



ISLAND OF
INGENUITY
KNOWLEDGE SOLUTIONS

SRI LANKA

Sri Lanka: The Island of Ingenuity!

www.islandofingenuity.com



WHAT SRI LANKA HAS TO OFFER:

1

Captive Innovation Center

Set up your Captive Innovation Center in Sri Lanka to help accelerate your digital transformation and own disruption in your industry.

2

Digital Gateway to Asia

Leverage Sri Lanka as your Digital Gateway to Asia – global entrepreneurs are using Sri Lanka as an effective test bed and entry into fast growing emerging markets in Asia.

3

Digital Disruptors

Invest in global Digital Disruptors that are developing domain-specific transformative IP and business products.

“ In the future, it will no longer be the large fish that eats the small fish, but it will be the fast fish that eats the slow fish.

—*Professor Klaus Schwab,
Executive Chairman, World Economic Forum*



Sri Lanka Export Development Board

Established in 1979, the Sri Lanka Export Development Board (EDB) is the state organization for the promotion and development of exports. The EDB is the executive arm of the Export Development Council of Ministers, headed by H.E., the President of Sri Lanka.

The EDB's mission is to be the nation's leading catalyst organization for the development and promotion of Sri Lanka's product and service exports, while enhancing success in achieving national economic goals.

The EDB Mandate

- **Facilitation** – As the focal point of export development, facilitates and co-ordinates all of Sri Lanka's export development activities.
- **Policy Advisory** – Advises the Government on export policies to create a conducive environment for exports.
- **Information Services** – Provides advisory services and is a knowledge portal for all aspects of export-related business.
- **Promotion** – Develops and implements development programmes to promote Sri Lanka's products and services.

Contact the EDB

SRI LANKA EXPORT DEVELOPMENT BOARD

Address: No. 42 Nawam Mawatha, Colombo 02, Sri Lanka.
Telephone: +94-11-230-0705 (Ext: 233/284)
Fax: +94-11-230-0715
Email: ioi@edb.gov.lk
Website: <http://www.srilankabusiness.com/>

CONTENTS

WHY SRI LANKA?	5
BUILT ON WORLD-CLASS INFRASTRUCTURE	8
THE SRI LANKAN APPROACH	12
YOUR OPPORTUNITY IN SRI LANKA	14
INDUSTRY ACCOLADES	18

WHY SRI LANKA?



WHY SRI LANKA?

Located centrally in South Asia lies one of the region's most innovative and disruptive IT and Business Process Management (BPM) hubs: Sri Lanka is home to a vibrant knowledge solutions industry that boasts an international footprint, with an accelerating number of global firms that have discovered the country's innovative prowess.

The country's rise to prominence as a global technology and BPM hub has been driven by a myriad of strengths:

A Robust and Niche Talent Base



Sri Lanka's value proposition is based on the unique capabilities of its workforce, combined with advanced supplementary infrastructure. The ability to draw from a diverse and skilled pool of talent is perhaps the key factor that has allowed Sri Lanka to be globally competitive across the knowledge services sector.

“ Sri Lankans are known to be strong program and relationship managers and are able to handle complex, differentiated tasks rather than just routine processes. —AT Kearney

An innovation mindset is instilled at a very young age, with initiatives such as "Kids Can Code" teaching youngsters the basics of coding. Moreover, over 50% of students who complete their higher education are trained in technical and business disciplines, with a community driven training culture reinforcing continuous development of the workforce.

Strong Industry Foundation

A favourable business climate for foreign investors has been vital to the prosperity of the IT and BPM sector. Legislation allows for 100% foreign ownership of companies, with no restrictions on the repatriation of earnings, fees, and capital.

Companies are also backed by strong legislative infrastructure. Sri Lanka is the only South Asian country to have acceded the Budapest Convention on Cybercrimes and is the only South Asian country to ratify the United Nations Convention on the use of Electronic Communications in International Contracts. The country has also enacted an Electronics Transactions Act, a Computer Crimes Act, and is a signatory to the latest UN e-contracting convention.



