4
3 Investor interest (direct & indirect)	Average	0.1
3.1 Investor interest in SL	Low	-0.3
3.2 Investors' regional market access	High	0.8
3.3 Strength in related countries	Average	-0.1

*Highest impact, market opportunity, or investor interest » Top priority for promotion

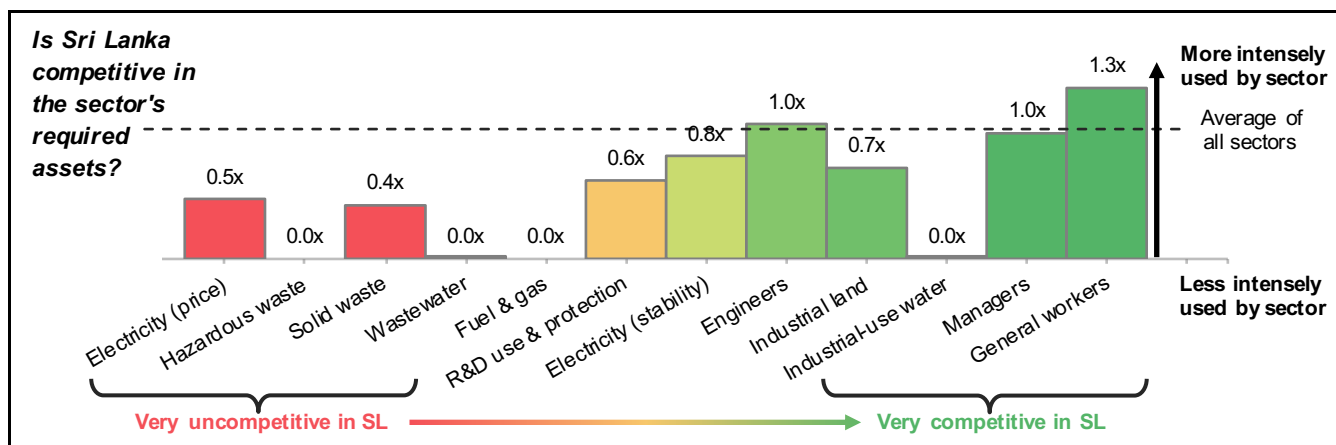
z-score

SECTOR STRATEGY **KNOWHOW NEEDED****

Category	Priority	z-score
4 Current strength in Sri Lanka	Low	-0.4
4.1 Current strength of SL exports	Low	-0.3
4.2 Current strength of SL workforce	Low	-0.6
4.3 Current strength of SL companies	Low	-0.4
5 Current know-how in Sri Lanka	Low	-0.7
5.1 Strength in related products	Low	-0.7
6 Hard & soft asset competitiveness	High	0.4
6.1 Competitiveness of required hard assets	Low	-0.4
6.2 Competitiveness of required soft assets	High	0.8

**Not yet present, but SL is competitive in needed assets » Target investment & knowhow from abroad

z-score



Molding boxes for metal foundry

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	1.25	Very high
Jobs per value added (peers; z-score)	0.19	Average
Wages per value added (USA)	76%	High
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	81	High
Average wage rate (peers; z-score)	0.42	Very high
Average wage rate (USA; USD per year)	40,800	Low
Employment for youth (in SL)	30%	Low
Employment for women (in SL)	9%	Very low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	0%	Low
Employment beyond Western Prov.	91%	Very high
1.4 New linkages potential		
Opportunity Gain index (z-score)	1.01	Very high

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	24	Average
Imports in SL (vs global per capita)	50%	Average
Imports in SL (3-year increase, USD mn)	+6	Average
2.2 Regional market opportunity		
Imports in India (current, USD mn)	617	High
Imports in India (vs global per capita)	20%	Very high
Imports in India (3-year increase, USD mn)	+209	Very high
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	1,148	Average
Imports in China (vs global per capita)	36%	Average
2.3 World market opportunity		
Imports globally (current, USD bn)	17.0	Low
Imports globally (3-year increase, USD bn)	+2.1	Low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	3	Low
New exporters in SL (>10k USD)	12	Low
New exporters in SL (>100k USD)	5	Low
Rate of new vs. consistent exporters	1.3	Average
3.2 Investors' regional market access		
China's share of Indian market	33%	High
Japan's share of Indian market	5%	Average
Korea's share of Indian market	35%	Very high
3.3 Strength in related countries		
Exports from peers (vs global per capita)	147%	Low
Exports from India (vs global per capita)	4%	Low
Exports from China (vs global per capita)	135%	High

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	3.7	Average
Exports from SL (vs global per capita)	8.0%	Low
SL's share of Indian market	0.10%	Low
4.2 Current strength of SL workforce		
Current employment in SL	174	Low
Worker training in SL	14%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	4	Low
Consistent exporters in SL (>1mn USD)	1	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	3	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.72	Low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.0x avg
Engineers required (in USA)	1.0x avg
General workers required (in SL)	1.6x avg
General workers required (in peer countries)	1.1x avg
Skilled workers required (in SL)	0.4x avg
Skilled workers required (in USA)	0.6x avg
Research & development use (in OECD)	1.1x avg
Research & development use (in UK)	0.1x avg

Notes:

Sector defined as HS 8480. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Industrial production machines & robots

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	3.1	Major exporters (over USD 1mn for 3 years)	0
Imports from Sri Lanka (USD mn)	53.9	BOI companies in operation	3
World market (USD bn)	77.6	Employment in Sri Lanka	898

SECTOR PRIORITIZATION

7th / 29 subsectors (score = 0.27)

TOP PRIORITY*

1 Impact for Sri Lankan economy

High

0.3

1.1 Job creation potential

Average

0.1

1.2 Job quality potential

Average

0.0

1.3 Potential beyond Western Province

Low

-0.8

1.4 New linkages potential

Very high

>1.2

2 Market opportunity

High

0.6

2.1 Domestic market opportunity

High

0.4

2.2 Regional market opportunity

High

0.5

2.3 World market opportunity

High

0.7

3 Investor interest (direct & indirect)

Average

-0.2

3.1 Investor interest in SL

Low

-0.4

3.2 Investors' regional market access

High

0.4

3.3 Strength in related countries

Low

-0.5

*Highest impact, market opportunity, or investor interest » Top priority for promotion

z-score

SECTOR STRATEGY

KNOWHOW NEEDED**

4 Current strength in Sri Lanka

Low

-0.3

4.1 Current strength of SL exports

Low

-0.3

4.2 Current strength of SL workforce

Average

-0.1

4.3 Current strength of SL companies

Low

-0.4

5 Current know-how in Sri Lanka

Very low

-1.1

5.1 Strength in related products

Very low

-1.1

6 Hard & soft asset competitiveness

High

0.3

6.1 Competitiveness of required hard assets

Low

-0.4

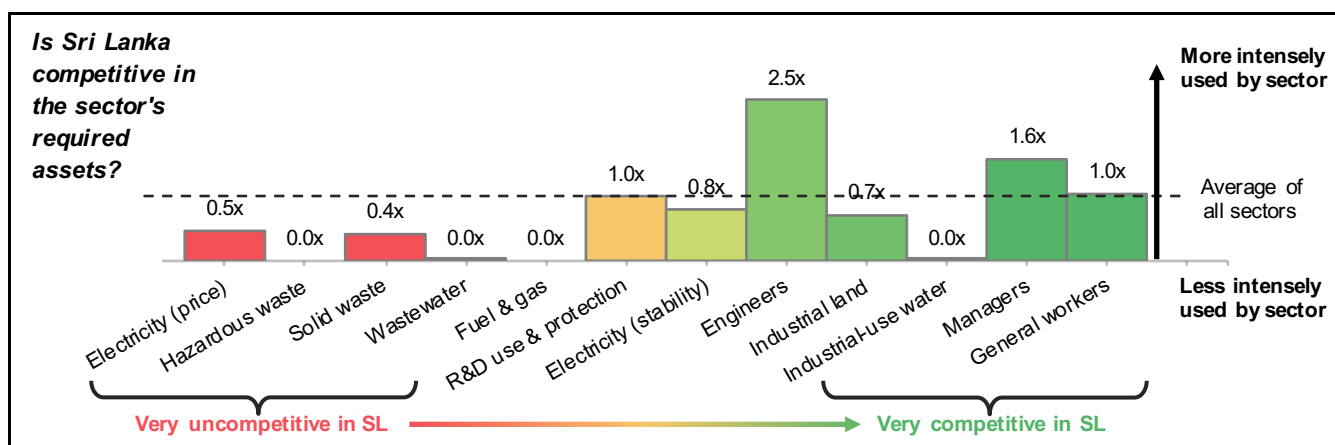
6.2 Competitiveness of required soft assets

High

0.7

**Not yet present, but SL is competitive in needed assets » Target investment & knowhow from abroad

z-score



Industrial production machines & robots

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	0.19	Average
Wages per value added (USA)	74%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	76	Average
Average wage rate (peers; z-score)	0.42	Very high
Average wage rate (USA; USD per year)	50,700	High
Employment for youth (in SL)	29%	Low
Employment for women (in SL)	22%	Low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	0%	Low
Employment beyond Western Prov.	3%	Very low
1.4 New linkages potential		
Opportunity Gain index (z-score)	1.30	Very high

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	54	High
Imports in SL (vs global per capita)	24%	Low
Imports in SL (3-year increase, USD mn)	+17	High
2.2 Regional market opportunity		
Imports in India (current, USD mn)	1,175	Very high
Imports in India (vs global per capita)	8%	Average
Imports in India (3-year increase, USD mn)	-340	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	9,550	Very high
Imports in China (vs global per capita)	66%	Very high
2.3 World market opportunity		
Imports globally (current, USD bn)	77.6	Very high
Imports globally (3-year increase, USD bn)	+9.2	High

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	3	Low
New exporters in SL (>10k USD)	15	Low
New exporters in SL (>100k USD)	4	Low
Rate of new vs. consistent exporters	1.0	Low
3.2 Investors' regional market access		
China's share of Indian market	22%	Low
Japan's share of Indian market	11%	Very high
Korea's share of Indian market	6%	Average
3.3 Strength in related countries		
Exports from peers (vs global per capita)	131%	Low
Exports from India (vs global per capita)	4%	Low
Exports from China (vs global per capita)	41%	Low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	3.2	Average
Exports from SL (vs global per capita)	1.0%	Low
SL's share of Indian market	0.00%	Low
4.2 Current strength of SL workforce		
Current employment in SL	898	Average
Worker training in SL	10%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	4	Low
Consistent exporters in SL (>1mn USD)	0	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	3	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-1.07	Very low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.6x avg
Engineers required (in USA)	2.5x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	1.1x avg
Skilled workers required (in SL)	0.8x avg
Skilled workers required (in USA)	1.0x avg
Research & development use (in OECD)	1.1x avg
Research & development use (in UK)	0.9x avg

Notes:

Sector defined as HS 8479. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Ceramics

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	38.8	Major exporters (over USD 1mn for 3 years)	6
Imports from Sri Lanka (USD mn)	103.9	BOI companies in operation	10
World market (USD bn)	50.8	Employment in Sri Lanka	34,135

SECTOR PRIORITIZATION

8th / 29 subsectors (score = 0.26)

TOP PRIORITY*

1 Impact for Sri Lankan economy

Average

-0.1

1.1 Job creation potential

Average

-0.1

1.2 Job quality potential

Low

-0.6

1.3 Potential beyond Western Province

High

0.7

1.4 New linkages potential

Average

-0.2

2 Market opportunity

High

0.5

2.1 Domestic market opportunity

High

0.8

2.2 Regional market opportunity

High

0.4

2.3 World market opportunity

High

0.6

3 Investor interest (direct & indirect)

High

0.3

3.1 Investor interest in SL

High

0.6

3.2 Investors' regional market access

Average

0.1

3.3 Strength in related countries

High

0.4

*Highest impact, market opportunity, or investor interest » Top priority for promotion

z-score

SECTOR STRATEGY

EXISTING OR EMERGING**

4 Current strength in Sri Lanka

High

0.5

4.1 Current strength of SL exports

Average

0.1

4.2 Current strength of SL workforce

Very high

1.1

4.3 Current strength of SL companies

Average

0.2

5 Current know-how in Sri Lanka

Average

-0.1

5.1 Strength in related products

Average

-0.1

6 Hard & soft asset competitiveness

Average

-0.2

6.1 Competitiveness of required hard assets

Low

-0.4

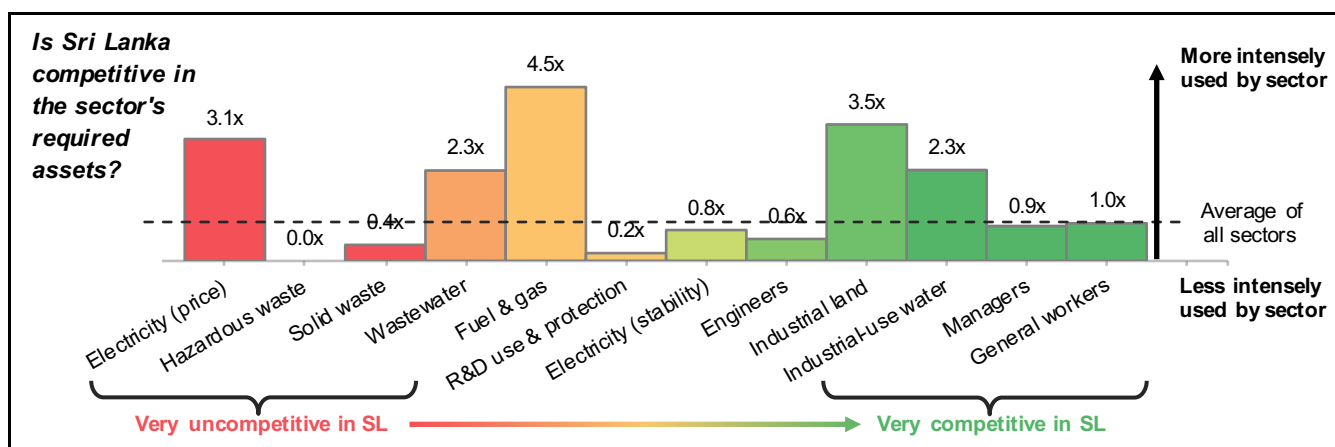
6.2 Competitiveness of required soft assets

Very high

0.9

**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.65	Low
Jobs per value added (peers; z-score)	0.44	High
Wages per value added (USA)	71%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	75	Low
Average wage rate (peers; z-score)	-0.59	Very low
Average wage rate (USA; USD per year)	41,300	Low
Employment for youth (in SL)	20%	Very low
Employment for women (in SL)	32%	Average
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	17%	Average
Employment beyond Western Prov.	83%	Very high
1.4 New linkages potential		
Opportunity Gain index (z-score)	-0.22	Average

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	104	Very high
Imports in SL (vs global per capita)	72%	Average
Imports in SL (3-year increase, USD mn)	+38	Very high
2.2 Regional market opportunity		
Imports in India (current, USD mn)	807	High
Imports in India (vs global per capita)	9%	Average
Imports in India (3-year increase, USD mn)	+64	Average
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	636	Average
Imports in China (vs global per capita)	7%	Very low
2.3 World market opportunity		
Imports globally (current, USD bn)	50.8	High
Imports globally (3-year increase, USD bn)	+11.5	High

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	13	Average
New exporters in SL (>10k USD)	68	Very high
New exporters in SL (>100k USD)	16	High
Rate of new vs. consistent exporters	1.2	Average
3.2 Investors' regional market access		
China's share of Indian market	71%	Very high
Japan's share of Indian market	1%	Low
Korea's share of Indian market	0%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	87%	Low
Exports from India (vs global per capita)	9%	Average
Exports from China (vs global per capita)	230%	Very high

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	38.8	High
Exports from SL (vs global per capita)	26.7%	Low
SL's share of Indian market	0.23%	Low
4.2 Current strength of SL workforce		
Current employment in SL	34,135	Very high
Worker training in SL	7%	Very low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	13	High
Consistent exporters in SL (>1mn USD)	6	High
Consistent exporters in SL (>10mn USD)	1	Average
BOI companies in operation	10	Average

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.07	Average

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	3.5x avg
Energy use (UNIDO estimate)	3.3x avg
Energy use (BOI estimate)	3.0x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	4.5x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.9x avg
Engineers required (in USA)	0.6x avg
General workers required (in SL)	0.8x avg
General workers required (in peer countries)	1.1x avg
Skilled workers required (in SL)	0.5x avg
Skilled workers required (in USA)	0.6x avg
Research & development use (in OECD)	0.3x avg
Research & development use (in UK)	0.1x avg

Notes:

Sector defined as HS 69. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Electricity distribution panels

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	28.3	Major exporters (over USD 1mn for 3 years)	2
Imports from Sri Lanka (USD mn)	32.0	BOI companies in operation	11
World market (USD bn)	52.1	Employment in Sri Lanka	221

SECTOR PRIORITIZATION **9th** / 29 subsectors (score = 0.24) **TOP PRIORITY***

Category	Average	z-score
1 Impact for Sri Lankan economy	Average	0.1
1.1 Job creation potential	Average	0.0
1.2 Job quality potential	High	0.8
1.3 Potential beyond Western Province	Low	-0.7
1.4 New linkages potential	High	0.3
2 Market opportunity	High	0.5
2.1 Domestic market opportunity	Average	0.0
2.2 Regional market opportunity	High	0.4
2.3 World market opportunity	High	0.6
3 Investor interest (direct & indirect)	Average	0.1
3.1 Investor interest in SL	High	0.3
3.2 Investors' regional market access	Average	0.2
3.3 Strength in related countries	Average	-0.2

*Highest impact, market opportunity, or investor interest » Top priority for promotion

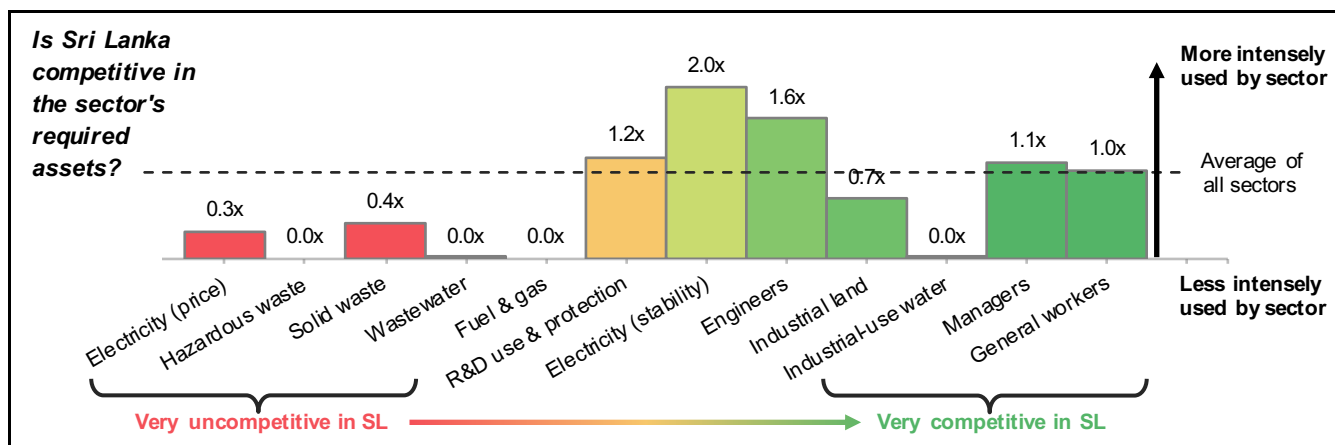
z-score

SECTOR STRATEGY **EXISTING OR EMERGING****

4 Current strength in Sri Lanka	Average	-0.1
4.1 Current strength of SL exports	Average	0.0
4.2 Current strength of SL workforce	Average	-0.2
4.3 Current strength of SL companies	Average	-0.2
5 Current know-how in Sri Lanka	Average	-0.2
5.1 Strength in related products	Average	-0.2
6 Hard & soft asset competitiveness	High	0.3
6.1 Competitiveness of required hard assets	Average	-0.2
6.2 Competitiveness of required soft assets	High	0.7

**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Electricity distribution panels

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	0.08	Average
Wages per value added (USA)	74%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	81	High
Average wage rate (peers; z-score)	0.22	High
Average wage rate (USA; USD per year)	50,000	Average
Employment for youth (in SL)	51%	Very high
Employment for women (in SL)	40%	High
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	10%	Low
Employment beyond Western Prov.	2%	Very low
1.4 New linkages potential		
Opportunity Gain index (z-score)	0.31	High

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	32	High
Imports in SL (vs global per capita)	21%	Low
Imports in SL (3-year increase, USD mn)	-1	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	590	High
Imports in India (vs global per capita)	6%	Low
Imports in India (3-year increase, USD mn)	+186	Very high
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	4,350	High
Imports in China (vs global per capita)	45%	High
2.3 World market opportunity		
Imports globally (current, USD bn)	52.1	High
Imports globally (3-year increase, USD bn)	+9.9	High

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	9	Average
New exporters in SL (>10k USD)	25	Average
New exporters in SL (>100k USD)	9	Average
Rate of new vs. consistent exporters	1.8	Very high
3.2 Investors' regional market access		
China's share of Indian market	21%	Low
Japan's share of Indian market	8%	High
Korea's share of Indian market	7%	Average
3.3 Strength in related countries		
Exports from peers (vs global per capita)	233%	High
Exports from India (vs global per capita)	5%	Low
Exports from China (vs global per capita)	72%	Low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	28.3	High
Exports from SL (vs global per capita)	19.0%	Low
SL's share of Indian market	0.00%	Low
4.2 Current strength of SL workforce		
Current employment in SL	221	Low
Worker training in SL	30%	Very high
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	5	Average
Consistent exporters in SL (>1mn USD)	2	Low
Consistent exporters in SL (>10mn USD)	1	Average
BOI companies in operation	11	Average

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.18	Average

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.3x avg
Electricity stability required (BOI estimate)	2.0x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.1x avg
Engineers required (in USA)	1.6x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	1.0x avg
Skilled workers required (in SL)	1.0x avg
Skilled workers required (in USA)	1.1x avg
Research & development use (in OECD)	1.4x avg
Research & development use (in UK)	1.0x avg

Notes:

Sector defined as HS 8537. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Valves

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	0.7	Major exporters (over USD 1mn for 3 years)	0
Imports from Sri Lanka (USD mn)	49.8	BOI companies in operation	1
World market (USD bn)	83.5	Employment in Sri Lanka	603

SECTOR PRIORITIZATION

10th / 29 subsectors (score = 0.18)

