

The role of the board of investment (BOI) in the industrial growth in Sri Lanka

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The Board of Investment of Sri Lanka is an apex agency of the government, promoting and facilitating foreign direct and domestic private investments in Sri Lanka.

This study identified ten major industrial categories, significant importance in their size of investment, employment generation and number of projects concern. Study covered different type of performances of industries located with in all 22 districts and 9 provinces in SriLanka. Province and district wise distribution of BOI industries under these categories were analyzed and compared in respect to the criteria of number of projects, size of investments and number of generated employment placements. Employment generation capacities of industrial categories were analyzed considering number of employment generated, employment generation per project and employment generation per unit investment using as criteria. Sectorial disparities of BOI industries among the ten major categories were analyzed related to criteria of number of projects, size of investment and number of employment placements in different sectors. Technology spill over potential of the BOI industries were studied using number of joint-ventures (Foreign-Local) industries as a criterion. Effectiveness of environment management was examined mainly through questionnaire and informal discussions. Descriptive statistical methods were used predominantly for the data analysis process. Study revealed that BOI industries were heavily concentrated in Western province specially Gampaha and Colombo districts in related to criteria of size of investment, employment generation and number of projects. All sub sector categories showed significant concentration especially within Gampaha district except services sub sector. However textile related sub sector showed relatively sound geographical distribution than other industries. Most of the BOI industries were coming under the textile related sub sector pertaining to the criteria of number of projects, investment allocation and employment generation. Services sub category also had much higher number of BOI projects. Services sub sector showed high degree of technology spill over potential. Environment management of BOI industries was in average satisfactory level but monitoring and evaluation systems should be developed.

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