Watch the Island of Ingenuity video here.

Open the camera on your mobile phone and scan the QR code displayed.

From an Information Security perspective, Sri Lanka is a signatory to international treaties on intellectual property rights such as the Berne Convention and WTO/TRIPS, and has adopted a comprehensive IP regime, creating a national intellectual property rights office that focuses on awareness, policy issues, legislation and enforcement.

Sri Lanka's National Export Strategy will further strengthen the country's prominence in the global arena, as it strives to achieve USD 5 billion in ICT and BPM export revenues, while creating 200,000 new jobs and 1,000 startups in the sector by 2022.

Industry bodies such as the Information and Communication Technology Agency of Sri Lanka (ICTA), the Sri Lanka Association of Software and Service Companies (SLASSCOM), and The Federation of Information Technology Industry Sri Lanka (FITIS) have been cornerstones to sector growth in the past and continue to play a pivotal role in helping transform the sector.

Moving forward, Sri Lanka's National Export Strategy will further strengthen the country's prominence in the global arena, as it strives to achieve USD 5 billion in ICT and BPM export revenues, while creating 200,000 new jobs and 1,000 startups in the sector by 2022.

High Value Opportunities

Sri Lanka's uniqueness also stems from its ability to cost-effectively deliver high-value solutions with world-class quality.

In addition to offering tier 1 infrastructure with a tier 2 cost structure, labour costs are also competitive, in spite of the high quality of its work force. An attrition rate of less than 20% is proof of Sri Lanka's dedication and commitment to delivering to the highest possible standards.

A Multi-Faceted Industry

Sri Lanka hosts a diverse IT industry that caters to leading international giants across many global industries spanning financial markets, aerospace and defense, foodservices, and education, to name a few.

The country takes pride in the fact that its industry offers best-in-class options across every facet of the IT and BPM sector, spanning captive centers, technology services, technology products and knowledge and other professional services.



BUILT ON WORLD-CLASS INFRASTRUCTURE



BUILT ON WORLD-CLASS INFRASTRUCTURE



Sri Lanka's IT and BPM industry has long been supported by world-class and cost-competitive infrastructure that has given the country an edge over its regional peers.



Colombo Port ranked **22nd** position in world container ports in **2016** —*Alphaliner Rankings*

Sri Lanka's ranking in **South Asia** for Electricity and Telephony Infrastructure in the Global Competitiveness index, **2017-2018**

92 Sri Lanka

100 India
114 Bangladesh
121 Pakistan

“ **Colombo** is the only port in the **Bay of Bengal** that approaches global standards in terms of operation **efficiency and throughput**. —*Asian Development Bank Institute, 2016*

Moving within the city (**Colombo**) is much easier and cheaper than **Cairo, Dhaka, Manila and Mumbai**. —*A. T. Kearney* ”



Sri Lanka is the first country in **South Asia** to trial **5G** technology and was also the first in commercially launching a **4G-LTE** network

World's **lowest** entry level broadband **prices**

Sri Lanka ranked the **highest** in Network Readiness among SAARC countries, **2016**



86 Sri Lanka

146 India
171 Pakistan
173 Bangladesh

Sri Lanka is the most efficient in **South Asia** in the Trading across Border rankings, 2017



A strong telecom sector

Sri Lanka has an advanced telecommunications sector, being the first country in South Asia to demonstrate 5G technology. Prior to this, Sri Lanka was a leader in commercially launching 4.5G technology in the region and was the first country to establish a 4G LTE network in South Asia. Sri Lanka's 8 telco operators and 5 submarine cables provide ample capacity for IT companies operating in the country.

Well-established transportation networks

Sri Lanka's transportation infrastructure is conducive for companies looking to maintain both local and international relationships; metropolitan cities have well established road networks, while the country's geo-strategic location provides an avenue into vibrant South Asian economies such as India, Pakistan, and Bangladesh.



Additionally, the Bandaranaike International Airport—offering more than 20 international airlines—provides direct flights to Europe, South-East Asia and the Middle East.