TOP PRIORITY*

1 Impact for Sri Lankan economy

High

0.3

1.1 Job creation potential

Average



0.0

1.2 Job quality potential

Average



-0.2

1.3 Potential beyond Western Province

Low



-0.8

1.4 New linkages potential

Very high



>1.2

2 Market opportunity

High

0.5

2.1 Domestic market opportunity

Average



0.2

2.2 Regional market opportunity

High



0.3

2.3 World market opportunity

High



0.7

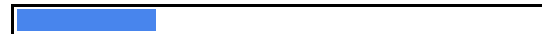
3 Investor interest (direct & indirect)

Low

-0.3

3.1 Investor interest in SL

Low



-0.6

3.2 Investors' regional market access

Average



-0.1

3.3 Strength in related countries

Average



-0.2

*Highest impact, market opportunity, or investor interest » Top priority for promotion

z-score

SECTOR STRATEGY

KNOWHOW NEEDED**

4 Current strength in Sri Lanka

Low

-0.4

4.1 Current strength of SL exports

Low



-0.6

4.2 Current strength of SL workforce

Low



-0.3

4.3 Current strength of SL companies

Low



-0.5

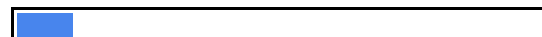
5 Current know-how in Sri Lanka

Very low

-1.0

5.1 Strength in related products

Very low



-1.0

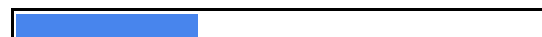
6 Hard & soft asset competitiveness

High

0.3

6.1 Competitiveness of required hard assets

Low



-0.4

6.2 Competitiveness of required soft assets

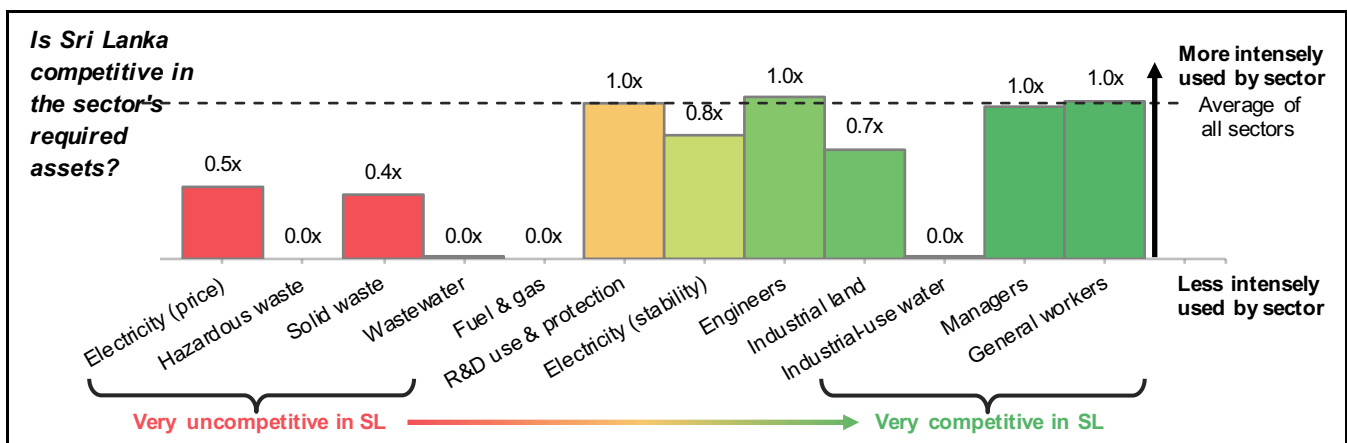
High



0.8

**Not yet present, but SL is competitive in needed assets » Target investment & knowhow from abroad

z-score



	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	-0.02	Low
Wages per value added (USA)	74%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	76	Average
Average wage rate (peers; z-score)	0.34	High
Average wage rate (USA; USD per year)	40,776	Low
Employment for youth (in SL)	29%	Low
Employment for women (in SL)	22%	Low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	0%	Low
Employment beyond Western Prov.	5%	Very low
1.4 New linkages potential		
Opportunity Gain index (z-score)	1.24	Very high

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	50	High
Imports in SL (vs global per capita)	21%	Low
Imports in SL (3-year increase, USD mn)	+10	High
2.2 Regional market opportunity		
Imports in India (current, USD mn)	1,187	Very high
Imports in India (vs global per capita)	8%	Average
Imports in India (3-year increase, USD mn)	+15	Low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	6,153	Very high
Imports in China (vs global per capita)	40%	Average
2.3 World market opportunity		
Imports globally (current, USD bn)	83.5	Very high
Imports globally (3-year increase, USD bn)	+8.9	High

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	0	Low
New exporters in SL (>10k USD)	8	Low
New exporters in SL (>100k USD)	1	Low
Rate of new vs. consistent exporters	1.0	Low
3.2 Investors' regional market access		
China's share of Indian market	18%	Low
Japan's share of Indian market	7%	Average
Korea's share of Indian market	5%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	120%	Low
Exports from India (vs global per capita)	9%	Average
Exports from China (vs global per capita)	93%	Average

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	0.7	Low
Exports from SL (vs global per capita)	0.3%	Low
SL's share of Indian market	0.01%	Low
4.2 Current strength of SL workforce		
Current employment in SL	603	Average
Worker training in SL	10%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	1	Low
Consistent exporters in SL (>1mn USD)	0	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	1	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.98	Very low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.0x avg
Engineers required (in USA)	1.0x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	1.0x avg
Skilled workers required (in SL)	0.8x avg
Skilled workers required (in USA)	0.6x avg
Research & development use (in OECD)	1.1x avg
Research & development use (in UK)	0.9x avg

Notes:

Sector defined as HS 8481. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Printed circuits

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	2.6	Major exporters (over USD 1mn for 3 years)	1
Imports from Sri Lanka (USD mn)	9.8	BOI companies in operation	12
World market (USD bn)	37.7	Employment in Sri Lanka	2,383

SECTOR PRIORITIZATION **11th** / 29 subsectors (score = 0.17) **NORMAL PRIORITY***

Category	Average	z-score
1 Impact for Sri Lankan economy	Average	0.2
1.1 Job creation potential	Average	0.0
1.2 Job quality potential	Very high	1.2
1.3 Potential beyond Western Province	Low	-0.7
1.4 New linkages potential	High	0.4
2 Market opportunity	Average	0.1
2.1 Domestic market opportunity	Low	-0.3
2.2 Regional market opportunity	Average	0.1
2.3 World market opportunity	Average	0.2
3 Investor interest (direct & indirect)	Average	0.2
3.1 Investor interest in SL	High	0.4
3.2 Investors' regional market access	Average	-0.1
3.3 Strength in related countries	Average	0.1

*High impact, market opportunity, or investor interest » Normal priority for promotion

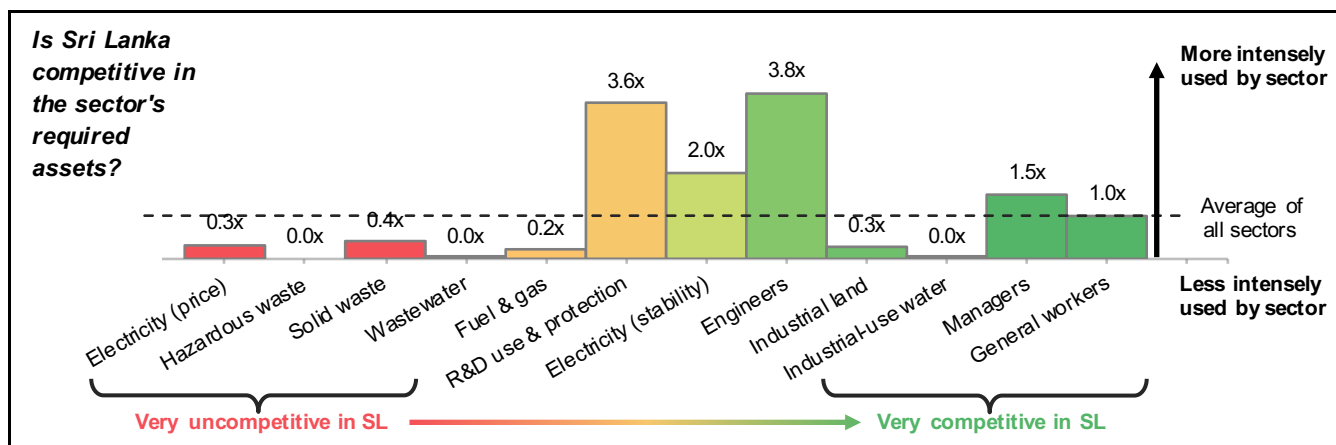
z-score

SECTOR STRATEGY **EXISTING OR EMERGING****

Category	Average	z-score
4 Current strength in Sri Lanka	Average	0.0
4.1 Current strength of SL exports	Low	-0.3
4.2 Current strength of SL workforce	High	0.6
4.3 Current strength of SL companies	Low	-0.4
5 Current know-how in Sri Lanka	Average	-0.2
5.1 Strength in related products	Average	-0.2
6 Hard & soft asset competitiveness	Average	0.2
6.1 Competitiveness of required hard assets	Low	-0.4
6.2 Competitiveness of required soft assets	High	0.5

**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Printed circuits

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	0.01	Average
Wages per value added (USA)	74%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	81	High
Average wage rate (peers; z-score)	0.17	High
Average wage rate (USA; USD per year)	76,700	Very high
Employment for youth (in SL)	51%	Very high
Employment for women (in SL)	40%	High
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	5%	Low
Employment beyond Western Prov.	3%	Very low
1.4 New linkages potential		
Opportunity Gain index (z-score)	0.45	High

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	10	Low
Imports in SL (vs global per capita)	9%	Low
Imports in SL (3-year increase, USD mn)	-1	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	244	Average
Imports in India (vs global per capita)	4%	Low
Imports in India (3-year increase, USD mn)	-48	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	6,923	Very high
Imports in China (vs global per capita)	99%	Very high
2.3 World market opportunity		
Imports globally (current, USD bn)	37.7	High
Imports globally (3-year increase, USD bn)	+4.8	Average

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	3	Low
New exporters in SL (>10k USD)	3	Low
New exporters in SL (>100k USD)	3	Low
Rate of new vs. consistent exporters	3.0	Very high
3.2 Investors' regional market access		
China's share of Indian market	51%	Very high
Japan's share of Indian market	1%	Low
Korea's share of Indian market	6%	Average
3.3 Strength in related countries		
Exports from peers (vs global per capita)	67%	Low
Exports from India (vs global per capita)	2%	Low
Exports from China (vs global per capita)	230%	Very high

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	2.6	Low
Exports from SL (vs global per capita)	2.4%	Low
SL's share of Indian market	0.00%	Low
4.2 Current strength of SL workforce		
Current employment in SL	2,383	High
Worker training in SL	30%	Very high
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	1	Low
Consistent exporters in SL (>1mn USD)	1	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	12	Average

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.24	Average

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.3x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.3x avg
Electricity stability required (BOI estimate)	2.0x avg
Fuel or gas use (BOI estimate)	0.2x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.5x avg
Engineers required (in USA)	3.8x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	1.0x avg
Skilled workers required (in SL)	1.0x avg
Skilled workers required (in USA)	2.2x avg
Research & development use (in OECD)	4.5x avg
Research & development use (in UK)	2.7x avg

Notes:

Sector defined as HS 8534. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Industrial heating equipment

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	2.4	Major exporters (over USD 1mn for 3 years)	0
Imports from Sri Lanka (USD mn)	29.9	BOI companies in operation	2
World market (USD bn)	36.6	Employment in Sri Lanka	<100

SECTOR PRIORITIZATION 12th / 29 subsectors (score = 0.16) NORMAL PRIORITY*

Category	Priority	Score
1 Impact for Sri Lankan economy	High	0.4
1.1 Job creation potential	Average	-0.2
1.2 Job quality potential	Average	0.0
1.3 Potential beyond Western Province	Average	-0.1
1.4 New linkages potential	Very high	1.2
2 Market opportunity	High	0.4
2.1 Domestic market opportunity	Average	-0.1
2.2 Regional market opportunity	High	0.7
2.3 World market opportunity	Average	0.1
3 Investor interest (direct & indirect)	Low	-0.3
3.1 Investor interest in SL	Low	-0.6
3.2 Investors' regional market access	Average	0.0
3.3 Strength in related countries	Low	-0.3

*High impact, market opportunity, or investor interest » Normal priority for promotion

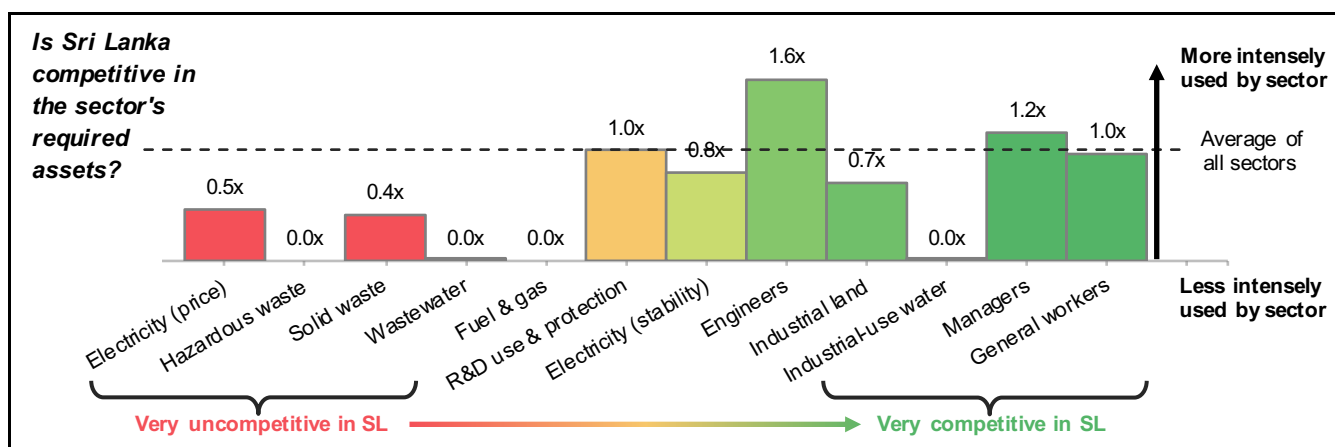
z-score

SECTOR STRATEGY KNOWHOW NEEDED**

4 Current strength in Sri Lanka	Low	-0.7
4.1 Current strength of SL exports	Low	-0.4
4.2 Current strength of SL workforce	Very low	<-1.2
4.3 Current strength of SL companies	Low	-0.5
5 Current know-how in Sri Lanka	Very low	-1.0
5.1 Strength in related products	Very low	-1.0
6 Hard & soft asset competitiveness	High	0.3
6.1 Competitiveness of required hard assets	Low	-0.4
6.2 Competitiveness of required soft assets	High	0.7

**Not yet present, but SL is competitive in needed assets » Target investment & knowhow from abroad

z-score



Industrial heating equipment

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	-0.36	Very low
Wages per value added (USA)	74%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	76	Average
Average wage rate (peers; z-score)	0.56	Very high
Average wage rate (USA; USD per year)	50,700	High
Employment for youth (in SL)	29%	Low
Employment for women (in SL)	22%	Low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	.	n/a
Employment beyond Western Prov.	31%	Average
1.4 New linkages potential		
Opportunity Gain index (z-score)	1.17	Very high

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	30	Average
Imports in SL (vs global per capita)	29%	Low
Imports in SL (3-year increase, USD mn)	+3	Low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	933	High
Imports in India (vs global per capita)	14%	Very high
Imports in India (3-year increase, USD mn)	+158	High
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	2,141	High
Imports in China (vs global per capita)	32%	Average
2.3 World market opportunity		
Imports globally (current, USD bn)	36.6	Average
Imports globally (3-year increase, USD bn)	+3.9	Average

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	1	Low
New exporters in SL (>10k USD)	5	Low
New exporters in SL (>100k USD)	2	Low
Rate of new vs. consistent exporters	1.0	Low
3.2 Investors' regional market access		
China's share of Indian market	23%	Low
Japan's share of Indian market	3%	Low
Korea's share of Indian market	18%	Very high
3.3 Strength in related countries		
Exports from peers (vs global per capita)	131%	Low
Exports from India (vs global per capita)	8%	Average
Exports from China (vs global per capita)	68%	Low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	2.4	Low
Exports from SL (vs global per capita)	2.3%	Low
SL's share of Indian market	0.00%	Low
4.2 Current strength of SL workforce		
Current employment in SL	<100	Very low
Worker training in SL	10%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	2	Low
Consistent exporters in SL (>1mn USD)	0	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	2	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.95	Very low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.2x avg
Engineers required (in USA)	1.6x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	0.9x avg
Skilled workers required (in SL)	0.8x avg
Skilled workers required (in USA)	1.0x avg
Research & development use (in OECD)	1.1x avg
Research & development use (in UK)	0.9x avg

Notes:

Sector defined as HS 8419. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Structural metal products

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	2.7	Major exporters (over USD 1mn for 3 years)	0
Imports from Sri Lanka (USD mn)	147.1	BOI companies in operation	13
World market (USD bn)	43.7	Employment in Sri Lanka	2,657

SECTOR PRIORITIZATION **13th** / 29 subsectors (score = 0.13) **NORMAL PRIORITY***

Category	Average	z-score
1 Impact for Sri Lankan economy	Average	0.1
1.1 Job creation potential	High	0.7
1.2 Job quality potential	Low	-0.5
1.3 Potential beyond Western Province	Average	-0.2
1.4 New linkages potential	Average	0.0
2 Market opportunity	Average	0.2
2.1 Domestic market opportunity	Very high	1.1
2.2 Regional market opportunity	Average	0.0
2.3 World market opportunity	High	0.3
3 Investor interest (direct & indirect)	Average	0.1
3.1 Investor interest in SL	High	0.4
3.2 Investors' regional market access	Low	-0.3
3.3 Strength in related countries	High	0.3

*High impact, market opportunity, or investor interest » Normal priority for promotion

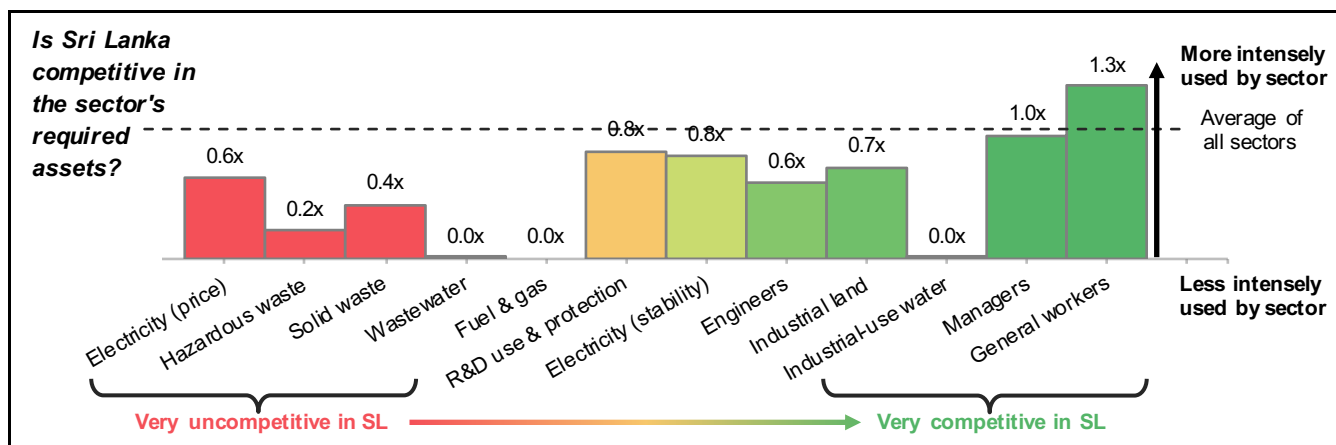
z-score

SECTOR STRATEGY **EXISTING OR EMERGING****

4 Current strength in Sri Lanka	Average	0.0
4.1 Current strength of SL exports	Low	-0.3
4.2 Current strength of SL workforce	High	0.7
4.3 Current strength of SL companies	Low	-0.3
5 Current know-how in Sri Lanka	Average	0.1
5.1 Strength in related products	Average	0.1
6 Hard & soft asset competitiveness	High	0.3
6.1 Competitiveness of required hard assets	Low	-0.5
6.2 Competitiveness of required soft assets	Very high	0.9

**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Structural metal products

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	1.25	Very high
Jobs per value added (peers; z-score)	0.24	Average
Wages per value added (USA)	76%	High
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	81	High
Average wage rate (peers; z-score)	-0.28	Low
Average wage rate (USA; USD per year)	41,000	Low
Employment for youth (in SL)	30%	Low
Employment for women (in SL)	9%	Very low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	21%	Average
Employment beyond Western Prov.	19%	Low
1.4 New linkages potential		
Opportunity Gain index (z-score)	-0.05	Average

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	147	Very high
Imports in SL (vs global per capita)	118%	Average
Imports in SL (3-year increase, USD mn)	+79	Very high
2.2 Regional market opportunity		
Imports in India (current, USD mn)	319	Average
Imports in India (vs global per capita)	4%	Low
Imports in India (3-year increase, USD mn)	-178	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	797	Average
Imports in China (vs global per capita)	10%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	43.7	High
Imports globally (3-year increase, USD bn)	+5.4	Average

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	7	Average
New exporters in SL (>10k USD)	40	High
New exporters in SL (>100k USD)	11	Average
Rate of new vs. consistent exporters	1.8	Very high
3.2 Investors' regional market access		
China's share of Indian market	34%	High
Japan's share of Indian market	1%	Very low
Korea's share of Indian market	7%	Average
3.3 Strength in related countries		
Exports from peers (vs global per capita)	181%	Average
Exports from India (vs global per capita)	12%	Average
Exports from China (vs global per capita)	151%	High

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	2.7	Low
Exports from SL (vs global per capita)	2.0%	Low
SL's share of Indian market	0.09%	Low
4.2 Current strength of SL workforce		
Current employment in SL	2,657	High
Worker training in SL	30%	Very high
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	6	Average
Consistent exporters in SL (>1mn USD)	0	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	13	Average

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	0.12	Average

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.7x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.2x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.0x avg
Engineers required (in USA)	0.6x avg
General workers required (in SL)	1.6x avg
General workers required (in peer countries)	1.1x avg
Skilled workers required (in SL)	0.2x avg
Skilled workers required (in USA)	0.6x avg
Research & development use (in OECD)	0.1x avg
Research & development use (in UK)	1.5x avg

Notes:

Sector defined as HS 7308. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

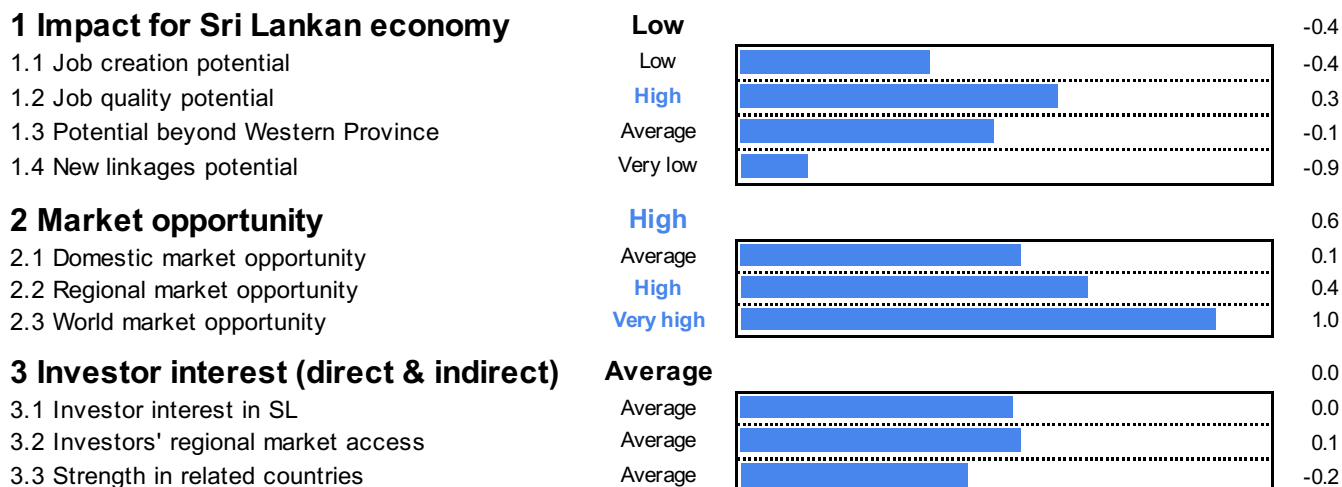
Insulated wires

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	46.9	Major exporters (over USD 1mn for 3 years)	6
Imports from Sri Lanka (USD mn)	49.1	BOI companies in operation	12
World market (USD bn)	111.5	Employment in Sri Lanka	643

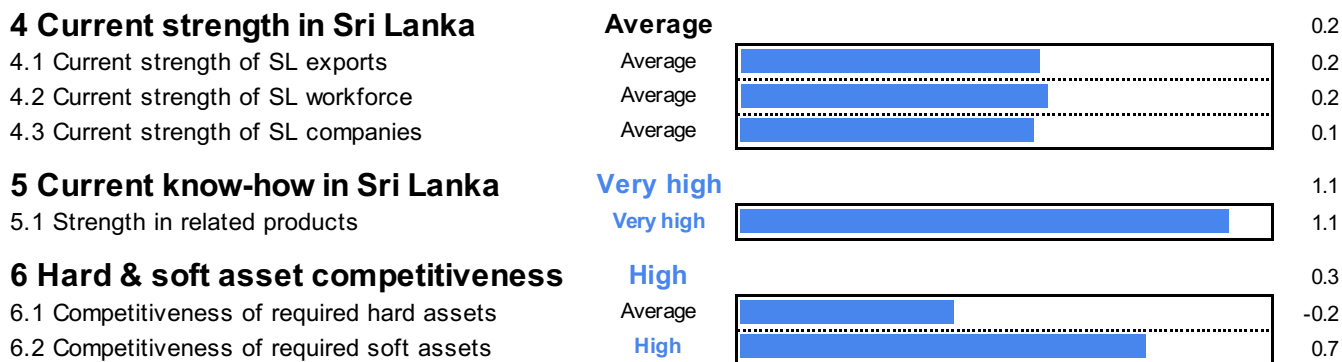
SECTOR PRIORITIZATION **14th** / 29 subsectors (score = 0.10) **NORMAL PRIORITY***



*High impact, market opportunity, or investor interest » Normal priority for promotion

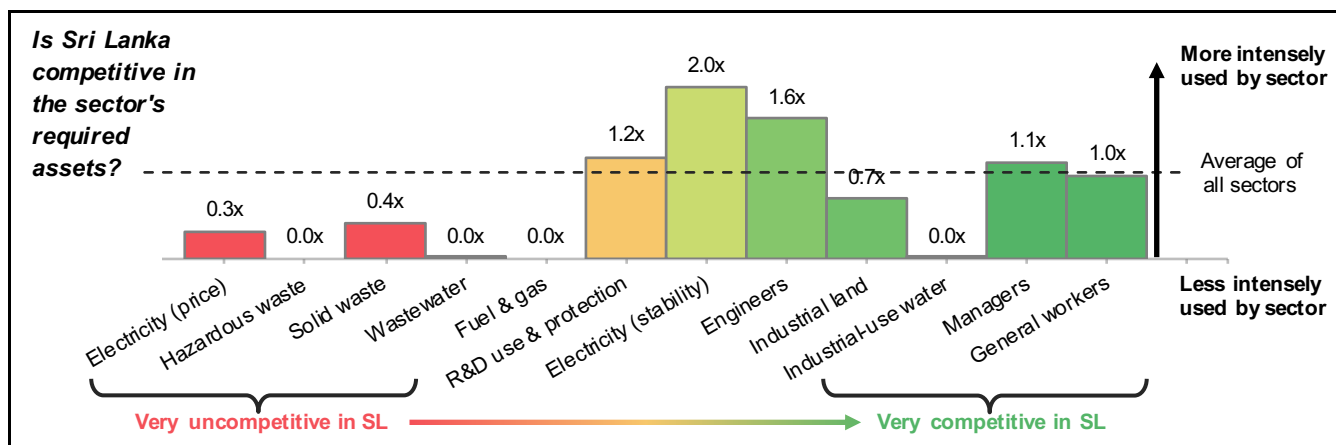
z-score

SECTOR STRATEGY **EXISTING OR EMERGING****



**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Insulated wires

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	-0.42	Very low
Wages per value added (USA)	72%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	99	Very high
Average wage rate (peers; z-score)	0.10	Average
Average wage rate (USA; USD per year)	50,000	Average
Employment for youth (in SL)	38%	High
Employment for women (in SL)	12%	Very low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	0%	Low
Employment beyond Western Prov.	55%	High
1.4 New linkages potential		
Opportunity Gain index (z-score)	-0.94	Very low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	49	High
Imports in SL (vs global per capita)	16%	Low
Imports in SL (3-year increase, USD mn)	-33	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	910	High
Imports in India (vs global per capita)	5%	Low
Imports in India (3-year increase, USD mn)	+153	High
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	3,530	High
Imports in China (vs global per capita)	18%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	111.5	Very high
Imports globally (3-year increase, USD bn)	+13.0	High

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	3	Low
New exporters in SL (>10k USD)	28	High
New exporters in SL (>100k USD)	14	High
Rate of new vs. consistent exporters	1.3	Average
3.2 Investors' regional market access		
China's share of Indian market	37%	High
Japan's share of Indian market	2%	Low
Korea's share of Indian market	16%	Very high
3.3 Strength in related countries		
Exports from peers (vs global per capita)	159%	Average
Exports from India (vs global per capita)	4%	Low
Exports from China (vs global per capita)	111%	Average

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	46.9	High
Exports from SL (vs global per capita)	15.4%	Low
SL's share of Indian market	2.35%	Average
4.2 Current strength of SL workforce		
Current employment in SL	643	Average
Worker training in SL	32%	Very high
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	11	High
Consistent exporters in SL (>1mn USD)	6	High
Consistent exporters in SL (>10mn USD)	1	Average
BOI companies in operation	12	Average

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	1.06	Very high

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.3x avg
Electricity stability required (BOI estimate)	2.0x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.1x avg
Engineers required (in USA)	1.6x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	0.9x avg
Skilled workers required (in SL)	2.0x avg
Skilled workers required (in USA)	1.1x avg
Research & development use (in OECD)	1.4x avg
Research & development use (in UK)	1.0x avg

Notes:

Sector defined as HS 8544. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Pumps for liquids

Subsector

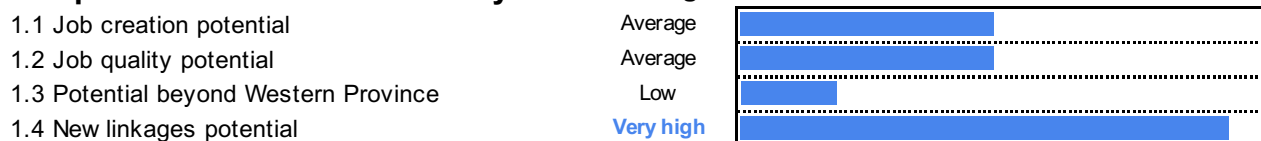
Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	0.5	Major exporters (over USD 1mn for 3 years)	0
Imports from Sri Lanka (USD mn)	35.1	BOI companies in operation	1
World market (USD bn)	60.2	Employment in Sri Lanka	603

SECTOR PRIORITIZATION **15th** / 29 subsectors (score = 0.05) **NORMAL PRIORITY***

1 Impact for Sri Lankan economy

Average 0.2



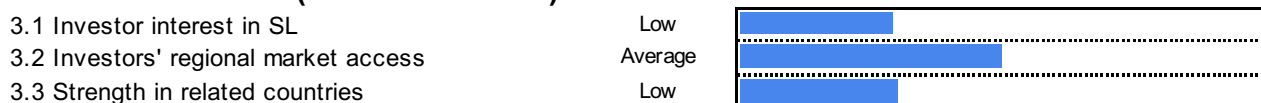
2 Market opportunity

Average 0.2



3 Investor interest (direct & indirect)

Low -0.3



*High impact, market opportunity, or investor interest » Normal priority for promotion

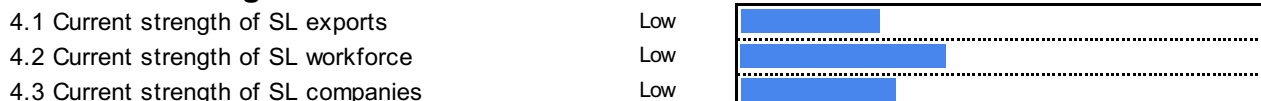
z-score

SECTOR STRATEGY

KNOWHOW NEEDED**

4 Current strength in Sri Lanka

Low -0.5



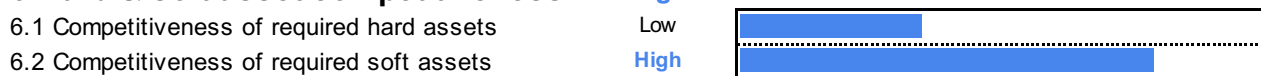
5 Current know-how in Sri Lanka

Very low -0.9



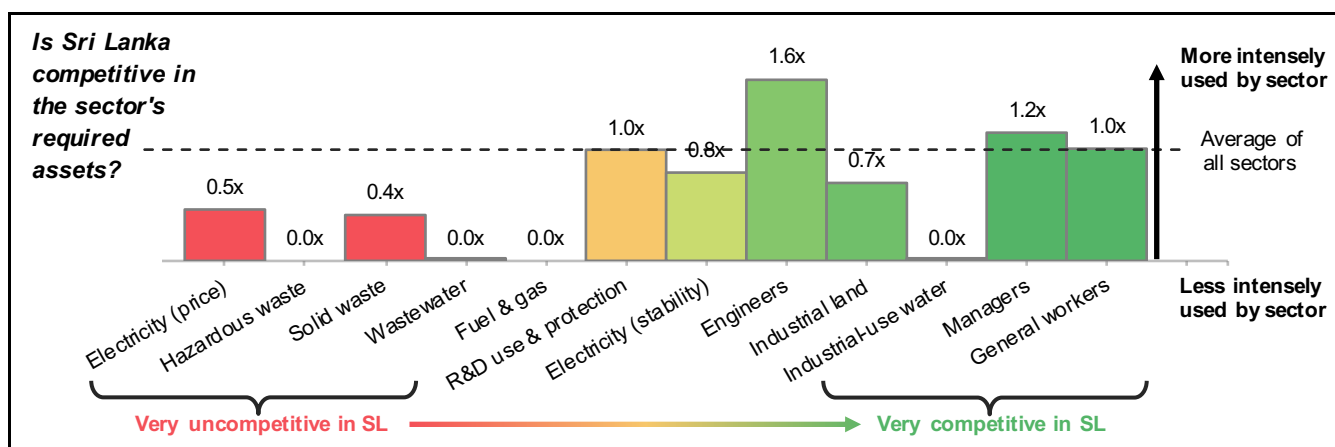
6 Hard & soft asset competitiveness

High 0.3



**Not yet present, but SL is competitive in needed assets » Target investment & knowhow from abroad

z-score



Pumps for liquids

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	-0.03	Low
Wages per value added (USA)	74%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	76	Average
Average wage rate (peers; z-score)	0.34	High
Average wage rate (USA; USD per year)	51,000	High
Employment for youth (in SL)	29%	Low
Employment for women (in SL)	22%	Low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	0%	Low
Employment beyond Western Prov.	5%	Very low
1.4 New linkages potential		
Opportunity Gain index (z-score)	1.05	Very high

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	35	High
Imports in SL (vs global per capita)	20%	Low
Imports in SL (3-year increase, USD mn)	-1	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	777	High
Imports in India (vs global per capita)	7%	Average
Imports in India (3-year increase, USD mn)	-179	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	3,713	High
Imports in China (vs global per capita)	33%	Average
2.3 World market opportunity		
Imports globally (current, USD bn)	60.2	High
Imports globally (3-year increase, USD bn)	+2.5	Low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	0	Low
New exporters in SL (>10k USD)	14	Low
New exporters in SL (>100k USD)	1	Low
Rate of new vs. consistent exporters	1.0	Low
3.2 Investors' regional market access		
China's share of Indian market	17%	Low
Japan's share of Indian market	8%	High
Korea's share of Indian market	4%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	56%	Low
Exports from India (vs global per capita)	7%	Average
Exports from China (vs global per capita)	66%	Low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	0.5	Very low
Exports from SL (vs global per capita)	0.3%	Low
SL's share of Indian market	0.02%	Low
4.2 Current strength of SL workforce		
Current employment in SL	603	Average
Worker training in SL	10%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	1	Low
Consistent exporters in SL (>1mn USD)	0	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	1	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.92	Very low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.2x avg
Engineers required (in USA)	1.6x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	1.0x avg
Skilled workers required (in SL)	0.1x avg
Skilled workers required (in USA)	1.0x avg
Research & development use (in OECD)	1.1x avg
Research & development use (in UK)	0.9x avg

Notes:

Sector defined as HS 8413. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Motor vehicle lighting or signaling equipment

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	0.0	Major exporters (over USD 1mn for 3 years)	0
Imports from Sri Lanka (USD mn)	13.1	BOI companies in operation	0
World market (USD bn)	8.2	Employment in Sri Lanka	843

SECTOR PRIORITIZATION **16th** / 29 subsectors (score = 0.00) **NORMAL PRIORITY***

Category	Sub-category	Priority	z-score
1 Impact for Sri Lankan economy	Average		0.2
	1.1 Job creation potential	Average	0.1
	1.2 Job quality potential	Average	0.1
	1.3 Potential beyond Western Province	Low	-0.8
	1.4 New linkages potential	High	0.8
2 Market opportunity	High		0.3
	2.1 Domestic market opportunity	Average	-0.2
	2.2 Regional market opportunity	High	0.4
	2.3 World market opportunity	Average	0.2
3 Investor interest (direct & indirect)	Low		-0.5
	3.1 Investor interest in SL	Very low	-1.1
	3.2 Investors' regional market access	Average	-0.1
	3.3 Strength in related countries	Low	-0.4

*High impact, market opportunity, or investor interest » Normal priority for promotion

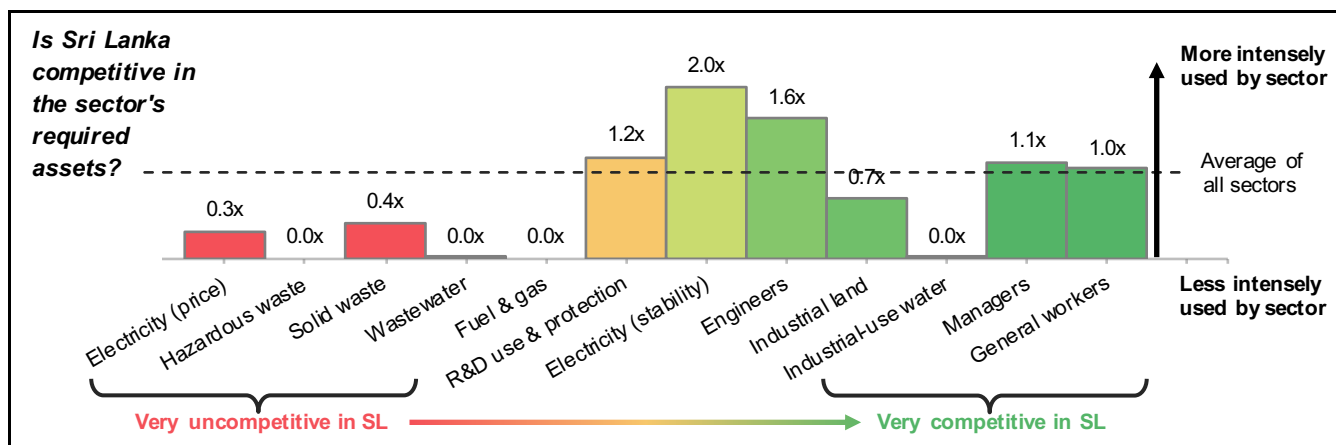
z-score

SECTOR STRATEGY **KNOWHOW NEEDED****

4 Current strength in Sri Lanka	Low		-0.4
	4.1 Current strength of SL exports	Very low	-1.0
	4.2 Current strength of SL workforce	High	0.3
4.3 Current strength of SL companies	Low		-0.5
5 Current know-how in Sri Lanka	Low		-0.4
	5.1 Strength in related products	Low	-0.4
6 Hard & soft asset competitiveness	High		0.3
	6.1 Competitiveness of required hard assets	Average	-0.2
	6.2 Competitiveness of required soft assets	High	0.7

**Not yet present, but SL is competitive in needed assets » Target investment & knowhow from abroad

z-score



Motor vehicle lighting or signaling equipment

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	0.16	Average
Wages per value added (USA)	74%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	99	Very high
Average wage rate (peers; z-score)	0.02	Average
Average wage rate (USA; USD per year)	40,776	Low
Employment for youth (in SL)	38%	High
Employment for women (in SL)	12%	Very low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	0%	Low
Employment beyond Western Prov.	5%	Very low
1.4 New linkages potential		
Opportunity Gain index (z-score)	0.82	High

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	13	Low
Imports in SL (vs global per capita)	17%	Low
Imports in SL (3-year increase, USD mn)	+5	Average
2.2 Regional market opportunity		
Imports in India (current, USD mn)	188	Average
Imports in India (vs global per capita)	14%	Very high
Imports in India (3-year increase, USD mn)	+69	High
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	1,538	Average
Imports in China (vs global per capita)	114%	Very high
2.3 World market opportunity		
Imports globally (current, USD bn)	26.6	Average
Imports globally (3-year increase, USD bn)	+8.2	High

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	2	Low
New exporters in SL (>10k USD)	1	Very low
New exporters in SL (>100k USD)	0	Low
Rate of new vs. consistent exporters	0.0	Very low
3.2 Investors' regional market access		
China's share of Indian market	25%	Average
Japan's share of Indian market	5%	Average
Korea's share of Indian market	8%	Average
3.3 Strength in related countries		
Exports from peers (vs global per capita)	150%	Average
Exports from India (vs global per capita)	2%	Low
Exports from China (vs global per capita)	83%	Average

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	0.0	Very low
Exports from SL (vs global per capita)	0.0%	Low
SL's share of Indian market	0.00%	Low
4.2 Current strength of SL workforce		
Current employment in SL	843	Average
Worker training in SL	32%	Very high
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	0	Low
Consistent exporters in SL (>1mn USD)	0	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	0	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.43	Low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.3x avg
Electricity stability required (BOI estimate)	2.0x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.1x avg
Engineers required (in USA)	1.6x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	1.1x avg
Skilled workers required (in SL)	2.0x avg
Skilled workers required (in USA)	0.6x avg
Research & development use (in OECD)	1.4x avg
Research & development use (in UK)	1.0x avg

Notes:

Sector defined as HS 8512. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Women's undergarments

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	555.1	Major exporters (over USD 1mn for 3 years)	25
Imports from Sri Lanka (USD mn)	4.7	BOI companies in operation	218
World market (USD bn)	11.8	Employment in Sri Lanka	17,000

SECTOR PRIORITIZATION **17th** / 29 subsectors (score = -0.01) **NORMAL PRIORITY***

1 Impact for Sri Lankan economy	High		0.3
1.1 Job creation potential	Very high		>1.2
1.2 Job quality potential	Average		0.2
1.3 Potential beyond Western Province	Very high		1.0
1.4 New linkages potential	Very low		-1.2
2 Market opportunity	Very low		-1.2
2.1 Domestic market opportunity	Low		-0.8
2.2 Regional market opportunity	Very low		<-1.2
2.3 World market opportunity	Low		-0.6
3 Investor interest (direct & indirect)	Very high		1.1
3.1 Investor interest in SL	Very high		>1.2
3.2 Investors' regional market access	Low		-0.3
3.3 Strength in related countries	Very high		1.2

*High impact, market opportunity, or investor interest » Normal priority for promotion

