

Sector : Agriculture  
Document Type : Investor Brief (Confidential)

# Development of an Agro Economic Zone (Public Private Partnership)



Promoted By: S.J. Key Strategies (Pvt) Ltd

<b>Sector</b>	Agriculture
<b>Geographical Location</b>	500 Acres land owned by MASL at Pollebadda, Mahaoya.
<b>Project Description</b>	Agro Economic Zone within the Northern / Eastern Province. The project aims to construct a 350 acre Agro Processing Zone with all facilities within Northern Province in Sri Lanka. The project will enhance the facilities available within the Northern Province inclusive of creation of urgently needed job opportunities and to create a center of excellence for agro business and investments that conforms to best international standards. The project will promote local and foreign investments in Agro Processing Sector with Research, innovation, new technology.
<b>Fringe benefits and incentives offered by the government</b>	<ul style="list-style-type: none"> <li>• Government will provide the necessary supportive infrastructure including lands for establishment of the Agro Processing Zone, access roads, electricity and water supply facilities.</li> <li>• Enterprise for fishing: Any enterprise for fishing carried on in Sri Lanka, Exempted from Income Tax for each year of assessment.</li> <li>• Enterprise for Producing of agricultural seeds or planting materials: Any enterprise for producing of agricultural seeds or planting materials or primary processing of such seeds or material, Exempted from Income Tax for each year of assessment.</li> <li>• Cultivation of renewable energy crops: Any enterprise for cultivating of renewable energy crops in agriculture lands, the profit and income of an enterprise will be exempted.</li> <li>• Organic fertilizer and pesticides: Private Sector investments for manufacturing, distribution or sale of organic fertilizer and pesticides, the profit and income of an enterprise will be exempted.</li> </ul>
<b>Project Size</b>	US \$35 Million and above
<b>Major economic and social benefits</b>	<ul style="list-style-type: none"> <li>• Increase domestic agricultural production to ensure food and nutrition security of the nation.</li> <li>• Enhance agricultural productivity and ensure sustainable growth.</li> <li>• Maximize benefits and minimize adverse effects of globalization on domestic and export agriculture.</li> <li>• Productive farming systems and improved agro-technologies with a view to reduce the unit cost of production and increase profits.</li> <li>• Adoption of technologies in farming that is environmentally friendly and harmless to health.</li> <li>• Promote agro-based industries and increase employment opportunities.</li> <li>• Enhance the income and the living standard of farming community.</li> </ul>
<b>Significance of the project</b>	Tax concession and tax holidays offered by the Government in agriculture, animal husbandry, fishing, processing of any such produce by the producer from the year of Commencement of Business.
<b>Current Status</b>	Project can be initiated with immediate effect.

<p><b>Reasons to invest</b></p>	<p>With diverse agro zones for agro based industry and access to a large fishing area, Sri Lanka has much to offer for both local and foreign investors in the Agriculture, Livestock and Fisheries sectors. The government is looking for specialized investment in agricultural sector to improve productivity, level of technology innovation, access to international markets, use of quality seeds and planting materials and improve overall value addition. Some of the opportunities include: High profits Margins in Horticulture for Investors for the expansion of Export market to Middle East, japan etc. There are many areas in which value addition can be enhanced. Government encourages the induction of investors who can enhance the domestic value addition in Sri Lanka so that these items are exported in high value forms the livestock sector consists of the dairy and poultry, are considered as priority areas for growth, employment generation and increasing income of rural farmers.</p>
<p><b>Recommended way forward</b></p>	<ol style="list-style-type: none"> <li>1. Exclusive Mandate authorizing Local Promoter to participate on behalf of the Investor / Developer</li> <li>2. Submission of Expression Of Interest</li> <li>3. Submission of Initial Screening Documents by the proponent including proof of funds</li> <li>4. Signing of Cooperation Agreement with the responsibility matrix</li> <li>5. Submission of Preliminary Proposal</li> <li>6. Obtaining in principal go ahead by the authorities</li> <li>7. Develop a detailed proposal with the help of a local promoter after carrying out a feasibility study</li> <li>8. Preparation of a fund raising model and a commercial proposal</li> <li>9. Final approval and financial closure.</li> </ol>
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