High-end, cost competitive business parks

Sri Lanka has a number of dedicated, private sector-owned IT and BPM parks, providing easier access paths for both new entrants and existing operations looking to expand.



Located centrally, these parks house some of the world's leading technology and business companies such as Virtusa, Pearson, and the London Stock Exchange Group, with this clustering allowing incumbent firms to significantly benefit from the synergies that arise.

Given Sri Lanka's creative mindset, parks such as the Trace Expert City have been built to foster innovation and promote an open and flexible environment. Additionally, modern and tech-equipped co-working spaces and incubators such as Hatch exemplify Sri Lanka's ingenuity by acting as a hub for all things startup-related and provide a plug and play environment for budding entrepreneurs.



The average rent for top-end office space in Colombo is up to 30% less than in Kuala Lumpur or Cairo and at least 50% less than equivalent space in Guangzhou or Bangalore.

—AT Kearney



Vibrant living standards

Sri Lanka's attractiveness as an IT and BPM hub also stems from the quality of life it provides. While being a great place to work, Sri Lanka is also a great place to live providing access to global education facilities, healthcare on par with international standards and a high-end residential property market.

The country ranked first in South Asia for the quality of living according to Mercer's 2017 "Quality of Living" survey and has also outperformed its peers in the following indices:

Global Peace Index 2018

67 Sri Lanka

93	Bangladesh
112	China
113	Thailand
122	Myanmar
136	India
152	Pakistan

UNDP Human Development Index 2018

76 Sri Lanka

130	Bangladesh
136	China
150	Thailand

Golden beaches and a rich culture

Sri Lanka's attractiveness goes beyond just its living standards. Sri Lanka topped Lonely Planet's "Top Countries for Travel" list coming in as the number one travel destination for 2019.

“ Sri Lanka is decidedly having its moment in the equatorial sun and change is coming swiftly. Already notable to intrepid travelers for its mix of religions and cultures, its timeless temples, its rich and accessible wildlife, its growing surf scene and its people who defy all odds by their welcome and friendliness after decades of civil conflict, this is a country revived. There's now more than ever for families, adrenaline junkies, eco-tourists, wellness seekers and foodies of all budgets. Even the north and east, including areas previously off limits, difficult to reach or lacking in services, deliver new discoveries.

—Lonely Planet



Watch Sri Lanka's tourism video here.

Open the camera on your mobile phone and scan the QR code displayed.

Watch Video

THE SRI LANKAN APPROACH



THE SRI LANKAN APPROACH



The values embodied in Sri Lanka's IT and BPM sector and the country's unique approach to delivery have been key reasons for Sri Lanka emerging as a leading hub for IT and BPM-related products and services.

Values

Approach

Innovation & Problem Solving

Priority and focus is centered around innovation, rather than pure product output and scale.

Creative & Flexible Approach

Creative solutions to industry issues with a flexible mindset.

Smaller Innovators

Innovators tend to be smaller, to foster creative solutions, sidestep bureaucracy and lengthy decision cycles.

Nimble & Agile

More pivot-friendly to develop optimal solutions.

Customer Relationships

Cultural tendency to place relationship at the forefront – creating open, and close relationships with stakeholders.

Warm & Hospitable

Creates a discussion and innovation-friendly environment among stakeholders.