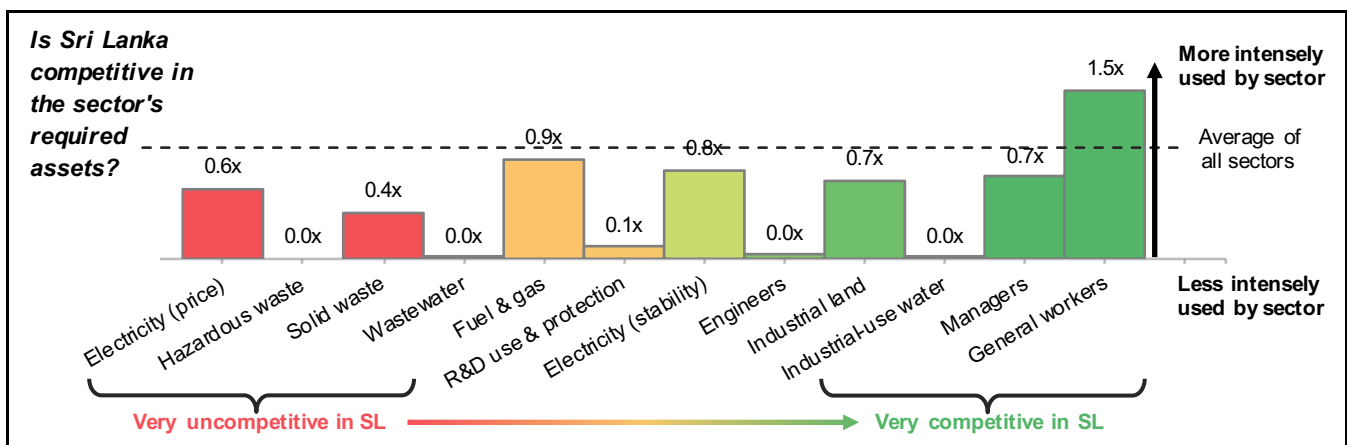
z-score

SECTOR STRATEGY **EXISTING OR EMERGING****

4 Current strength in Sri Lanka	Very high		>1.2
4.1 Current strength of SL exports	Very high		>1.2
4.2 Current strength of SL workforce	Very high		1.0
4.3 Current strength of SL companies	Very high		>1.2
5 Current know-how in Sri Lanka	Very high		>1.2
5.1 Strength in related products	Very high		>1.2
6 Hard & soft asset competitiveness	High		0.3
6.1 Competitiveness of required hard assets	Low		-0.5
6.2 Competitiveness of required soft assets	Very high		1.1

**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Women's undergarments

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	1.30	Very high
Jobs per value added (peers; z-score)	1.33	Very high
Wages per value added (USA)	83%	Very high
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	68	Low
Average wage rate (peers; z-score)	-1.04	Very low
Average wage rate (USA; USD per year)	31,000	Very low
Employment for youth (in SL)	45%	Very high
Employment for women (in SL)	70%	Very high
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	45%	Very high
Employment beyond Western Prov.	70%	Very high
1.4 New linkages potential		
Opportunity Gain index (z-score)	-1.15	Very low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	5	Very low
Imports in SL (vs global per capita)	14%	Low
Imports in SL (3-year increase, USD mn)	+1	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	10	Very low
Imports in India (vs global per capita)	1%	Very low
Imports in India (3-year increase, USD mn)	+9	Very low
Coverage under ISFTA	0%	Very low
Imports in China (current, USD mn)	40	Very low
Imports in China (vs global per capita)	2%	Very low
2.3 World market opportunity		
Imports globally (current, USD bn)	11.8	Low
Imports globally (3-year increase, USD bn)	+2.3	Low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	75	Very high
New exporters in SL (>10k USD)	85	Very high
New exporters in SL (>100k USD)	60	Very high
Rate of new vs. consistent exporters	1.2	Average
3.2 Investors' regional market access		
China's share of Indian market	55%	Very high
Japan's share of Indian market	0%	Very low
Korea's share of Indian market	0%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	206%	Average
Exports from India (vs global per capita)	27%	Very high
Exports from China (vs global per capita)	255%	Very high

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	555.1	Very high
Exports from SL (vs global per capita)	1643.4%	Very high
SL's share of Indian market	14.85%	Very high
4.2 Current strength of SL workforce		
Current employment in SL	17,000	Very high
Worker training in SL	15%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	51	Very high
Consistent exporters in SL (>1mn USD)	25	Very high
Consistent exporters in SL (>10mn USD)	5	Very high
BOI companies in operation	218	Very high

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	2.31	Very high

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.7x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.9x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.7x avg
Engineers required (in USA)	0.0x avg
General workers required (in SL)	1.6x avg
General workers required (in peer countries)	1.4x avg
Skilled workers required (in SL)	1.1x avg
Skilled workers required (in USA)	0.8x avg
Research & development use (in OECD)	0.2x avg
Research & development use (in UK)	0.0x avg

Notes:

Sector defined as HS 6108. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

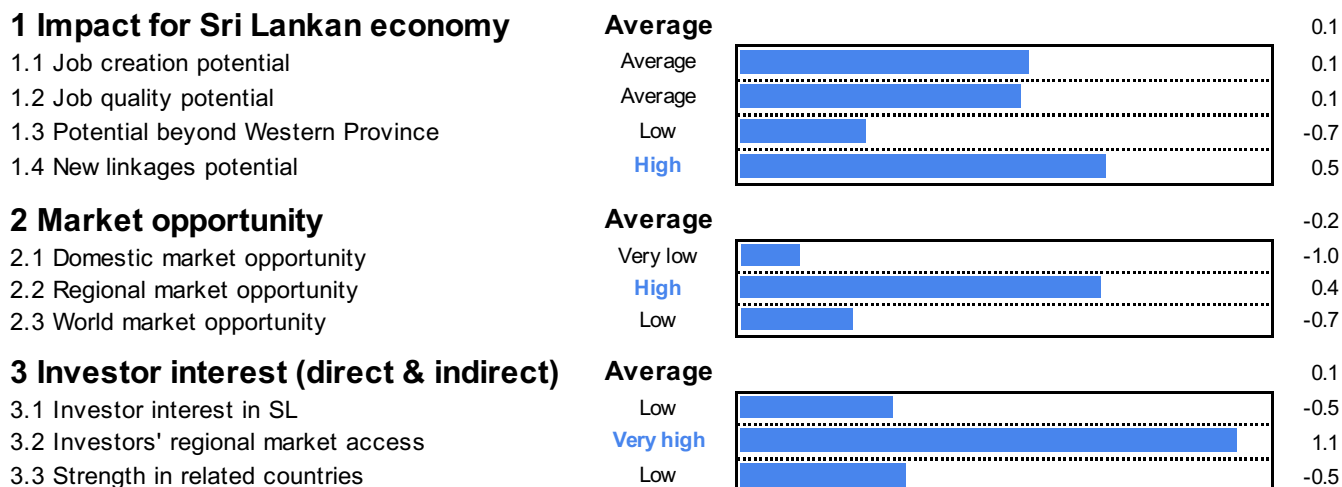
Electrical ignition or starting equipment

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	0.7	Major exporters (over USD 1mn for 3 years)	0
Imports from Sri Lanka (USD mn)	6.1	BOI companies in operation	7
World market (USD bn)	0.8	Employment in Sri Lanka	1,436

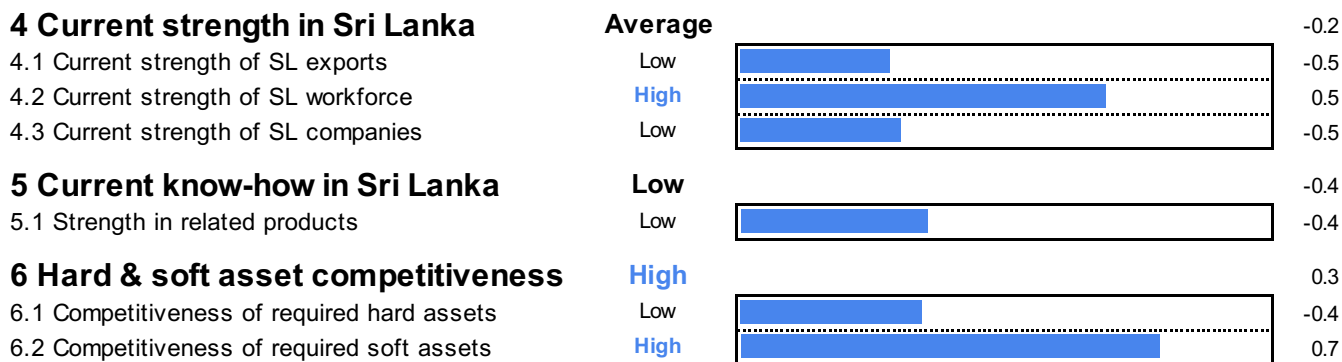
SECTOR PRIORITIZATION **18th** / 29 subsectors (score = -0.01) **NORMAL PRIORITY***



*High impact, market opportunity, or investor interest » Normal priority for promotion

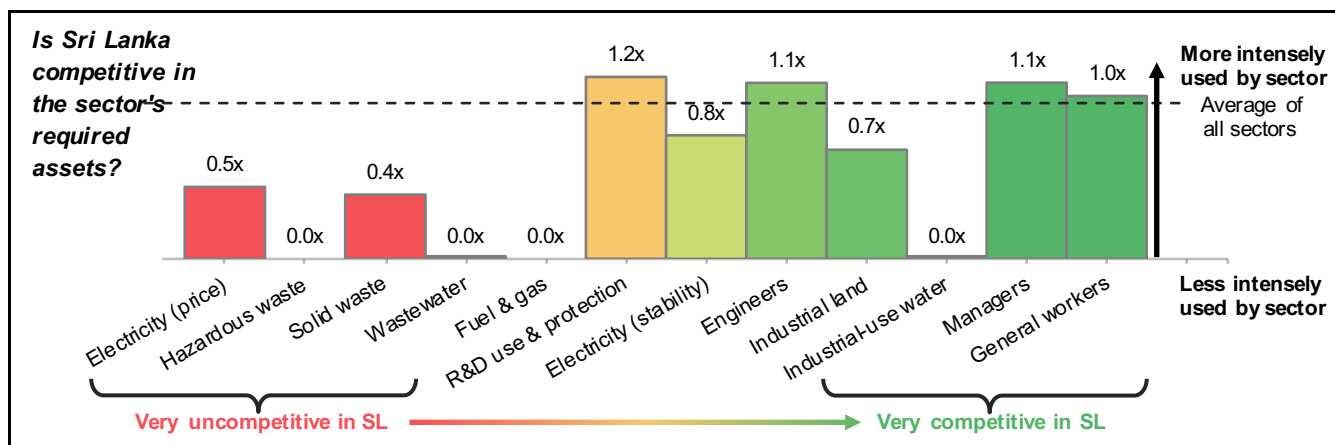
z-score

SECTOR STRATEGY **EXISTING OR EMERGING****



**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Electrical ignition or starting equipment

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	0.25	Average
Wages per value added (USA)	74%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	99	Very high
Average wage rate (peers; z-score)	-0.03	Average
Average wage rate (USA; USD per year)	40,776	Low
Employment for youth (in SL)	38%	High
Employment for women (in SL)	12%	Very low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	11%	Low
Employment beyond Western Prov.	1%	Very low
1.4 New linkages potential		
Opportunity Gain index (z-score)	0.49	High

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	6	Very low
Imports in SL (vs global per capita)	12%	Low
Imports in SL (3-year increase, USD mn)	+0	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	247	Average
Imports in India (vs global per capita)	18%	Very high
Imports in India (3-year increase, USD mn)	+45	Average
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	886	Average
Imports in China (vs global per capita)	65%	Very high
2.3 World market opportunity		
Imports globally (current, USD bn)	18.2	Low
Imports globally (3-year increase, USD bn)	+0.8	Very low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	9	Average
New exporters in SL (>10k USD)	2	Low
New exporters in SL (>100k USD)	1	Low
Rate of new vs. consistent exporters	1.0	Low
3.2 Investors' regional market access		
China's share of Indian market	19%	Low
Japan's share of Indian market	17%	Very high
Korea's share of Indian market	16%	Very high
3.3 Strength in related countries		
Exports from peers (vs global per capita)	92%	Low
Exports from India (vs global per capita)	7%	Low
Exports from China (vs global per capita)	60%	Low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	0.7	Low
Exports from SL (vs global per capita)	1.4%	Low
SL's share of Indian market	0.00%	Low
4.2 Current strength of SL workforce		
Current employment in SL	1,436	High
Worker training in SL	32%	Very high
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	1	Low
Consistent exporters in SL (>1mn USD)	0	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	7	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.36	Low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.1x avg
Engineers required (in USA)	1.1x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	1.1x avg
Skilled workers required (in SL)	2.0x avg
Skilled workers required (in USA)	0.6x avg
Research & development use (in OECD)	1.4x avg
Research & development use (in UK)	1.0x avg

Notes:

Sector defined as HS 8511. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

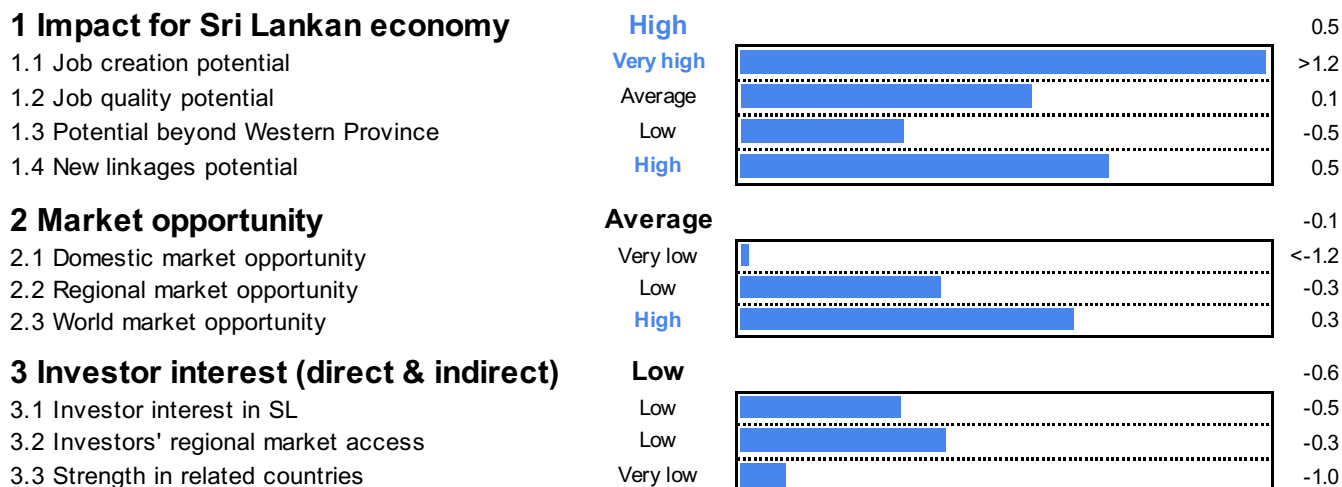
Yachts, motorboats, sailboats

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	2.9	Major exporters (over USD 1mn for 3 years)	1
Imports from Sri Lanka (USD mn)	0.9	BOI companies in operation	0
World market (USD bn)	21.8	Employment in Sri Lanka	1,002

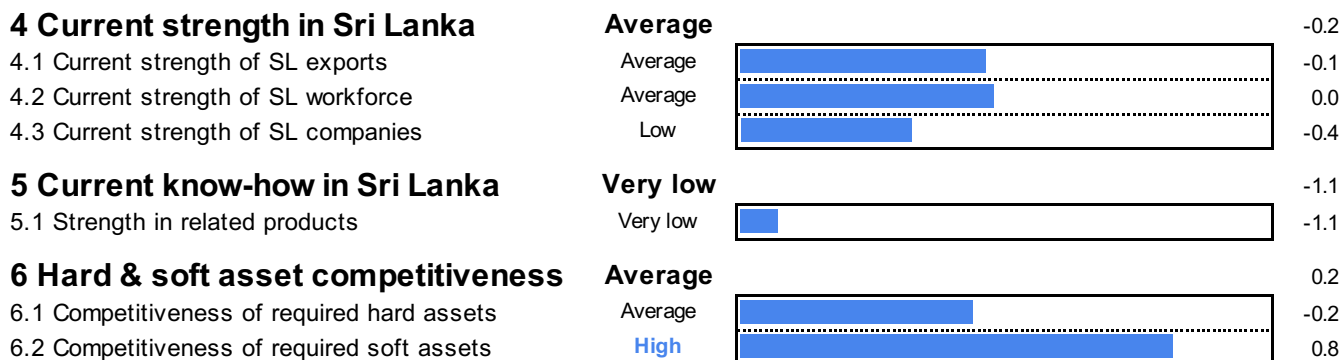
SECTOR PRIORITIZATION **19th** / 29 subsectors (score = -0.06) **NORMAL PRIORITY***



*High impact, market opportunity, or investor interest » Normal priority for promotion

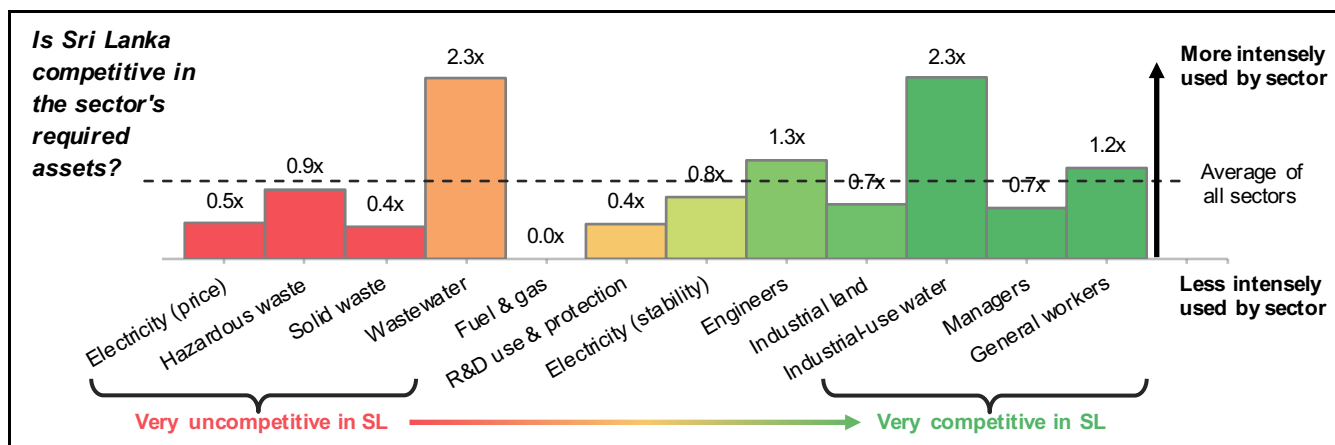
z-score

SECTOR STRATEGY **EXISTING OR EMERGING****



**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Yachts, motorboats, sailboats

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	1.05	Very high
Wages per value added (USA)	92%	Very high
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	63	Very low
Average wage rate (peers; z-score)	-0.05	Average
Average wage rate (USA; USD per year)	57,000	Very high
Employment for youth (in SL)	47%	Very high
Employment for women (in SL)	19%	Low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	0%	Low
Employment beyond Western Prov.	27%	Low
1.4 New linkages potential		
Opportunity Gain index (z-score)	0.49	High

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	1	Very low
Imports in SL (vs global per capita)	2%	Low
Imports in SL (3-year increase, USD mn)	+0	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	100	Low
Imports in India (vs global per capita)	0%	Very low
Imports in India (3-year increase, USD mn)	-6	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	100	Very low
Imports in China (vs global per capita)	2%	Very low
2.3 World market opportunity		
Imports globally (current, USD bn)	21.8	Average
Imports globally (3-year increase, USD bn)	+14.2	Very high

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	4	Low
New exporters in SL (>10k USD)	8	Low
New exporters in SL (>100k USD)	3	Low
Rate of new vs. consistent exporters	1.0	Low
3.2 Investors' regional market access		
China's share of Indian market	8%	Very low
Japan's share of Indian market	8%	High
Korea's share of Indian market	0%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	16%	Very low
Exports from India (vs global per capita)	0%	Low
Exports from China (vs global per capita)	8%	Very low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	2.9	Low
Exports from SL (vs global per capita)	4.7%	Low
SL's share of Indian market	10.17%	High
4.2 Current strength of SL workforce		
Current employment in SL	1,002	Average
Worker training in SL	12%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	3	Low
Consistent exporters in SL (>1mn USD)	1	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	0	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-1.07	Very low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.9x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.7x avg
Engineers required (in USA)	1.3x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	1.3x avg
Skilled workers required (in SL)	0.3x avg
Skilled workers required (in USA)	1.3x avg
Research & development use (in OECD)	0.6x avg
Research & development use (in UK)	0.3x avg

Notes:

Sector defined as HS 8903. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

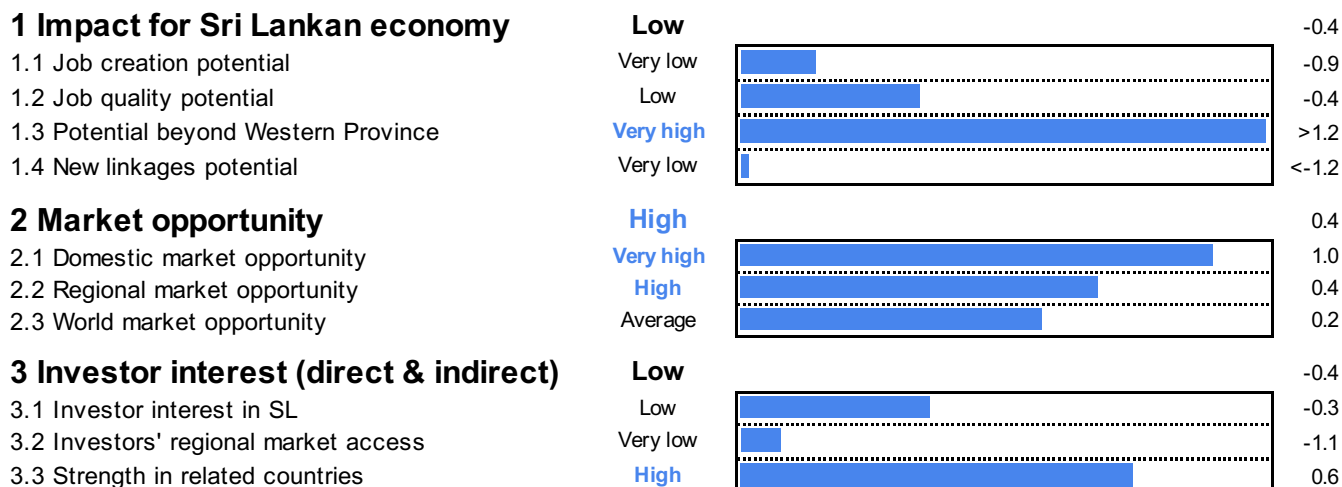
Sugar

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	0.6	Major exporters (over USD 1mn for 3 years)	0
Imports from Sri Lanka (USD mn)	227.0	BOI companies in operation	8
World market (USD bn)	42.0	Employment in Sri Lanka	4,472

