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Five-year growth strategies for key sectors

* Gems and Jewellery projects annual exports of US$ 370 million and net value addition of over US$ 250 million
* Packaging Industry sets goal of 80% share of domestic market
* Plastics Industry aims to draw even with Asian leaders
* Wood Based Industries projects exports to increase 10-fold generating 100,000 new jobs

The Gems and Jewellery, Packaging, Plastics and Wood-Based Industries yesterday presented a five-year plan to increase productivity and "competitiveness" in a series of workshops with the theme, 'Strategies for Growth, How will the Industry Compete A Forum for Change.'

The plans developed are part of a dialogue between the Ministry of Enterprise Development, Industrial Policy and Investment Promotion and the private sector.

Task forces representing 16 key industries either have completed or will complete strategies, linking ideas with products and services aimed at sustaining long-term growth on a global basis.

Although each specific to respective industries, the strategies share a common philosophy based on the simple idea of competitiveness, 'adding value' at each step of production or service delivery process.

"The government and industry share a common objective that which ultimately depends upon our ability to promote new thinking wherein everyone contributes new ideas leading to better products, reduced costs, which benefits all of us," said Minister of Enterprise Development, Industrial Policy and Investment Promotion Prof. G. L Peiris.

Prof. Peiris told industry participants that global competition imposes a corresponding need for Sri Lanka to look critically at its position in each of its key industries. "Like every other country, we can only survive by prospering at what we can do best and that's based on what we collectively produce and sell to world markets based on some optimum combination of quality and cost," he said.

Gems and Jewellery

Chanaka Ellawala, Chairman of the Gems and Jewellery Task Force, outlined a "vision" leading to secure Sri Lanka's position as the world's 'Sapphire Capital'.

He outlined what he called a three-pronged strategy to "reposition" the industry, with each building upon the other. "First, a Manufacturing Strategy aims to increase the value of Sri Lanka's product in a two step process that responds to two questions: 'What can be done to increase value to domestic products alone and 'What foreign raw material can we add to increase the value of our for domestic products'

"Second, a Branding and Repositioning Strategy will differentiate the products and services from Sri Lanka to move the industry 'up-market' by increasing Sri Lanka's share of high value products, and then further develop the market for these products and services.

"Third, a Hub Strategy will support the other two strategies by providing the infrastructure, support services, policy and business environment," he said.

Packaging

Presenting the five-year sectoral overview on the Packaging Industry, Chairman of the Packaging Task Force, Dharmatilake Ratnayake and Co-Chairman J D Amarasooriya said that the long term objective to achieve packaging sector competitiveness would be to acquire packaging service leadership in value, quality, reliability and responsible service, with a view to capturing an overall market share of 80% of the total packaging demand in Sri Lanka.

"For this we must look at specific options such as productivity, competitive position, employee development, technological leadership and public responsibility involving both micro and macro perspectives of industry development. But to improve on these specific options, the current status of the industry is inadequate.

Plastics

According to Plastics Task Force Chairman Sarath Wijesinghe, rapid changes in technology and materials in developed countries have led to relocation of their plastics processing industries to countries with the ability to manage technology.

Newly industrialised countries such as Singapore, Taiwan, and Korea were first to benefit, but, in turn, are losing these plants to Vietnam, Indonesia and China.

"As important, these relocations led to other, related foreign direct investment linked to those industries," Wijesinghe said. "Effectively, it's a two-for-one proposition."

According to Wijesinghe, in the past, Sri Lankan policymakers paid little attention to local industry, even though it was one of the fastest growing industries in the world.

Wood-based Industry

Wood-Based Industry Task Force Chairman Major Douglas Wijesinha said that the wood working industry in 2001 earned US $10.8 million from exports, which is about 0.2 percent of total national export earnings.

When implemented, the strategic initiatives recommended by the Task force, exports can be increased ten-fold and the domestic market three-fold over the next five years, generating in excess of 100,000 new jobs.

The Construction industry consumes about 75 percent of sawnwood while the furniture industry takes 15% and other wood based industries use 10%.

"The industry other than construction employs about 50,000 workers, including 12,000 in saw milling and 28,000 workers in furniture manufacturing and accounts for about 1% of total industrial production.

Ministry Secretary Ranjit Fernando said that each industry task force is a mechanism for the government and related private sectors to work closely to formulate strategy and policy to advance economic growth, building on the success of each industries.

"For its part, government must foster growth with policies which create an environment friendly to investment because investment ultimately generates the revenue we need for a better standard of living, from jobs and individual opportunity, down to and including social benefits.

We all must be part of the solution because otherwise we are part of the problem," he said.