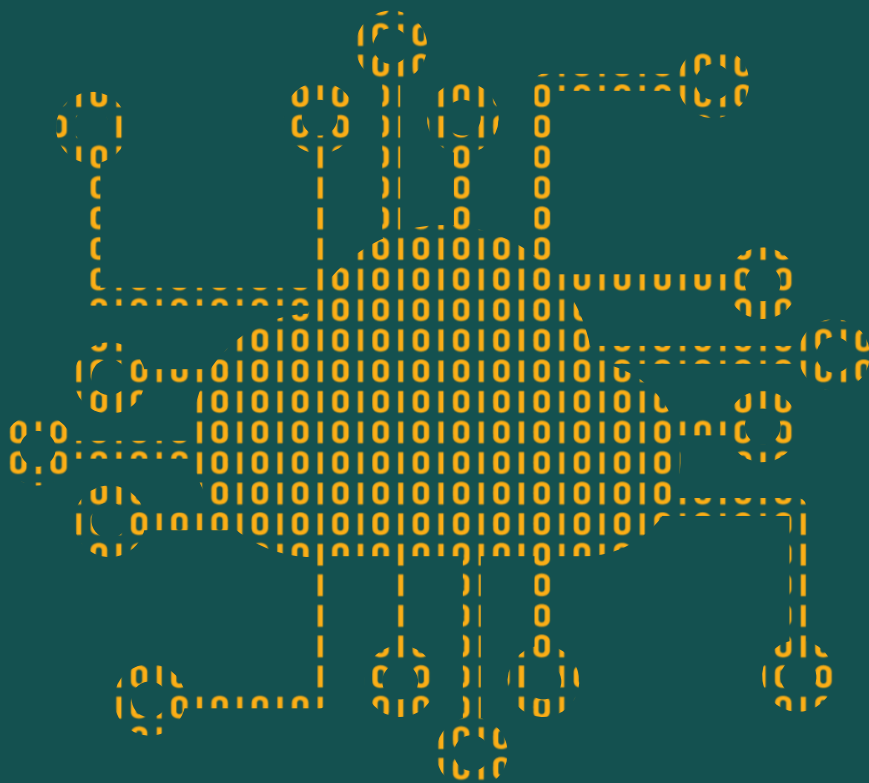
People Centered

People are valued above all else and are recognized as true assets within the organization.

High EQ & Pro Individuality

Fosters EQ development and provides a platform for innovators to make their voices heard.

YOUR OPPORTUNITY IN SRI LANKA



YOUR OPPORTUNITY IN SRI LANKA



Set up your "Captive Innovation Center"

An obsession with innovation and some of the most stringent intellectual property protection regimes in the region has meant that Sri Lanka has become a renowned destination for multinationals setting up captive innovation centers.

Sri Lanka has a vibrant startup ecosystem with coworking spaces, incubators, accelerators and entrepreneur mentoring programs, providing international giants with a myriad of opportunities to foster innovation and drive global success. Spearheaded by young entrepreneurs from diverse backgrounds spanning computer science, business management and engineering, the startup space is in a stage of expansion – with more than half of Sri Lanka's startups generating early or growing revenues.

Global powerhouses are already reaping the benefits of setting up innovation hubs in the country.

Sysco – Sysco LABS

Based in the US and serving over 425,000 restaurants, Sysco is the World's largest foodservice provider. The company's operations span four continents and its annual revenue exceeds USD 50 billion.

Sysco's vision to transform the global foodservice industry led to the acquisition of Sysco LABS – a Silicon Valley-based tech company formerly known as CAKE LABs, with its core engineering team in Colombo, Sri Lanka.

Sysco decided that Sysco LABS would be the ideal partner to take Sysco into the future of foodservice. Through Sysco LABS, Sysco is looking at ways to completely re-imagine the foodservice industry through innovation. Sysco LABS was already engaged in this through its ingenious restaurant technology platform CAKE, which was disrupting the restaurant customer relationship. But with Sysco's acquisition and the expansion of the engineering center in Colombo, Sysco LABS is now looking at every single interaction and touch point 'from farm to fork.'

The London Stock Exchange Group (LSEG) – LSEG Technology



In 2008, the London Stock Exchange Group (LSEG) – one of the world's oldest and largest stock exchanges by market capitalization – undertook an extensive international search to identify technologies that would transform the efficiency of their operations.

This search led to the discovery of Sri Lanka's LSEG Technology (formerly known as MillenniumIT). Not only did LSEG find LSEG Technology's offering to be the most superior solution – beating out global powerhouses such as NASDAQ – but it also led to LSEG buying the company outright in 2009.

Today, LSEG Technology is a part of the London Stock Exchange Group and has released several proprietary products into the market and boasts some 40+ international clients. Listed among the top three in their sector globally, LSEG Technology's products include the fastest trading platform in the world.