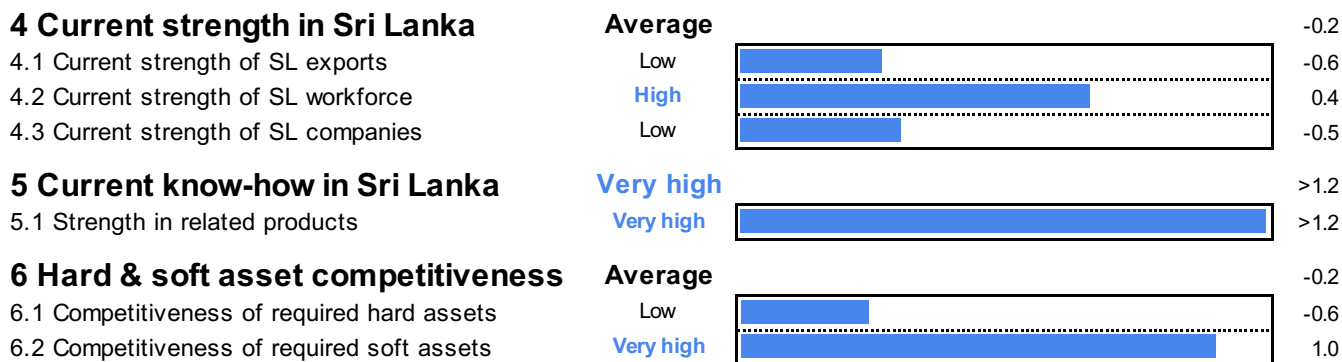
SECTOR PRIORITIZATION 20th / 29 subsectors (score = -0.09) NORMAL PRIORITY*



*High impact, market opportunity, or investor interest » Normal priority for promotion

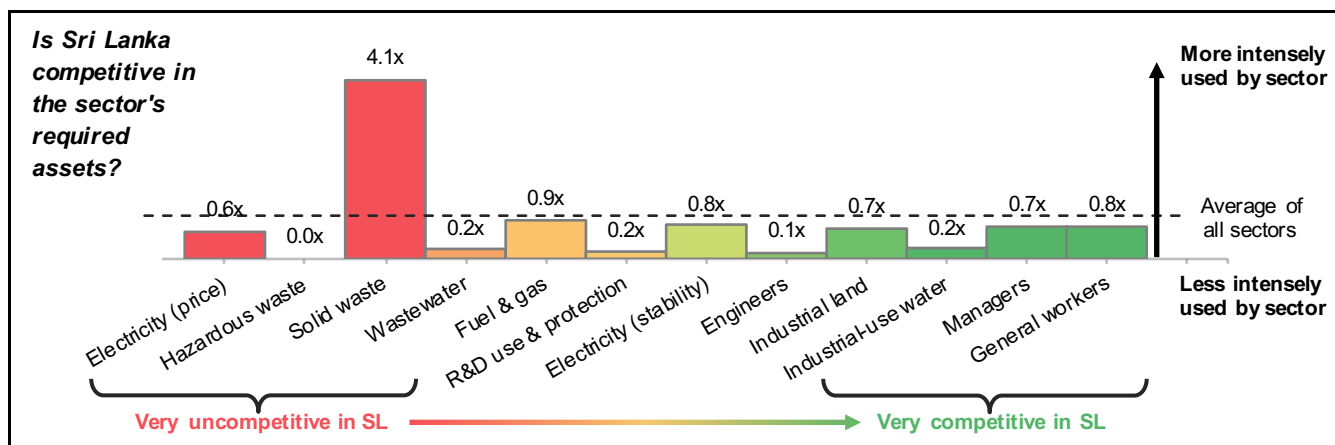
z-score

SECTOR STRATEGY EXISTING OR EMERGING**



**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Sugar

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.25	Very low
Jobs per value added (peers; z-score)	0.69	Very high
Wages per value added (USA)	57%	Very low
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	65	Very low
Average wage rate (peers; z-score)	0.06	Average
Average wage rate (USA; USD per year)	35,000	Very low
Employment for youth (in SL)	21%	Very low
Employment for women (in SL)	46%	Very high
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	100%	Very high
Employment beyond Western Prov.	100%	Very high
1.4 New linkages potential		
Opportunity Gain index (z-score)	-1.41	Very low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	227	Very high
Imports in SL (vs global per capita)	364%	Very high
Imports in SL (3-year increase, USD mn)	-101	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	480	High
Imports in India (vs global per capita)	12%	High
Imports in India (3-year increase, USD mn)	+92	High
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	1,690	High
Imports in China (vs global per capita)	42%	Average
2.3 World market opportunity		
Imports globally (current, USD bn)	42.0	High
Imports globally (3-year increase, USD bn)	-7.5	Very low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	17	High
New exporters in SL (>10k USD)	9	Low
New exporters in SL (>100k USD)	1	Low
Rate of new vs. consistent exporters	1.0	Low
3.2 Investors' regional market access		
China's share of Indian market	0%	Very low
Japan's share of Indian market	0%	Very low
Korea's share of Indian market	0%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	468%	Very high
Exports from India (vs global per capita)	29%	Very high
Exports from China (vs global per capita)	1%	Very low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	0.6	Very low
Exports from SL (vs global per capita)	0.9%	Low
SL's share of Indian market	0.02%	Low
4.2 Current strength of SL workforce		
Current employment in SL	4,472	High
Worker training in SL	8%	Very low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	1	Low
Consistent exporters in SL (>1mn USD)	0	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	8	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	1.42	Very high

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.7x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.9x avg
Industrial water use (BOI estimate)	0.2x avg
Wastewater production (BOI estimate)	0.2x avg
Solid waste production (BOI estimate)	4.1x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.7x avg
Engineers required (in USA)	0.1x avg
General workers required (in SL)	0.3x avg
General workers required (in peer countries)	1.2x avg
Skilled workers required (in SL)	0.7x avg
Skilled workers required (in USA)	0.6x avg
Research & development use (in OECD)	0.2x avg
Research & development use (in UK)	0.1x avg

Notes:

Sector defined as HS 1701. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Agricultural machinery

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	0.2	Major exporters (over USD 1mn for 3 years)	0
Imports from Sri Lanka (USD mn)	33.3	BOI companies in operation	3
World market (USD bn)	23.6	Employment in Sri Lanka	907

SECTOR PRIORITIZATION **21st** / 29 subsectors (score = -0.12) LOWER PRIORITY*

1 Impact for Sri Lankan economy

	Average	z-score
1.1 Job creation potential	Average	0.2
1.2 Job quality potential	Low	-0.3
1.3 Potential beyond Western Province	Average	-0.1
1.4 New linkages potential	High	0.3

2 Market opportunity

	Average	z-score
2.1 Domestic market opportunity	Average	0.1
2.2 Regional market opportunity	Average	-0.2
2.3 World market opportunity	Average	-0.1

3 Investor interest (direct & indirect)

	Low	z-score
3.1 Investor interest in SL	Low	-0.6
3.2 Investors' regional market access	Average	0.0
3.3 Strength in related countries	Low	-0.5

*Lower impact, market opportunity, or investor interest » Lower priority for promotion

z-score

SECTOR STRATEGY

KNOWHOW NEEDED**

4 Current strength in Sri Lanka

	Low	z-score
4.1 Current strength of SL exports	Low	-0.8
4.2 Current strength of SL workforce	Average	-0.1
4.3 Current strength of SL companies	Low	-0.5

5 Current know-how in Sri Lanka

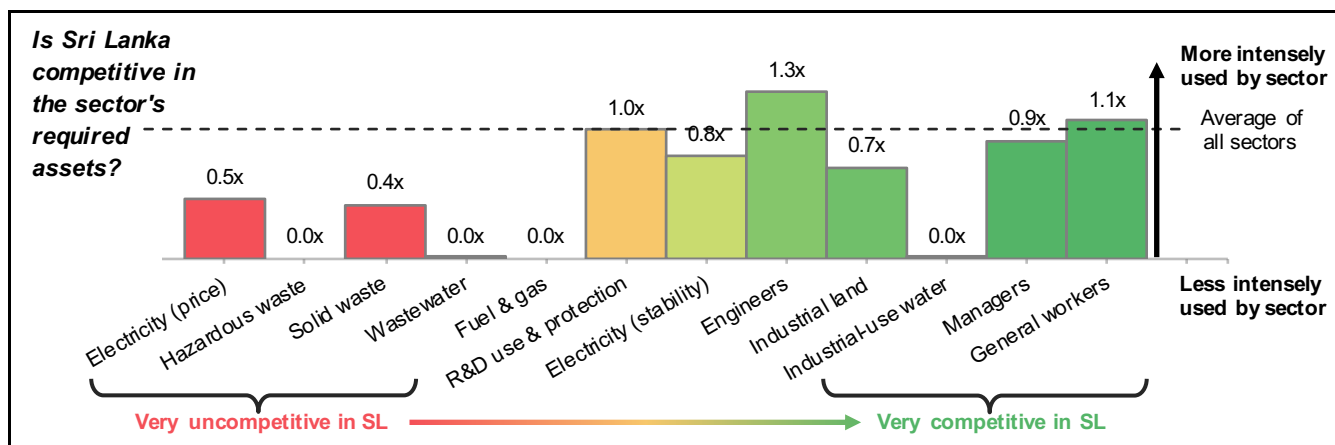
	Low	z-score
5.1 Strength in related products	Low	-0.6

6 Hard & soft asset competitiveness

	Low	z-score
6.1 Competitiveness of required hard assets	Low	-0.4
6.2 Competitiveness of required soft assets	High	0.7

**Not yet present, but SL is competitive in needed assets » Target investment & knowhow from abroad

z-score



Agricultural machinery

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	0.35	High
Wages per value added (USA)	74%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	76	Average
Average wage rate (peers; z-score)	-0.30	Low
Average wage rate (USA; USD per year)	50,659	High
Employment for youth (in SL)	29%	Low
Employment for women (in SL)	22%	Low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	0%	Low
Employment beyond Western Prov.	52%	High
1.4 New linkages potential		
Opportunity Gain index (z-score)	0.33	High

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	33	High
Imports in SL (vs global per capita)	50%	Average
Imports in SL (3-year increase, USD mn)	+7	Average
2.2 Regional market opportunity		
Imports in India (current, USD mn)	84	Low
Imports in India (vs global per capita)	2%	Very low
Imports in India (3-year increase, USD mn)	-27	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	652	Average
Imports in China (vs global per capita)	13%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	23.6	Average
Imports globally (3-year increase, USD bn)	-3.2	Very low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	1	Low
New exporters in SL (>10k USD)	3	Low
New exporters in SL (>100k USD)	1	Low
Rate of new vs. consistent exporters	1.0	Low
3.2 Investors' regional market access		
China's share of Indian market	41%	High
Japan's share of Indian market	6%	Average
Korea's share of Indian market	1%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	140%	Low
Exports from India (vs global per capita)	5%	Low
Exports from China (vs global per capita)	51%	Low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	0.2	Very low
Exports from SL (vs global per capita)	0.2%	Low
SL's share of Indian market	0.05%	Low
4.2 Current strength of SL workforce		
Current employment in SL	907	Average
Worker training in SL	10%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	1	Low
Consistent exporters in SL (>1mn USD)	0	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	3	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.59	Low

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.9x avg
Engineers required (in USA)	1.3x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	1.1x avg
Skilled workers required (in SL)	0.8x avg
Skilled workers required (in USA)	1.0x avg
Research & development use (in OECD)	1.1x avg
Research & development use (in UK)	0.9x avg

Notes:

Sector defined as HS 8432, 8433. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Brassieres and parts thereof

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	587.0	Major exporters (over USD 1mn for 3 years)	16
Imports from Sri Lanka (USD mn)	33.3	BOI companies in operation	218
World market (USD bn)	11.3	Employment in Sri Lanka	16,864

SECTOR PRIORITIZATION **22nd / 29 subsectors (score = -0.19)** LOWER PRIORITY*

Category	Assessment	z-score
1 Impact for Sri Lankan economy	Average	0.2
1.1 Job creation potential	Very high	>1.2
1.2 Job quality potential	Average	0.2
1.3 Potential beyond Western Province	High	0.5
1.4 New linkages potential	Very low	-1.2
2 Market opportunity	Very low	-1.0
2.1 Domestic market opportunity	High	0.3
2.2 Regional market opportunity	Very low	<-1.2
2.3 World market opportunity	Low	-0.6
3 Investor interest (direct & indirect)	High	0.5
3.1 Investor interest in SL	Very high	>1.2
3.2 Investors' regional market access	Low	-0.4
3.3 Strength in related countries	High	0.6

*Lower impact, market opportunity, or investor interest » Lower priority for promotion

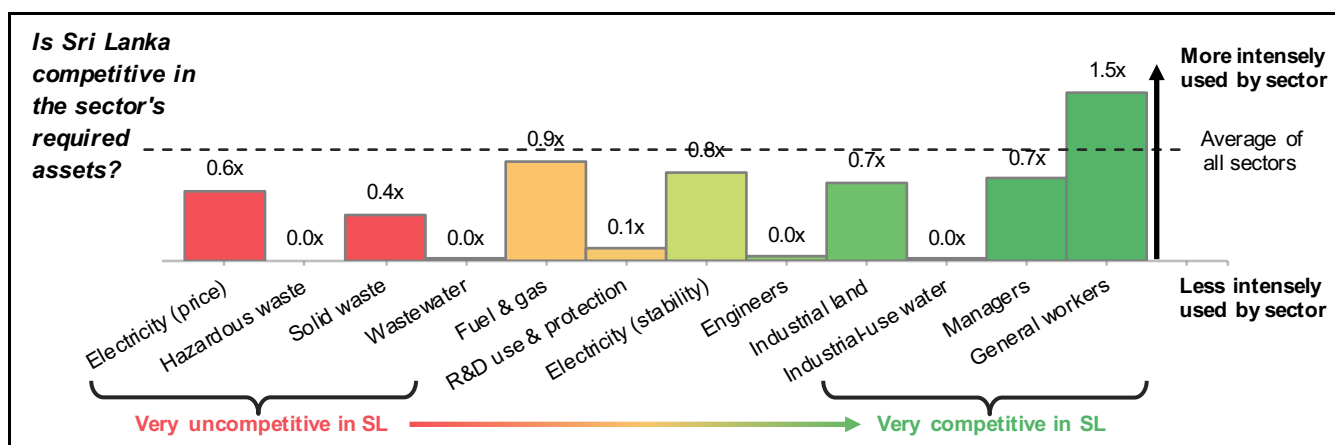
z-score

SECTOR STRATEGY **EXISTING OR EMERGING****

4 Current strength in Sri Lanka	Very high	>1.2
4.1 Current strength of SL exports	Very high	>1.2
4.2 Current strength of SL workforce	Very high	1.0
4.3 Current strength of SL companies	Very high	>1.2
5 Current know-how in Sri Lanka	Very high	>1.2
5.1 Strength in related products	Very high	>1.2
6 Hard & soft asset competitiveness	High	0.3
6.1 Competitiveness of required hard assets	Low	-0.5
6.2 Competitiveness of required soft assets	Very high	1.1

**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Brassieres and parts thereof

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	1.30	Very high
Jobs per value added (peers; z-score)	1.33	Very high
Wages per value added (USA)	83%	Very high
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	68	Low
Average wage rate (peers; z-score)	-1.04	Very low
Average wage rate (USA; USD per year)	31,000	Very low
Employment for youth (in SL)	45%	Very high
Employment for women (in SL)	70%	Very high
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	45%	Very high
Employment beyond Western Prov.	33%	Average
1.4 New linkages potential		
Opportunity Gain index (z-score)	-1.15	Very low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	33	High
Imports in SL (vs global per capita)	103%	Average
Imports in SL (3-year increase, USD mn)	+14	High
2.2 Regional market opportunity		
Imports in India (current, USD mn)	20	Very low
Imports in India (vs global per capita)	1%	Very low
Imports in India (3-year increase, USD mn)	+11	Very low
Coverage under ISFTA	0%	Very low
Imports in China (current, USD mn)	70	Very low
Imports in China (vs global per capita)	3%	Very low
2.3 World market opportunity		
Imports globally (current, USD bn)	11.3	Low
Imports globally (3-year increase, USD bn)	+1.9	Low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	75	Very high
New exporters in SL (>10k USD)	38	High
New exporters in SL (>100k USD)	26	Very high
Rate of new vs. consistent exporters	1.1	Low
3.2 Investors' regional market access		
China's share of Indian market	44%	Very high
Japan's share of Indian market	0%	Very low
Korea's share of Indian market	0%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	166%	Average
Exports from India (vs global per capita)	7%	Low
Exports from China (vs global per capita)	257%	Very high

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	587.0	Very high
Exports from SL (vs global per capita)	1818.6%	Very high
SL's share of Indian market	31.96%	Very high
4.2 Current strength of SL workforce		
Current employment in SL	16,864	Very high
Worker training in SL	15%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	24	Very high
Consistent exporters in SL (>1mn USD)	16	Very high
Consistent exporters in SL (>10mn USD)	9	Very high
BOI companies in operation	218	Very high

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	2.13	Very high

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.7x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.9x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.7x avg
Engineers required (in USA)	0.0x avg
General workers required (in SL)	1.6x avg
General workers required (in peer countries)	1.4x avg
Skilled workers required (in SL)	1.1x avg
Skilled workers required (in USA)	0.8x avg
Research & development use (in OECD)	0.2x avg
Research & development use (in UK)	0.0x avg

Notes:

Sector defined as HS 6212. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Essential oils

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	42.1	Major exporters (over USD 1mn for 3 years)	4
Imports from Sri Lanka (USD mn)	5.3	BOI companies in operation	17
World market (USD bn)	4.7	Employment in Sri Lanka	825

SECTOR PRIORITIZATION **23rd** / 29 subsectors (score = -0.28) LOWER PRIORITY*

Category	Priority	z-score
1 Impact for Sri Lankan economy	Low	-0.6
1.1 Job creation potential	Very low	<-1.2
1.2 Job quality potential	High	0.6
1.3 Potential beyond Western Province	High	0.7
1.4 New linkages potential	Very low	-1.2
2 Market opportunity	Low	-0.4
2.1 Domestic market opportunity	Low	-0.5
2.2 Regional market opportunity	High	0.3
2.3 World market opportunity	Very low	-1.2
3 Investor interest (direct & indirect)	High	0.3
3.1 Investor interest in SL	High	0.8
3.2 Investors' regional market access	Low	-0.7
3.3 Strength in related countries	Very high	0.9

*Lower impact, market opportunity, or investor interest » Lower priority for promotion

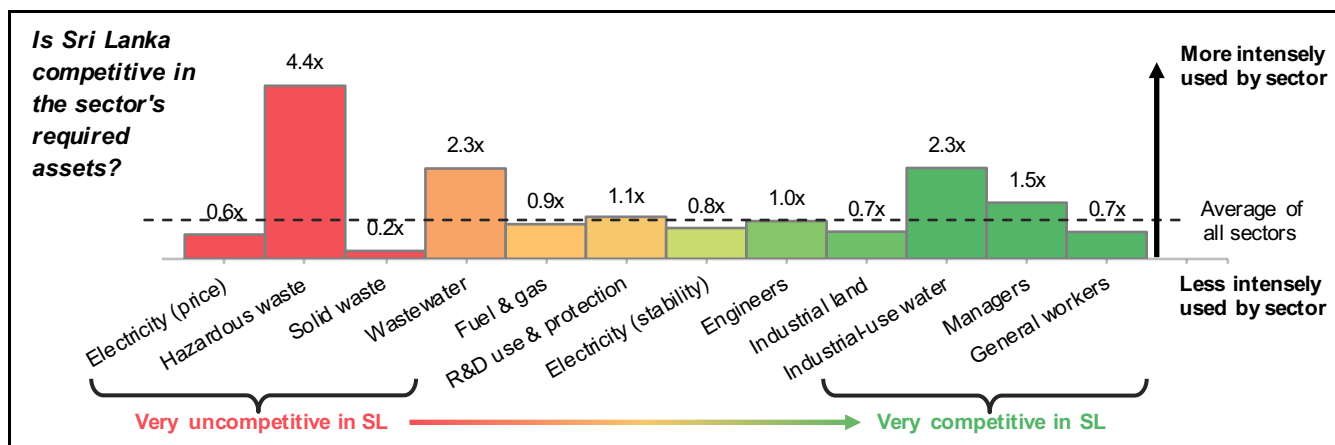
z-score

SECTOR STRATEGY **EXISTING OR EMERGING****

Category	Strategy	z-score
4 Current strength in Sri Lanka	Average	0.1
4.1 Current strength of SL exports	High	0.3
4.2 Current strength of SL workforce	Average	0.0
4.3 Current strength of SL companies	Average	0.0
5 Current know-how in Sri Lanka	Very high	>1.2
5.1 Strength in related products	Very high	>1.2
6 Hard & soft asset competitiveness	Average	0.0
6.1 Competitiveness of required hard assets	Low	-0.4
6.2 Competitiveness of required soft assets	High	0.7

**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Essential oils

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.46	Very low
Jobs per value added (peers; z-score)	-0.55	Very low
Wages per value added (USA)	54%	Very low
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	70	Low
Average wage rate (peers; z-score)	0.51	Very high
Average wage rate (USA; USD per year)	70,000	Very high
Employment for youth (in SL)	33%	Average
Employment for women (in SL)	41%	High
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	29%	High
Employment beyond Western Prov.	66%	Very high
1.4 New linkages potential		
Opportunity Gain index (z-score)	-1.15	Very low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	5	Very low
Imports in SL (vs global per capita)	40%	Average
Imports in SL (3-year increase, USD mn)	+3	Average
2.2 Regional market opportunity		
Imports in India (current, USD mn)	150	Average
Imports in India (vs global per capita)	18%	Very high
Imports in India (3-year increase, USD mn)	+39	Average
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	224	Low
Imports in China (vs global per capita)	26%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	4.7	Very low
Imports globally (3-year increase, USD bn)	+1.2	Low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	8	Average
New exporters in SL (>10k USD)	51	Very high
New exporters in SL (>100k USD)	22	Very high
Rate of new vs. consistent exporters	1.8	Very high
3.2 Investors' regional market access		
China's share of Indian market	25%	Average
Japan's share of Indian market	0%	Very low
Korea's share of Indian market	0%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	18%	Very low
Exports from India (vs global per capita)	62%	Very high
Exports from China (vs global per capita)	80%	Low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	42.1	High
Exports from SL (vs global per capita)	314.0%	Average
SL's share of Indian market	3.21%	Average
4.2 Current strength of SL workforce		
Current employment in SL	825	Average
Worker training in SL	16%	Average
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	12	High
Consistent exporters in SL (>1mn USD)	4	Average
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	17	Average

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	1.24	Very high

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.7x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.9x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	0.2x avg
Hazardous waste production (BOI estimate)	4.4x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.5x avg
Engineers required (in USA)	1.0x avg
General workers required (in SL)	0.6x avg
General workers required (in peer countries)	0.9x avg
Skilled workers required (in SL)	1.5x avg
Skilled workers required (in USA)	1.8x avg
Research & development use (in OECD)	1.4x avg
Research & development use (in UK)	0.7x avg

Notes:

Sector defined as HS 3301. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

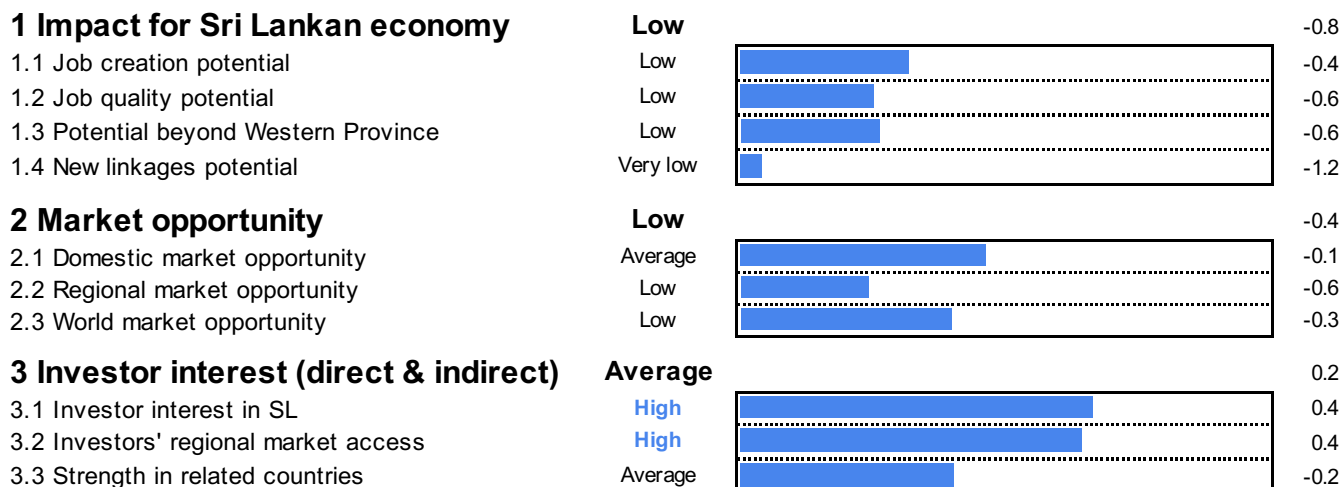
Gaskets and other rubber articles

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	79.4	Major exporters (over USD 1mn for 3 years)	9
Imports from Sri Lanka (USD mn)	20.4	BOI companies in operation	33
World market (USD bn)	24.4	Employment in Sri Lanka	6,626

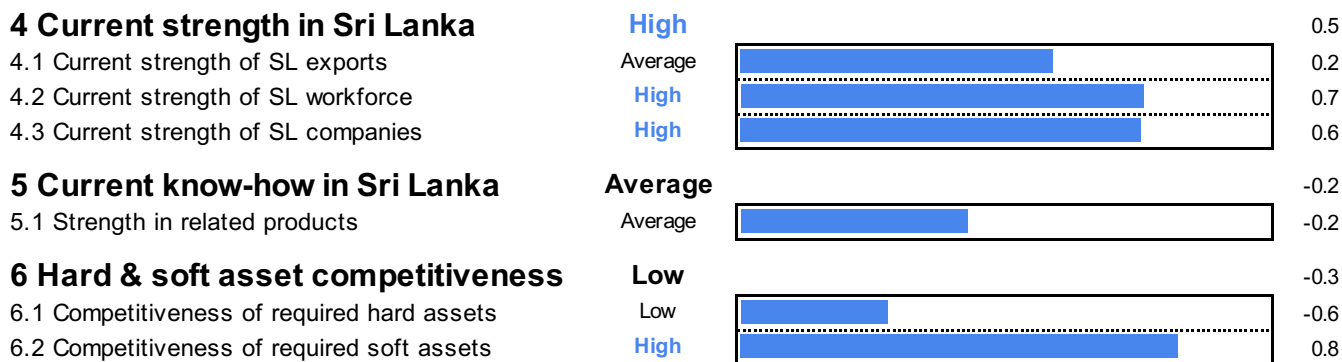
SECTOR PRIORITIZATION 24th / 29 subsectors (score = -0.34) LOWER PRIORITY*



*Lower impact, market opportunity, or investor interest » Lower priority for promotion

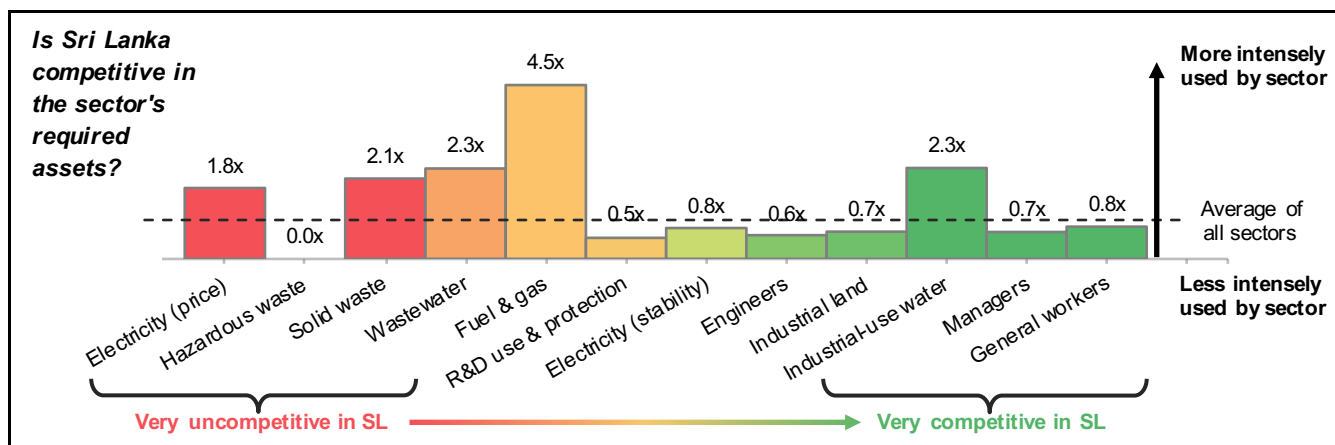
z-score

SECTOR STRATEGY EXISTING OR EMERGING, ASSET IMPROVEMENTS NEEDED**



**Strong or emerging, but SL lacks needed assets » Promote existing firms, upgrade infrastructure & skills

z-score



Gaskets and other rubber articles

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.51	Very low
Jobs per value added (peers; z-score)	-0.05	Low
Wages per value added (USA)	73%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	67	Very low
Average wage rate (peers; z-score)	-0.46	Very low
Average wage rate (USA; USD per year)	41,000	Low
Employment for youth (in SL)	22%	Very low
Employment for women (in SL)	34%	High
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	0%	Low
Employment beyond Western Prov.	19%	Low
1.4 New linkages potential		
Opportunity Gain index (z-score)	-1.15	Very low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	20	Average
Imports in SL (vs global per capita)	29%	Low
Imports in SL (3-year increase, USD mn)	+5	Average
2.2 Regional market opportunity		
Imports in India (current, USD mn)	370	Average
Imports in India (vs global per capita)	9%	Average
Imports in India (3-year increase, USD mn)	-22	Very low
Coverage under ISFTA	0%	Very low
Imports in China (current, USD mn)	1,670	High
Imports in China (vs global per capita)	37%	Average
2.3 World market opportunity		
Imports globally (current, USD bn)	24.4	Average
Imports globally (3-year increase, USD bn)	+2.3	Low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	9	Average
New exporters in SL (>10k USD)	35	High
New exporters in SL (>100k USD)	24	Very high
Rate of new vs. consistent exporters	1.3	Average
3.2 Investors' regional market access		
China's share of Indian market	12%	Low
Japan's share of Indian market	12%	Very high
Korea's share of Indian market	9%	High
3.3 Strength in related countries		
Exports from peers (vs global per capita)	181%	Average
Exports from India (vs global per capita)	8%	Average
Exports from China (vs global per capita)	62%	Low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	79.4	Very high
Exports from SL (vs global per capita)	113.9%	Average
SL's share of Indian market	0.13%	Low
4.2 Current strength of SL workforce		
Current employment in SL	6,626	Very high
Worker training in SL	14%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	18	Very high
Consistent exporters in SL (>1mn USD)	9	Very high
Consistent exporters in SL (>10mn USD)	2	High
BOI companies in operation	33	Average

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.18	Average

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.7x avg
Energy use (BOI estimate)	3.0x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	4.5x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	2.1x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.7x avg
Engineers required (in USA)	0.6x avg
General workers required (in SL)	0.6x avg
General workers required (in peer countries)	1.0x avg
Skilled workers required (in SL)	0.8x avg
Skilled workers required (in USA)	0.7x avg
Research & development use (in OECD)	0.6x avg
Research & development use (in UK)	0.5x avg

Notes:

Sector defined as HS 4016. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

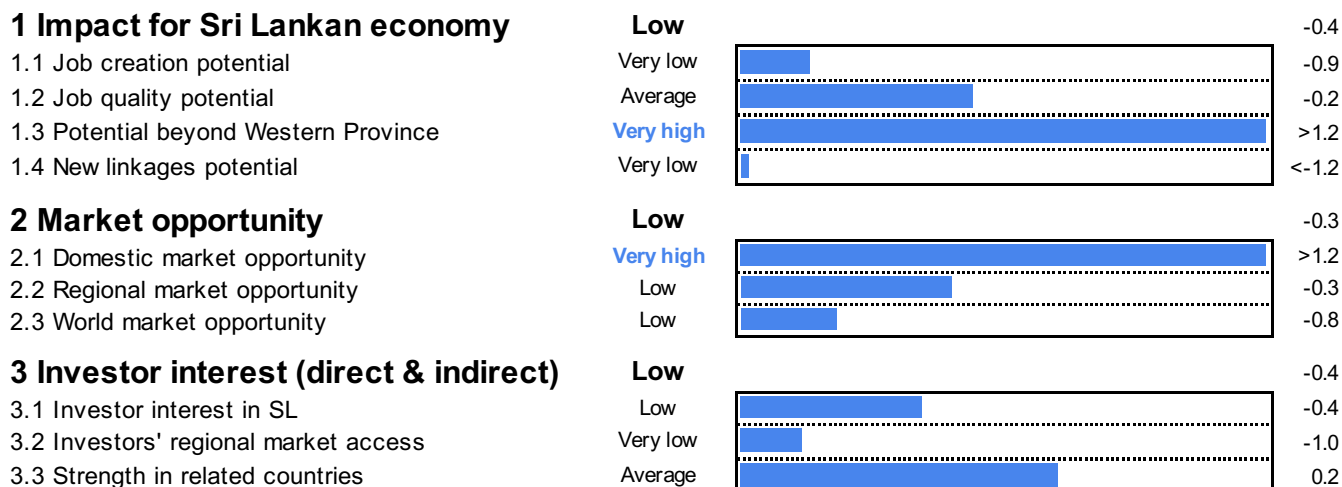
Cement

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	0.0	Major exporters (over USD 1mn for 3 years)	0
Imports from Sri Lanka (USD mn)	329.0	BOI companies in operation	7
World market (USD bn)	11.7	Employment in Sri Lanka	540

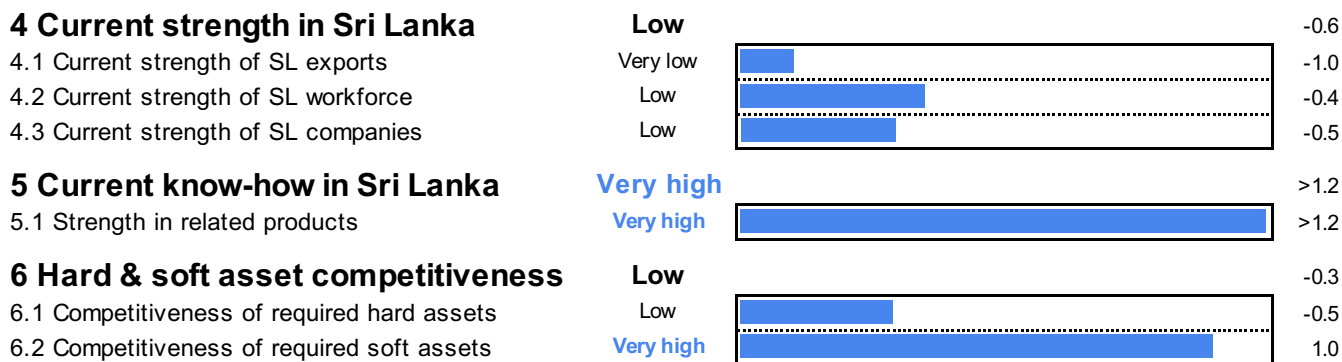
SECTOR PRIORITIZATION 25th / 29 subsectors (score = -0.36) LOWER PRIORITY*



*Lower impact, market opportunity, or investor interest » Lower priority for promotion

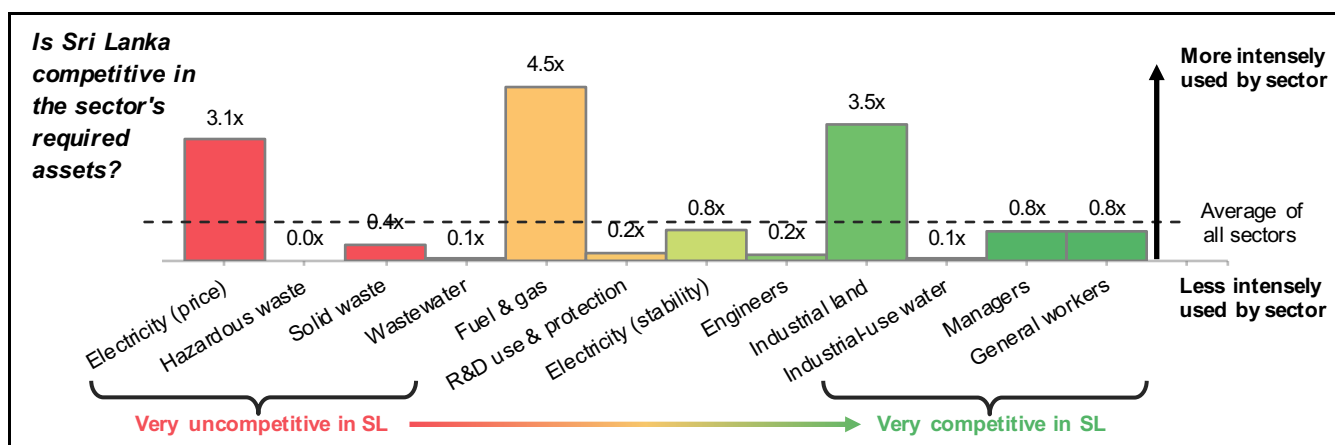
z-score

SECTOR STRATEGY EXISTING OR EMERGING, ASSET IMPROVEMENTS NEEDED**



**Strong or emerging, but SL lacks needed assets » Promote existing firms, upgrade infrastructure & skills

z-score



	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.65	Low
Jobs per value added (peers; z-score)	-1.01	Very low
Wages per value added (USA)	71%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	76	Average
Average wage rate (peers; z-score)	0.75	Very high
Average wage rate (USA; USD per year)	41,000	Low
Employment for youth (in SL)	20%	Very low
Employment for women (in SL)	32%	Average
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	91%	Very high
Employment beyond Western Prov.	74%	Very high
1.4 New linkages potential		
Opportunity Gain index (z-score)	-1.27	Very low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	329	Very high
Imports in SL (vs global per capita)	1130%	Very high
Imports in SL (3-year increase, USD mn)	+19	Very high
2.2 Regional market opportunity		
Imports in India (current, USD mn)	80	Low
Imports in India (vs global per capita)	4%	Low
Imports in India (3-year increase, USD mn)	-10	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	20	Very low
Imports in China (vs global per capita)	1%	Very low
2.3 World market opportunity		
Imports globally (current, USD bn)	11.7	Low
Imports globally (3-year increase, USD bn)	+1.2	Very low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	10	Average
New exporters in SL (>10k USD)	3	Low
New exporters in SL (>100k USD)	0	Low
Rate of new vs. consistent exporters	.	n/a
3.2 Investors' regional market access		
China's share of Indian market	7%	Very low
Japan's share of Indian market	0%	Very low
Korea's share of Indian market	0%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	402%	Very high
Exports from India (vs global per capita)	13%	Average
Exports from China (vs global per capita)	43%	Low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	0.0	Very low
Exports from SL (vs global per capita)	0.1%	Low
SL's share of Indian market	0.00%	Low
4.2 Current strength of SL workforce		
Current employment in SL	540	Average
Worker training in SL	7%	Very low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	0	Low
Consistent exporters in SL (>1mn USD)	0	Low
Consistent exporters in SL (>10mn USD)	0	Low
BOI companies in operation	7	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	1.24	Very high

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	3.5x avg
Energy use (UNIDO estimate)	3.3x avg
Energy use (BOI estimate)	3.0x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	4.5x avg
Industrial water use (BOI estimate)	0.1x avg
Wastewater production (BOI estimate)	0.1x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.8x avg
Engineers required (in USA)	0.2x avg
General workers required (in SL)	0.8x avg
General workers required (in peer countries)	0.7x avg
Skilled workers required (in SL)	0.5x avg
Skilled workers required (in USA)	0.6x avg
Research & development use (in OECD)	0.3x avg
Research & development use (in UK)	0.1x avg

Notes:

Sector defined as HS 2523. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Bicycles

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	34.1	Major exporters (over USD 1mn for 3 years)	5
Imports from Sri Lanka (USD mn)	10.9	BOI companies in operation	5
World market (USD bn)	9.2	Employment in Sri Lanka	1,131

SECTOR PRIORITIZATION 26th / 29 subsectors (score = -0.37) LOWER PRIORITY*

1 Impact for Sri Lankan economy

	Low		-0.3
1.1 Job creation potential	Very high		0.9
1.2 Job quality potential	Average		-0.1
1.3 Potential beyond Western Province	Low		-0.8
1.4 New linkages potential	Very low		-1.2

2 Market opportunity

	Low		-0.5
2.1 Domestic market opportunity	Average		-0.2
2.2 Regional market opportunity	Low		-0.4
2.3 World market opportunity	Low		-0.6

3 Investor interest (direct & indirect)

	Low		-0.3
3.1 Investor interest in SL	Low		-0.4
3.2 Investors' regional market access	Low		-0.6
3.3 Strength in related countries	High		0.3

*Lower impact, market opportunity, or investor interest » Lower priority for promotion

z-score

SECTOR STRATEGY

EXISTING OR EMERGING**

4 Current strength in Sri Lanka

	High		0.3
4.1 Current strength of SL exports	High		0.8
4.2 Current strength of SL workforce	Average		0.0
4.3 Current strength of SL companies	Average		-0.1

5 Current know-how in Sri Lanka

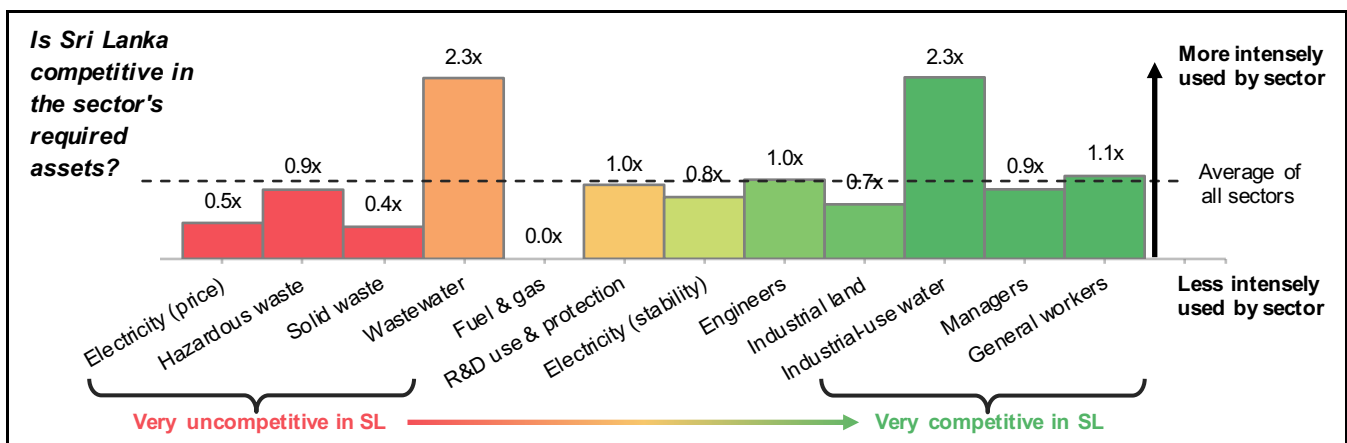
	High		0.5
5.1 Strength in related products	High		0.5

6 Hard & soft asset competitiveness

	Average		0.2
6.1 Competitiveness of required hard assets	Average		-0.2
6.2 Competitiveness of required soft assets	High		0.8

**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Bicycles

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.80	Average
Jobs per value added (peers; z-score)	0.48	High
Wages per value added (USA)	92%	Very high
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	63	Very low
Average wage rate (peers; z-score)	-0.61	Very low
Average wage rate (USA; USD per year)	57,000	Very high
Employment for youth (in SL)	47%	Very high
Employment for women (in SL)	19%	Low
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	0%	Low
Employment beyond Western Prov.	2%	Very low
1.4 New linkages potential		
Opportunity Gain index (z-score)	-1.15	Very low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	11	Low
Imports in SL (vs global per capita)	41%	Average
Imports in SL (3-year increase, USD mn)	-1	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	30	Very low
Imports in India (vs global per capita)	2%	Very low
Imports in India (3-year increase, USD mn)	-6	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	700	Average
Imports in China (vs global per capita)	4%	Very low
2.3 World market opportunity		
Imports globally (current, USD bn)	9.2	Very low
Imports globally (3-year increase, USD bn)	+3.1	Average

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	1	Low
New exporters in SL (>10k USD)	9	Low
New exporters in SL (>100k USD)	7	Average
Rate of new vs. consistent exporters	1.2	Average
3.2 Investors' regional market access		
China's share of Indian market	37%	High
Japan's share of Indian market	0%	Very low
Korea's share of Indian market	0%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	.	n/a
Exports from India (vs global per capita)	3%	Low
Exports from China (vs global per capita)	205%	Very high

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	34.1	High
Exports from SL (vs global per capita)	129.7%	Average
SL's share of Indian market	30.49%	Very high
4.2 Current strength of SL workforce		
Current employment in SL	1,131	Average
Worker training in SL	12%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	6	Average
Consistent exporters in SL (>1mn USD)	5	High
Consistent exporters in SL (>10mn USD)	1	Average
BOI companies in operation	5	Low

