

Conceptual Roadmap on Building an Export-Oriented Industrial Corridor

- In consultation with the Government of Sri Lanka, the Ministry of Economy, Trade and Industry took the initiative in formulating **the Conceptual Roadmap** for **promoting investment in Sri Lanka**
- The Conceptual Roadmap envisions leveraging South Asia's massive market to **promote regional trade** and integrate Sri Lanka into **global supply chains**.
- To that end, the Conceptual Roadmap proposes **the establishment of an economic corridor** in **Sri Lanka and neighboring South Asian countries**.

Sri Lanka's Investment Potential and Comparative Advantages

- **Geographical Advantage:** Located at the junction of key sea lanes. The country also offers good **access to the massive markets of South Asia**.
- **Abundant natural resources:** Possesses **the potential to supply key resources (silica, graphite, rubber, etc.)**.
⇒ **Exporting** components produced in Sri Lanka **to neighboring countries for final assembly, diversifying supply chains**.
- In addition, Sri Lanka offers a favorable investment climate: The country is showing signs of economic recovery toward stability, has a low-cost, high-quality workforce, and is pro-Japanese in sentiment.

Challenges in Promoting Investment and How to Address Them

- **Building an integrated economic zone including Japan to capture the South Asian market and integrate South Asian countries into the global supply chain**
 - Propose establishing **a trilateral working group** with neighboring countries, in addition to Sri Lanka and Japan
 - Propose **a business forum** organized by the Chambers of Commerce of the neighboring countries, in addition to those of Sri Lanka and Japan.
- **Improving Sri Lanka's business environment** (such aspects as infrastructure development, regulatory and institutional barriers, and policies to attract investment)
 - Japan and Sri Lanka agreed to **resume the Inter-governmental Economic Policy Dialogue** (There has been no meeting since the first meeting which took place in July 2016.)