“It's all about finding creative solutions to problems in industries and building products that solve them. That is how you create billions of dollars in value in a short period of time.

—*Shanil Fernando,*
Managing Director Sri Lanka and
Senior Vice President, Sysco LABS



Digital Gateway to Asia

Sri Lanka's geo-strategic location makes the country an ideal destination to access emerging Asian markets.

Investors looking to enter large South Asian economies such as India, Pakistan, and Bangladesh have increasingly utilized Sri Lanka as a testing ground to gauge opportunities and utilize the territory as a management hub for the region.

Leveraging Sri Lanka as a test bed has provided global multinationals with many advantages spanning the identification of emerging opportunities in the region, familiarity with market nuances and understanding the cultural fit.

IFS AB



Sweden's IFS AB – a multinational enterprise software company generating ~USD 600 million in revenue – is present in Sri Lanka via a fully-fledged marketing, sales, consulting and support entity. IFS's largest R&D center outside Sweden is located in Sri Lanka and employs over 700 staff, with the country also being home to IFS's global support and training center.

IFS began its South Asian regional operations in Sri Lanka in 2002 and used the country to expand its presence to other South Asian countries such as Pakistan and Bangladesh. IFS' presence in Bangladesh commenced in 2005 with one of the largest web-based ERP implementation projects in the region, implemented primarily by Sri Lankan software engineers and consultants.

Dialog Axiata

The Dialog Axiata Group – a subsidiary of Malaysia's telecommunications giant, Axiata Group Berhad – recently showcased Sri Lanka's dominance as a regional telecommunications hub by demonstrating 5G technology for the first time in South Asia.

Dialog Axiata Group CEO Supun Weerasinghe said the 5G Innovation Center is another milestone in Dialog's Technology leadership as they prepare to commercially launch 5G, ahead of the rest of South Asia.

Dialog Axiata has consistently leveraged Sri Lanka over the years to test next generation technologies. In 2013, Dialog became the first service provider in South Asia to commence commercial operations of mobile 4G services. Following this, Dialog Broadband then launched 4.5G technology establishing yet another milestone in the region's broadband landscape.

“Above all, the strong cultural and friendship ties, and the wide acceptance to Sri Lanka as a fellow regional country has helped us a lot in setting our footprint in Bangladesh.

*—Shiraz Lye,
Managing Director and Vice President,
IFS South Asia*



Invest in Digital Disruptors

Sri Lanka has built a reputation for churning out world-class solutions for multi-billion dollar industries around the world. The country's deep niche skills and innovative culture has generated compelling investment opportunities for organizations and individuals looking to push the envelope and stay on the cutting edge of technology.

The country is leveraging its prowess in machine learning, artificial intelligence and big data analytics to disrupt traditional industries.

WSo2 – Toba Capital

Founded in 2005, WSo2 is a world-class open source integration vendor that helps global companies become integration agile. International brands currently execute over 5 trillion transactions annually using WSo2's integration technologies. In 2018, Gartner, Forrester and KuppingerCole named WSo2 market leaders in Integration, API Management and Identity & Access Management, respectively.



Driven by this impressive performance, WSo2 has received notable funding from global heavyweights over the years. In its most recent rounds of investment, WSo2 closed a USD 20 million funding round led by Pacific Controls, joined by Toba Capital. Prior to this, the company closed a USD 10 million funding round led by Toba Capital, joined by Cisco and Intel Capital in 2013.

Toba Capital – the California-based VC firm focused on enterprise software and infrastructure – is WSo2's majority shareholder, with Toba Capital founder, Vinny Smith, being executive chairman of WSo2.

Elovate – The Tavistock Group

The Tavistock Group – a multi-billion dollar international private investment organization – identified Sri Lanka's immense potential as one of the fastest growing technology markets and was quick to capitalize on this opportunity. In 2018, Tavistock formed the Elovate Group – a consortium of Sri Lankan companies providing end-to-end technological solutions across hardware, software, marketing and analytics.