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	0.53	High

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.0x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	0.4x avg
Hazardous waste production (BOI estimate)	0.9x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.9x avg
Engineers required (in USA)	1.0x avg
General workers required (in SL)	1.0x avg
General workers required (in peer countries)	1.2x avg
Skilled workers required (in SL)	0.3x avg
Skilled workers required (in USA)	1.3x avg
Research & development use (in OECD)	1.6x avg
Research & development use (in UK)	0.3x avg

Notes:

Sector defined as HS 8712. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Fruit and nut preparations (coconut milk)

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	37.5	Major exporters (over USD 1mn for 3 years)	6
Imports from Sri Lanka (USD mn)	3.9	BOI companies in operation	24
World market (USD bn)	14.2	Employment in Sri Lanka	1,723

SECTOR PRIORITIZATION **27th** / 29 subsectors (score = -0.51) **LOWER PRIORITY***

Category	Overall Rating	Z-score
1 Impact for Sri Lankan economy	Low	-0.8
1.1 Job creation potential	Very low	<-1.2
1.2 Job quality potential	Low	-0.6
1.3 Potential beyond Western Province	Very high	>1.2
1.4 New linkages potential	Very low	-1.2
2 Market opportunity	Low	-0.8
2.1 Domestic market opportunity	Low	-0.5
2.2 Regional market opportunity	Very low	-1.1
2.3 World market opportunity	Low	-0.5
3 Investor interest (direct & indirect)	Average	0.1
3.1 Investor interest in SL	Very high	>1.2
3.2 Investors' regional market access	Very low	-1.0
3.3 Strength in related countries	Average	0.1

*Lower impact, market opportunity, or investor interest » Lower priority for promotion

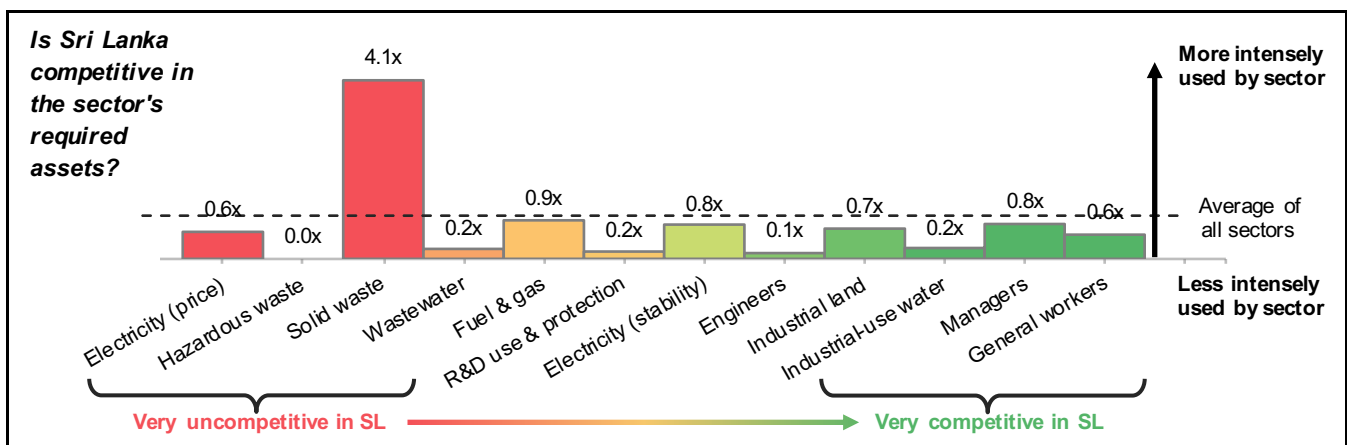
z-score

SECTOR STRATEGY **EXISTING OR EMERGING****

4 Current strength in Sri Lanka	Average	0.2
4.1 Current strength of SL exports	Average	0.2
4.2 Current strength of SL workforce	Average	0.1
4.3 Current strength of SL companies	High	0.4
5 Current know-how in Sri Lanka	Very high	>1.2
5.1 Strength in related products	Very high	>1.2
6 Hard & soft asset competitiveness	Average	-0.2
6.1 Competitiveness of required hard assets	Low	-0.6
6.2 Competitiveness of required soft assets	Very high	1.0

**Currently strong or emerging in SL » Promote existing exporters & new FDI

z-score



Fruit and nut preparations (coconut milk)

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.25	Very low
Jobs per value added (peers; z-score)	-0.69	Very low
Wages per value added (USA)	57%	Very low
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	65	Very low
Average wage rate (peers; z-score)	-0.48	Very low
Average wage rate (USA; USD per year)	35,000	Very low
Employment for youth (in SL)	21%	Very low
Employment for women (in SL)	46%	Very high
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	35%	High
Employment beyond Western Prov.	98%	Very high
1.4 New linkages potential		
Opportunity Gain index (z-score)	-1.15	Very low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	4	Very low
Imports in SL (vs global per capita)	10%	Low
Imports in SL (3-year increase, USD mn)	-0	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	2	Very low
Imports in India (vs global per capita)	1%	Very low
Imports in India (3-year increase, USD mn)	+8	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	350	Low
Imports in China (vs global per capita)	13%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	14.2	Low
Imports globally (3-year increase, USD bn)	+2.4	Low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	7	Average
New exporters in SL (>10k USD)	86	Very high
New exporters in SL (>100k USD)	30	Very high
Rate of new vs. consistent exporters	1.7	High
3.2 Investors' regional market access		
China's share of Indian market	5%	Very low
Japan's share of Indian market	0%	Very low
Korea's share of Indian market	0%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	337%	Very high
Exports from India (vs global per capita)	7%	Low
Exports from China (vs global per capita)	86%	Average

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	37.5	High
Exports from SL (vs global per capita)	92.4%	Low
SL's share of Indian market	3.07%	Average
4.2 Current strength of SL workforce		
Current employment in SL	1,723	High
Worker training in SL	8%	Very low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	18	Very high
Consistent exporters in SL (>1mn USD)	6	High
Consistent exporters in SL (>10mn USD)	1	Average
BOI companies in operation	24	Average

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	1.24	Very high

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.7x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.9x avg
Industrial water use (BOI estimate)	0.2x avg
Wastewater production (BOI estimate)	0.2x avg
Solid waste production (BOI estimate)	4.1x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.8x avg
Engineers required (in USA)	0.1x avg
General workers required (in SL)	0.3x avg
General workers required (in peer countries)	0.8x avg
Skilled workers required (in SL)	0.7x avg
Skilled workers required (in USA)	0.6x avg
Research & development use (in OECD)	0.2x avg
Research & development use (in UK)	0.1x avg

Notes:

Sector defined as HS 2008. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Activated carbon

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	83.0	Major exporters (over USD 1mn for 3 years)	4
Imports from Sri Lanka (USD mn)	14.6	BOI companies in operation	14
World market (USD bn)	2.2	Employment in Sri Lanka	1,157

SECTOR PRIORITIZATION **28th** / 29 subsectors (score = -0.70) LOWER PRIORITY*

Impact Category	Level	Z-score
1 Impact for Sri Lankan economy	Low	-0.6
1.1 Job creation potential	Very low	<-1.2
1.2 Job quality potential	High	0.6
1.3 Potential beyond Western Province	Very high	0.9
1.4 New linkages potential	Very low	-1.2
2 Market opportunity	Very low	<-1.2
2.1 Domestic market opportunity	Average	-0.1
2.2 Regional market opportunity	Low	-0.4
2.3 World market opportunity	Very low	<-1.2
3 Investor interest (direct & indirect)	Average	0.1
3.1 Investor interest in SL	Average	-0.2
3.2 Investors' regional market access	Average	0.0
3.3 Strength in related countries	High	0.6

*Lower impact, market opportunity, or investor interest » Lower priority for promotion

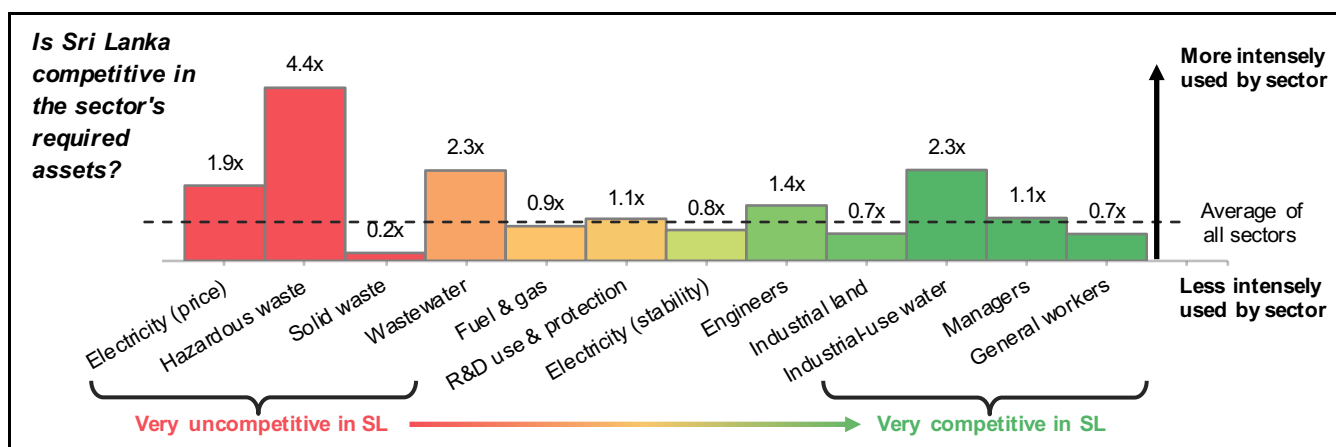
Z-score

SECTOR STRATEGY EXISTING OR EMERGING, ASSET IMPROVEMENTS NEEDED**

Strategy Category	Level	Z-score
4 Current strength in Sri Lanka	High	0.3
4.1 Current strength of SL exports	High	0.8
4.2 Current strength of SL workforce	Average	0.1
4.3 Current strength of SL companies	Average	0.1
5 Current know-how in Sri Lanka	High	0.5
5.1 Strength in related products	High	0.5
6 Hard & soft asset competitiveness	Low	-0.3
6.1 Competitiveness of required hard assets	Low	-0.6
6.2 Competitiveness of required soft assets	High	0.7

**Strong or emerging, but SL lacks needed assets » Promote existing firms, upgrade infrastructure & skills

Z-score



Activated carbon

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.46	Very low
Jobs per value added (peers; z-score)	-0.55	Very low
Wages per value added (USA)	54%	Very low
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	70	Low
Average wage rate (peers; z-score)	0.51	Very high
Average wage rate (USA; USD per year)	70,000	Very high
Employment for youth (in SL)	33%	Average
Employment for women (in SL)	41%	High
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	29%	High
Employment beyond Western Prov.	78%	Very high
1.4 New linkages potential		
Opportunity Gain index (z-score)	-1.15	Very low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	15	Low
Imports in SL (vs global per capita)	229%	High
Imports in SL (3-year increase, USD mn)	+2	Low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	50	Very low
Imports in India (vs global per capita)	12%	High
Imports in India (3-year increase, USD mn)	+4	Very low
Coverage under ISFTA	100%	High
Imports in China (current, USD mn)	10	Very low
Imports in China (vs global per capita)	27%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	2.2	Very low
Imports globally (3-year increase, USD bn)	+0.0	Very low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	8	Average
New exporters in SL (>10k USD)	12	Low
New exporters in SL (>100k USD)	9	Average
Rate of new vs. consistent exporters	1.1	Low
3.2 Investors' regional market access		
China's share of Indian market	30%	Average
Japan's share of Indian market	7%	Average
Korea's share of Indian market	0%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	200%	Average
Exports from India (vs global per capita)	33%	Very high
Exports from China (vs global per capita)	100%	Average

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	83.0	Very high
Exports from SL (vs global per capita)	1304.3%	Very high
SL's share of Indian market	1.88%	Average
4.2 Current strength of SL workforce		
Current employment in SL	1,157	Average
Worker training in SL	16%	Average
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	8	Average
Consistent exporters in SL (>1mn USD)	4	Average
Consistent exporters in SL (>10mn USD)	2	High
BOI companies in operation	14	Average

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	0.53	High

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	3.3x avg
Energy use (BOI estimate)	0.6x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	0.9x avg
Industrial water use (BOI estimate)	2.3x avg
Wastewater production (BOI estimate)	2.3x avg
Solid waste production (BOI estimate)	0.2x avg
Hazardous waste production (BOI estimate)	4.4x avg
6.2 Soft asset requirements	
Managers required (in USA)	1.1x avg
Engineers required (in USA)	1.4x avg
General workers required (in SL)	0.6x avg
General workers required (in peer countries)	0.9x avg
Skilled workers required (in SL)	1.5x avg
Skilled workers required (in USA)	1.8x avg
Research & development use (in OECD)	1.4x avg
Research & development use (in UK)	0.7x avg

Notes:

Sector defined as HS 3802. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Solid Tyres

Subsector

Key statistics (2015-2016)

Exports from Sri Lanka (USD mn)	329.9	Major exporters (over USD 1mn for 3 years)	13
Imports from Sri Lanka (USD mn)	1.5	BOI companies in operation	18
World market (USD bn)	2.4	Employment in Sri Lanka	2,010

SECTOR PRIORITIZATION 29th / 29 subsectors (score = -0.77) LOWER PRIORITY*

Category	Priority	z-score
1 Impact for Sri Lankan economy	Low	-0.8
1.1 Job creation potential	Low	-0.6
1.2 Job quality potential	Low	-0.3
1.3 Potential beyond Western Province	Low	-0.8
1.4 New linkages potential	Very low	-1.2
2 Market opportunity	Very low	<-1.2
2.1 Domestic market opportunity	Very low	<-1.2
2.2 Regional market opportunity	Very low	<-1.2
2.3 World market opportunity	Very low	-1.1
3 Investor interest (direct & indirect)	Average	-0.1
3.1 Investor interest in SL	Average	0.2
3.2 Investors' regional market access	Low	-0.4
3.3 Strength in related countries	Average	-0.1

*Lower impact, market opportunity, or investor interest » Lower priority for promotion

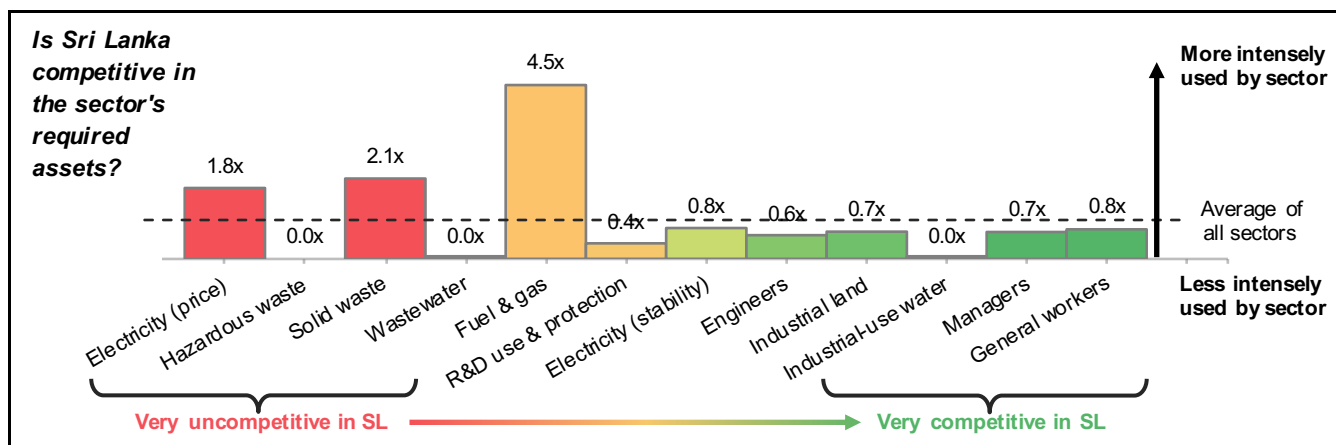
z-score

SECTOR STRATEGY EXISTING OR EMERGING, ASSET IMPROVEMENTS NEEDED**

Category	Priority	z-score
4 Current strength in Sri Lanka	Very high	>1.2
4.1 Current strength of SL exports	Very high	>1.2
4.2 Current strength of SL workforce	Average	0.2
4.3 Current strength of SL companies	Very high	1.2
5 Current know-how in Sri Lanka	Average	-0.2
5.1 Strength in related products	Average	-0.2
6 Hard & soft asset competitiveness	Low	-0.4
6.1 Competitiveness of required hard assets	Low	-0.8
6.2 Competitiveness of required soft assets	High	0.8

**Strong or emerging, but SL lacks needed assets » Promote existing firms, upgrade infrastructure & skills

z-score



Solid Tyres

Subsector

	value	z-score quintile
Index 1: Impact for SL economy		
1.1 Job creation potential		
Jobs per value added (SL; per Rs mn)	0.51	Very low
Jobs per value added (peers; z-score)	-0.35	Very low
Wages per value added (USA)	73%	Average
1.2 Job quality potential		
Average wage rate (SL; Rs per hour)	67	Very low
Average wage rate (peers; z-score)	0.38	High
Average wage rate (USA; USD per year)	41,000	Low
Employment for youth (in SL)	22%	Very low
Employment for women (in SL)	34%	High
1.3 Potential beyond Western Province		
BOI projects beyond Western Prov.	3%	Low
Employment beyond Western Prov.	0%	Very low
1.4 New linkages potential		
Opportunity Gain index (z-score)	-1.15	Very low

	value	z-score quintile
Index 2: Market opportunity		
2.1 Domestic market opportunity		
Imports in SL (current, USD mn)	2	Very low
Imports in SL (vs global per capita)	22%	Low
Imports in SL (3-year increase, USD mn)	+1	Very low
2.2 Regional market opportunity		
Imports in India (current, USD mn)	10	Very low
Imports in India (vs global per capita)	2%	Very low
Imports in India (3-year increase, USD mn)	-0	Very low
Coverage under ISFTA	0%	Very low
Imports in China (current, USD mn)	60	Very low
Imports in China (vs global per capita)	12%	Low
2.3 World market opportunity		
Imports globally (current, USD bn)	2.4	Very low
Imports globally (3-year increase, USD bn)	-0.2	Very low

	value	z-score quintile
Index 3: Investor interest (direct and indirect)		
3.1 Investor interest in SL		
Recent investor applications	11	Average
New exporters in SL (>10k USD)	28	High
New exporters in SL (>100k USD)	20	High
Rate of new vs. consistent exporters	1.2	Average
3.2 Investors' regional market access		
China's share of Indian market	19%	Low
Japan's share of Indian market	4%	Low
Korea's share of Indian market	0%	Low
3.3 Strength in related countries		
Exports from peers (vs global per capita)	285%	High
Exports from India (vs global per capita)	9%	Average
Exports from China (vs global per capita)	42%	Low

	value	z-score quintile
Index 4: Current strength in Sri Lanka		
4.1 Current strength of SL exports		
Exports from SL (current, USD mn)	329.9	Very high
Exports from SL (vs global per capita)	4798.7%	Very high
SL's share of Indian market	5.65%	Average
4.2 Current strength of SL workforce		
Current employment in SL	2,010	High
Worker training in SL	14%	Low
4.3 Current strength of SL companies		
Consistent exporters in SL (>100k USD)	17	Very high
Consistent exporters in SL (>1mn USD)	13	Very high
Consistent exporters in SL (>10mn USD)	6	Very high
BOI companies in operation	18	Average

	value	z-score quintile
Index 5: Current know-how in Sri Lanka		
5.1 Strength in related products		
Product Space density index (z-score)	-0.18	Average

Asset usage intensity
(vs. average of all sectors)

Index 6: Hard and soft asset requirements	
6.1 Hard asset requirements	
Industrial land use (BOI estimate)	0.7x avg
Energy use (UNIDO estimate)	0.7x avg
Energy use (BOI estimate)	3.0x avg
Electricity stability required (BOI estimate)	0.8x avg
Fuel or gas use (BOI estimate)	4.5x avg
Industrial water use (BOI estimate)	0.0x avg
Wastewater production (BOI estimate)	0.0x avg
Solid waste production (BOI estimate)	2.1x avg
Hazardous waste production (BOI estimate)	0.0x avg
6.2 Soft asset requirements	
Managers required (in USA)	0.7x avg
Engineers required (in USA)	0.6x avg
General workers required (in SL)	0.6x avg
General workers required (in peer countries)	0.9x avg
Skilled workers required (in SL)	0.8x avg
Skilled workers required (in USA)	0.7x avg
Research & development use (in OECD)	0.6x avg
Research & development use (in UK)	0.2x avg

Notes:




Sector defined as HS 4012. Peer countries used are Vietnam, Thailand and Malaysia. n/a = data not available.

Import and export statistics refer to 2015. All other statistics from most recent survey or census available in December 2016.

z-score quintiles are based on normal distribution:
<-0.85 (very low), -0.85 to -0.25 (low), -0.25 to 0.25 (average), 0.25 to 0.85 (high), >0.85 (very high).

Appendix B:

Full index and subindex results

Priority rank	Full sectors	Priority indices				Promotional strategy indices					
		1 Impact for Sri Lankan economy	2 Market opportunity	3 Investor interest (direct & indirect)	Priority score	4 Current strength in Sri Lanka	5 Current know-how in Sri Lanka	6 Hard & soft asset competitiveness	 Promote existing & emerging firms	 Target external knowhow & FDI	 Improve required infrastructure & skills
		z-score				z-score					
1	Electronics	0.42	1.08	0.31	0.63	-0.51	-0.90	0.25		✓	
2	Industrial machinery and equipment	0.68	0.48	0.48	0.55	-0.54	-1.37	0.28		✓	
3	Automotive	0.60	0.60	0.34	0.52	-0.61	-1.18	-0.01		✓	
4	Accommodation and food service (tourism)	0.18	0.78	0.44	0.48	0.90	n/a	1.13	✓	✓	
5	Electrical equipment	0.33	0.54	0.26	0.39	-0.17	-0.66	0.29	✓	✓	
6	Fabricated metal products	0.42	0.16	0.61	0.38	-0.26	-0.63	0.28		✓	
7	Chemical products	0.24	0.69	0.09	0.36	-0.10	-1.05	-0.35	✓		✓
8	Medical products, jewelry, toys, other	0.20	0.23	0.27	0.23	0.22	-0.26	0.40	✓	✓	
9	Food products	-0.25	0.54	0.37	0.23	1.02	0.39	-0.16	✓	✓	
10	Business administration and support (BPO)	-0.04	0.61	-0.09	0.19	-0.26	n/a	1.06		✓	
11	IT and software development	0.01	0.18	0.33	0.17	0.31	n/a	0.92	✓	✓	
12	Basic metals	0.07	0.66	-0.37	0.16	-0.69	-1.01	-0.28			✓
13	Cement, ceramics, glass, other mineral products	0.40	-0.08	0.14	0.15	0.04	-0.50	-0.26	✓		✓
14	Transportation and storage (logistics)	-0.24	0.45	-0.06	0.07	0.54	n/a	0.92	✓	✓	
15	Finance and insurance	0.13	0.13	-0.12	0.06	0.33	n/a	0.96	✓	✓	
16	Rubber and plastics products	-0.08	-0.26	0.52	0.04	0.52	-0.03	-0.33	✓		✓
17	Pharmaceutical products	0.29	0.27	-0.54	0.03	-0.77	-1.33	-0.22		✓	
18	Refined petroleum and coke products	-0.22	0.46	-0.24	0.02	-1.14	-0.37	-0.35			✓
19	Education	0.61	-0.44	-0.07	0.02	0.47	n/a	1.12	✓	✓	
20	Ships, motorcycles, bicycles, aircraft, rail	0.15	0.37	-0.58	0.01	-0.56	-0.69	0.06		✓	
21	Wearing apparel	-0.02	-0.37	0.49	0.00	2.79	2.62	0.30	✓	✓	
22	Footwear, leather, travel goods and related	-0.03	-0.08	0.13	-0.00	-0.42	0.74	-0.08	✓	✓	
23	Paper products	0.19	0.01	-0.27	-0.01	-0.46	-0.76	-0.38			✓
24	Furniture	0.11	-0.36	0.21	-0.03	-0.23	0.49	0.39	✓	✓	
25	Textiles	0.01	-0.65	0.42	-0.11	0.23	0.50	-0.26	✓		✓
26	Construction	-0.23	-0.61	0.28	-0.21	0.12	n/a	0.88	✓	✓	
27	Wood, cork, and straw products	-0.22	-0.50	-0.21	-0.32	-0.20	0.71	0.18	✓	✓	
28	Printing and rerecorded media	0.15	-1.23	-0.13	-0.44	-0.58	0.06	-0.05	✓	✓	
29	Beverages	-0.43	-0.95	-0.58	-0.67	-0.53	-0.12	-0.07	✓	✓	
30	Tobacco products	-1.01	-1.08	-0.79	-0.97	-0.45	1.05	0.07	✓	✓	




Notes: Covers all tradable economic activities. "Current know-how in Sri Lanka" index not available for service export sectors.

Priority rank	Full sectors	Priority subindices									
		1.1	1.2	1.3	1.4	2.1	2.2	2.3	3.1	3.2	3.3
		Job creation potential	Job quality potential	Potential beyond Western Province	New linkages potential	Domestic market opportunity	Regional market opportunity	World market opportunity	Investor interest in SL	Investors' regional market access	Strength in related countries
		z-score			z-score			z-score			
1	Electronics	0.30	0.93	-1.30	1.12	-0.06	0.69	1.67	-0.49	0.46	1.19
2	Industrial machinery and equipment	0.34	-0.09	-0.70	2.02	0.15	0.48	0.54	0.20	1.31	-0.27
3	Automotive	-0.21	0.29	0.17	1.56	0.17	0.13	1.17	-0.68	2.16	-0.71
4	Accommodation and food service (tourism)	0.30	-0.54	1.06	n/a	0.66	0.35	1.27	1.00	n/a	0.27
5	Electrical equipment	0.34	0.07	-1.07	1.16	-0.08	0.27	0.93	-0.23	0.78	0.23
6	Fabricated metal products	0.69	-0.39	-0.03	0.85	0.21	0.11	0.21	0.35	1.30	0.04
7	Chemical products	-0.56	0.46	0.08	0.81	0.34	0.86	0.57	0.17	0.22	-0.20
8	Medical products, jewelry, toys, other	0.50	-0.12	0.07	0.21	-0.21	0.12	0.42	0.58	-0.07	0.33
9	Food products	-0.37	-0.36	0.97	-0.72	0.48	0.40	0.69	1.71	-0.93	0.30
10	Business administration and support (BPO)	0.06	0.17	-0.47	n/a	-0.61	0.55	0.88	-0.06	n/a	-0.23
11	IT and software development	0.27	0.95	-1.31	n/a	0.35	0.08	0.26	-0.01	n/a	1.22
12	Basic metals	-0.02	-0.24	-0.63	0.64	0.08	0.91	0.50	-0.63	-0.04	-0.45
13	Cement, ceramics, glass, other mineral products	0.14	-0.38	1.12	0.62	0.84	-0.01	-0.31	-0.17	0.27	0.38
14	Transportation and storage (logistics)	-0.41	-0.47	-0.24	n/a	0.31	0.36	0.57	0.08	n/a	-0.32
15	Finance and insurance	-0.26	0.86	0.26	n/a	0.43	0.10	0.12	0.03	n/a	-0.46
16	Rubber and plastics products	0.21	-0.39	-0.52	0.09	0.06	-0.70	0.15	0.23	0.97	0.30
17	Pharmaceutical products	-0.27	0.24	-0.75	1.25	-0.10	0.08	0.52	-0.84	-0.11	-0.71
18	Refined petroleum and coke products	-1.40	0.82	0.97	-0.45	1.20	0.38	0.43	-0.52	-0.34	0.26
19	Education	1.62	0.59	0.33	n/a	n/a	0.08	-1.06	-0.04	n/a	-0.20
20	Ships, motorcycles, bicycles, aircraft, rail	0.60	0.27	-1.20	0.42	2.05	0.21	0.26	-0.66	-0.50	-0.58
21	Wearing apparel	1.20	0.32	0.38	-1.31	0.41	-1.13	0.31	0.79	-0.09	0.87
22	Footwear, leather, travel goods and related	1.09	0.06	-0.25	-0.81	-0.66	-0.11	0.04	-0.00	-0.36	0.97
23	Paper products	0.49	0.17	-0.55	0.34	0.37	0.07	-0.11	-0.06	-0.18	-0.66
24	Furniture	0.66	-0.68	0.40	-0.05	-0.82	-0.34	-0.31	0.09	0.07	0.57
25	Textiles	0.89	-0.38	-0.09	-0.40	1.40	-1.01	-0.61	0.17	0.35	0.85
26	Construction	-0.23	-0.55	-0.34	n/a	-0.79	-0.60	-0.60	1.02	n/a	-0.31
27	Wood, cork, and straw products	0.91	-0.90	-0.00	-0.83	-0.59	-0.37	-0.64	-0.24	-0.66	0.43
28	Printing and recorded media	0.71	-0.10	-1.00	0.44	-1.75	-1.18	-1.18	-0.53	0.26	-0.10
29	Beverages	-0.67	-0.06	-0.34	-0.49	-0.48	-1.18	-0.80	-0.15	-0.87	-0.77
30	Tobacco products	-1.75	0.43	-0.59	-1.38	-1.58	-1.23	-0.85	-0.96	-0.80	-0.57

Notes: Covers all tradable economic activities. "New linkages potential" and "investors' regional market access" subindices not available for service export sectors. No import data available for education sector.

Priority rank	Full sectors	Promotional strategy subindices						Sector information	
		4.1	4.2	4.3	5.1	6.1	6.2	ISIC code (revision 4)	Main form of exports
		z-score			z-score	z-score			
1	Electronics	-0.31	-0.75	-0.46	-0.90	-0.39	0.50	C26	Goods
2	Industrial machinery and equipment	-0.22	-0.99	-0.37	-1.37	-0.40	0.69	C28	Goods
3	Automotive	-0.64	-0.64	-0.53	-1.18	-0.32	0.61	C29	Goods
4	Accommodation and food service (tourism)	0.89	1.00	0.79	n/a	n/a	1.13	I	Services
5	Electrical equipment	-0.06	-0.22	-0.25	-0.66	-0.24	0.68	C27	Goods
6	Fabricated metal products	-0.63	0.19	-0.37	-0.63	-0.50	0.97	C25	Goods
7	Chemical products	-0.19	0.07	-0.20	-1.05	-0.64	0.68	C20	Goods
8	Medical products, jewelry, toys, other	-0.01	0.16	0.58	-0.26	-0.26	0.78	C32	Goods
9	Food products	0.53	0.91	1.77	0.39	-0.39	1.00	C10	Goods
10	Business administration and support (BPO)	-0.51	-0.28	0.09	n/a	n/a	1.06	N82	Services
11	IT and software development	0.47	0.22	0.23	n/a	n/a	0.92	J62,J63	Services
12	Basic metals	-0.41	-1.21	-0.39	-1.01	-0.57	0.82	C24	Goods
13	Cement, ceramics, glass, other mineral products	-0.11	0.40	-0.22	-0.50	-0.45	0.95	C23	Goods
14	Transportation and storage (logistics)	0.83	0.57	0.13	n/a	n/a	0.92	H	Services
15	Finance and insurance	0.20	0.74	-0.04	n/a	n/a	0.96	K	Services
16	Rubber and plastics products	0.75	0.14	0.68	-0.03	-0.61	0.87	C22	Goods
17	Pharmaceutical products	-1.04	-0.66	-0.56	-1.33	-0.62	0.38	C21	Goods
18	Refined petroleum and coke products	-0.42	-2.29	-0.60	-0.37	-0.46	0.35	C19	Goods
19	Education	n/a	1.41	-0.14	n/a	n/a	1.12	P	Services
20	Ships, motorcycles, bicycles, aircraft, rail	-0.40	-0.82	-0.42	-0.69	-0.27	0.54	C30	Goods
21	Wearing apparel	3.73	1.33	3.45	2.62	-0.49	1.09	C14	Goods
22	Footwear, leather, travel goods and related	-0.47	-0.29	-0.52	0.74	-0.34	1.06	C15	Goods
23	Paper products	-0.52	-0.44	-0.41	-0.76	-0.74	1.01	C17	Goods
24	Furniture	-0.37	0.12	-0.49	0.49	-0.27	0.98	C31	Goods
25	Textiles	0.28	0.40	-0.03	0.50	-0.47	1.06	C13	Goods
26	Construction	-0.33	0.40	0.34	n/a	n/a	0.88	F	Services
27	Wood, cork, and straw products	-0.33	0.16	-0.48	0.71	-0.60	1.10	C16	Goods
28	Printing and recorded media	-1.22	0.05	-0.58	0.06	-0.65	1.09	C18	Goods
29	Beverages	-0.47	-0.66	-0.45	-0.12	-0.31	0.95	C11	Goods
30	Tobacco products	-0.06	-0.74	-0.58	1.05	-0.17	0.85	C12	Goods

Notes: Covers all tradable economic activities. "Strength of related products" and "competitiveness of required hard assets" subindices not available for service export sectors. No export data available for education sector.

Priority rank	Subsectors	Priority indices				Promotional strategy indices					
		1 Impact for Sri Lankan economy	2 Market opportunity	3 Investor interest (direct & indirect)	Priority score	4 Current strength in Sri Lanka	5 Current know-how in Sri Lanka	6 Hard & soft asset competitiveness	 Promote existing & emerging firms	 Target external knowhow & FDI	 Improve required infrastructure & skills
		z-score				z-score					
1	Solar panels and cells, transistors, diodes	0.20	1.00	0.30	0.52	-0.97	-0.36	0.21		✓	
2	Motor vehicle parts and accessories	0.11	0.99	0.15	0.45	0.03	-0.58	0.03	✓	✓	
3	Hand tool components	0.53	0.13	0.41	0.35	-0.95	-1.07	0.31		✓	
4	Screws, bolts, washers, nuts	0.54	0.23	0.18	0.31	-0.17	-0.73	0.28	✓	✓	
5	Medical devices	0.27	1.02	-0.50	0.31	-0.47	-1.12	0.31		✓	
6	Molding boxes for metal foundry	0.60	0.17	0.14	0.30	-0.44	-0.72	0.35		✓	
7	Industrial production machines & robots	0.34	0.58	-0.16	0.27	-0.29	-1.07	0.31		✓	
8	Ceramics	-0.09	0.50	0.34	0.26	0.48	-0.07	-0.21	✓	✓	
9	Electricity distribution panels	0.14	0.45	0.10	0.24	-0.12	-0.18	0.29	✓	✓	
10	Valves	0.26	0.50	-0.31	0.18	-0.45	-0.98	0.27		✓	
11	Printed circuits	0.24	0.11	0.15	0.17	-0.02	-0.24	0.24	✓	✓	
12	Industrial heating equipment	0.35	0.35	-0.30	0.16	-0.70	-0.95	0.28		✓	
13	Structural metal products	0.05	0.23	0.11	0.13	0.02	0.12	0.26	✓	✓	
14	Insulated wires	-0.40	0.64	-0.00	0.10	0.17	1.06	0.28	✓	✓	
15	Pumps for liquids	0.22	0.23	-0.33	0.05	-0.46	-0.92	0.29		✓	
16	Motor vehicle lighting or signaling equipment	0.18	0.27	-0.54	-0.00	-0.42	-0.43	0.29		✓	
17	Women's undergarments	0.26	-1.16	1.10	-0.01	1.85	2.31	0.30	✓	✓	
18	Electrical ignition or starting equipment	0.10	-0.18	0.08	-0.01	-0.16	-0.36	0.29	✓	✓	
19	Yachts, motorboats, sailboats	0.45	-0.12	-0.56	-0.06	-0.17	-1.07	0.17	✓	✓	
20	Sugar	-0.37	0.37	-0.35	-0.09	-0.20	1.42	-0.17	✓	✓	
21	Agricultural machinery	0.10	-0.13	-0.35	-0.12	-0.47	-0.59	0.28		✓	
22	Brassieres and parts thereof	0.16	-1.03	0.46	-0.19	1.87	2.13	0.30	✓	✓	
23	Essential oils	-0.60	-0.44	0.27	-0.28	0.08	1.24	-0.01	✓	✓	
24	Gaskets and other rubber articles	-0.76	-0.43	0.22	-0.34	0.50	-0.18	-0.28	✓		✓
25	Cement	-0.39	-0.29	-0.43	-0.36	-0.64	1.24	-0.31	✓		✓
26	Bicycles	-0.34	-0.48	-0.26	-0.37	0.28	0.53	0.17	✓	✓	
27	Fruit and nut preparations (coconut milk)	-0.77	-0.78	0.11	-0.51	0.19	1.24	-0.22	✓	✓	
28	Activated carbon	-0.57	-1.45	0.07	-0.70	0.33	0.53	-0.27	✓		✓
29	Solid Tyres	-0.80	-1.29	-0.10	-0.77	1.31	-0.18	-0.39	✓		✓

Note: Covers the 29 subsectors studied so far; these are meant to be a representative sample of economic activities, including those judged to be of special interest or high potential.

Priority rank	Subsectors	Priority subindices									
		1.1	1.2	1.3	1.4	2.1	2.2	2.3	3.1	3.2	3.3
		Job creation potential	Job quality potential	Potential beyond Western Province	New linkages potential	Domestic market opportunity	Regional market opportunity	World market opportunity	Investor interest in SL	Investors' regional market access	Strength in related countries
		z-score				z-score			z-score		
1	Solar panels and cells, transistors, diodes	0.19	0.21	-0.16	0.39	-0.23	1.12	1.07	-0.53	0.34	1.36
2	Motor vehicle parts and accessories	-0.61	0.31	-0.47	0.84	0.56	0.40	1.69	0.08	0.76	-0.56
3	Hand tool components	0.50	0.04	-0.40	1.25	-0.44	0.47	-0.13	-0.23	1.76	-0.53
4	Screws, bolts, washers, nuts	0.57	-0.38	-0.05	1.26	-0.38	0.34	0.21	-0.36	0.98	-0.19
5	Medical devices	0.40	-0.07	-0.49	0.72	0.65	0.51	1.62	-0.48	-0.38	-0.67
6	Molding boxes for metal foundry	0.69	-0.27	0.49	1.01	0.01	0.78	-0.45	-0.31	0.76	-0.09
7	Industrial production machines & robots	0.08	-0.02	-0.83	1.30	0.38	0.47	0.72	-0.42	0.38	-0.55
8	Ceramics	-0.06	-0.65	0.69	-0.22	0.78	0.35	0.61	0.61	0.06	0.36
9	Electricity distribution panels	0.01	0.80	-0.66	0.31	-0.02	0.41	0.57	0.25	0.15	-0.18
10	Valves	-0.05	-0.20	-0.80	1.24	0.24	0.32	0.74	-0.59	-0.09	-0.21
11	Printed circuits	-0.03	1.18	-0.73	0.45	-0.32	0.11	0.19	0.41	-0.08	0.13
12	Industrial heating equipment	-0.25	0.02	-0.07	1.17	-0.14	0.66	0.11	-0.59	0.00	-0.33
13	Structural metal products	0.72	-0.51	-0.18	-0.05	1.10	0.04	0.29	0.44	-0.34	0.26
14	Insulated wires	-0.36	0.26	-0.05	-0.94	0.08	0.39	0.99	0.04	0.08	-0.18
15	Pumps for liquids	-0.05	-0.05	-0.80	1.05	0.00	0.32	0.16	-0.53	-0.01	-0.50
16	Motor vehicle lighting or signaling equipment	0.06	0.09	-0.81	0.82	-0.24	0.38	0.22	-1.14	-0.06	-0.37
17	Women's undergarments	1.68	0.18	1.03	-1.15	-0.84	-1.77	-0.57	2.45	-0.30	1.17
18	Electrical ignition or starting equipment	0.11	0.07	-0.66	0.49	-0.97	0.45	-0.72	-0.53	1.10	-0.47
19	Yachts, motorboats, sailboats	1.24	0.13	-0.47	0.49	-1.59	-0.30	0.32	-0.50	-0.28	-1.03
20	Sugar	-0.90	-0.41	2.53	-1.41	0.98	0.45	0.18	-0.35	-1.07	0.60
21	Agricultural machinery	0.17	-0.28	-0.09	0.33	0.11	-0.23	-0.07	-0.63	0.01	-0.47
22	Brassieres and parts thereof	1.68	0.17	0.49	-1.15	0.35	-1.60	-0.64	1.26	-0.45	0.59
23	Essential oils	-1.49	0.57	0.67	-1.15	-0.49	0.27	-1.18	0.78	-0.71	0.92
24	Gaskets and other rubber articles	-0.45	-0.62	-0.60	-1.15	-0.09	-0.65	-0.25	0.42	0.36	-0.24
25	Cement	-0.93	-0.15	1.96	-1.27	2.55	-0.26	-0.80	-0.40	-0.96	0.25
26	Bicycles	0.90	-0.07	-0.84	-1.15	-0.24	-0.43	-0.57	-0.37	-0.55	0.28
27	Fruit and nut preparations (coconut milk)	-1.72	-0.60	1.26	-1.15	-0.53	-1.11	-0.47	1.20	-1.00	0.13
28	Activated carbon	-1.49	0.58	0.85	-1.15	-0.07	-0.37	-2.82	-0.22	-0.04	0.62
29	Solid Tyres	-0.63	-0.33	-0.82	-1.15	-1.20	-1.53	-1.05	0.22	-0.43	-0.10

Note: Covers the 29 subsectors studied so far; these are meant to be a representative sample of economic activities, including those judged to be of special interest or high potential.

Priority rank	Subsectors	Promotional strategy subindices						Sector information	
		4.1	4.2	4.3	5.1	6.1	6.2	Harmonized System (HS) code	Associated full sector (ISIC code)
		z-score			z-score	z-score			
1	Solar panels and cells, transistors, diodes	-0.59	-1.74	-0.49	-0.36	-0.11	0.69	8541	C26
2	Motor vehicle parts and accessories	-0.21	0.63	-0.43	-0.58	-0.32	0.63	8708	C29
3	Hand tool components	-0.22	-2.13	-0.39	-1.07	-0.40	0.84	8207	C25
4	Screws, bolts, washers, nuts	-0.44	0.34	-0.47	-0.73	-0.50	0.88	7318	C25
5	Medical devices	-0.25	-0.65	-0.51	-1.12	-0.24	0.49	9018, 9019, 9021, 9022	C32
6	Molding boxes for metal foundry	-0.29	-0.63	-0.40	-0.72	-0.40	0.84	8480	C25
7	Industrial production machines & robots	-0.32	-0.13	-0.44	-1.07	-0.40	0.66	8479	C28
8	Ceramics	0.08	1.11	0.18	-0.07	-0.42	0.92	69	C23
9	Electricity distribution panels	0.03	-0.23	-0.18	-0.18	-0.24	0.69	8537	C27
10	Valves	-0.55	-0.28	-0.52	-0.98	-0.40	0.75	8481	C28
11	Printed circuits	-0.35	0.63	-0.43	-0.24	-0.39	0.47	8534	C26
12	Industrial heating equipment	-0.36	-1.21	-0.49	-0.95	-0.40	0.69	8419	C28
13	Structural metal products	-0.34	0.67	-0.35	0.12	-0.51	0.88	7308	C25
14	Insulated wires	0.16	0.20	0.14	1.06	-0.24	0.68	8544	C27
15	Pumps for liquids	-0.59	-0.28	-0.52	-0.92	-0.40	0.70	8413	C28
16	Motor vehicle lighting or signaling equipment	-1.02	0.29	-0.55	-0.43	-0.24	0.69	8512	C29
17	Women's undergarments	1.50	1.03	3.31	2.31	-0.49	1.09	6108	C14
18	Electrical ignition or starting equipment	-0.54	0.49	-0.49	-0.36	-0.40	0.74	8511	C29
19	Yachts, motorboats, sailboats	-0.09	-0.05	-0.44	-1.07	-0.15	0.80	8903	C30
20	Sugar	-0.58	0.41	-0.49	1.42	-0.64	1.00	1701	C10
21	Agricultural machinery	-0.78	-0.13	-0.51	-0.59	-0.40	0.73	8432, 8433	C28
22	Brassieres and parts thereof	1.99	1.03	2.76	2.13	-0.49	1.09	6212	C14
23	Essential oils	0.28	-0.04	-0.02	1.24	-0.36	0.72	3301	C20
24	Gaskets and other rubber articles	0.23	0.66	0.65	-0.18	-0.56	0.82	4016	C22
25	Cement	-0.99	-0.37	-0.52	1.24	-0.53	0.98	2523	C23
26	Bicycles	0.83	-0.01	-0.05	0.53	-0.20	0.77	8712	C30
27	Fruit and nut preparations (coconut milk)	0.17	0.07	0.36	1.24	-0.64	0.96	2008	C10
28	Activated carbon	0.76	0.08	0.11	0.53	-0.61	0.65	3802	C20
29	Solid Tyres	2.48	0.23	1.20	-0.18	-0.83	0.84	4012	C22

Note: Covers the 29 subsectors studied so far; these are meant to be a representative sample of economic activities, including those judged to be of special interest or high potential.