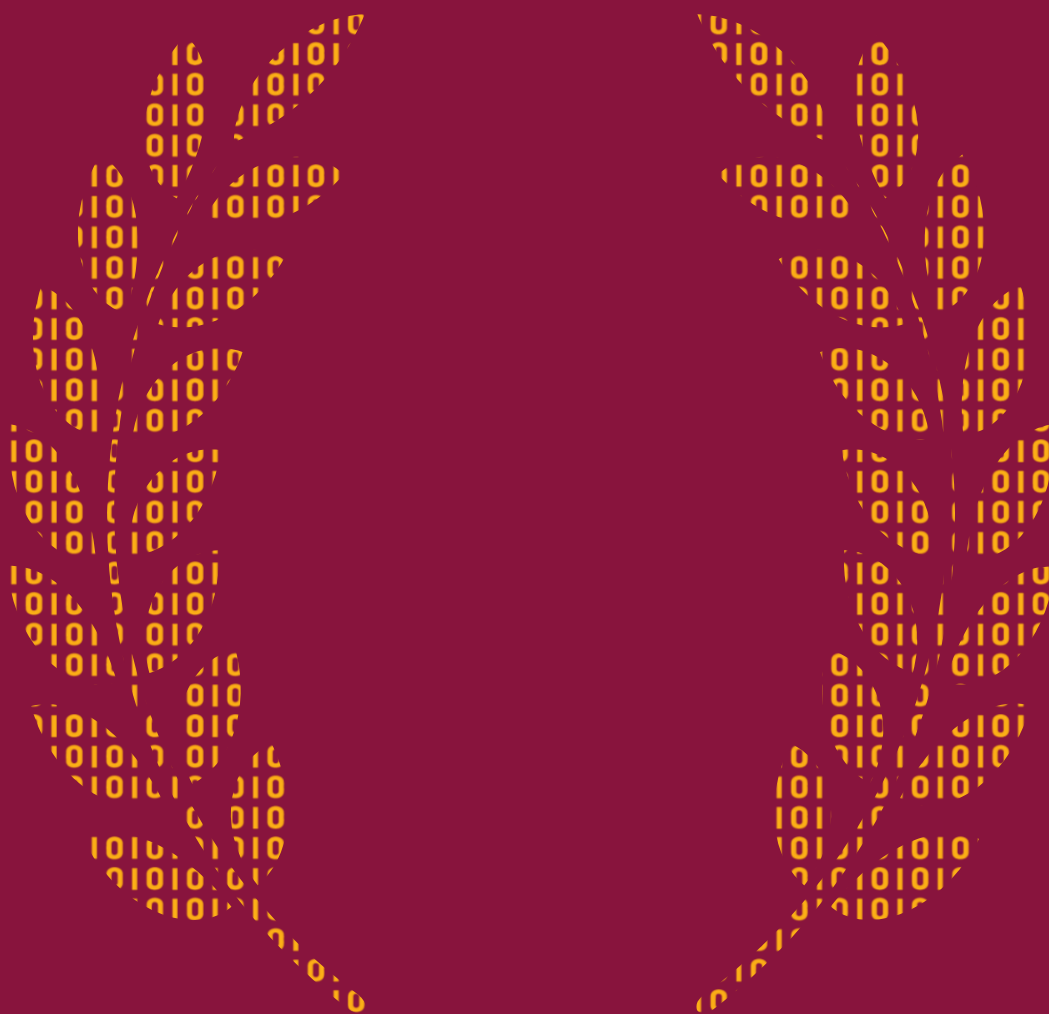
Having searched the world for exceptional talent in this space we believe that we have found something that is extraordinarily unique and valuable in the resources in Sri Lanka and we are excited to expose these to a global stage.

”

—Hayley Evans,
Executive Director, Elovate Group

Elovate Comprises of Atlas Labs, a sensor technology company; Pyxle International, a digital transformation and technology company; Trabeya, a data analytics and artificial intelligence company; and Surge Global, a digital marketing/media tech company. Tavistock has significantly expanded operations in Sri Lanka, going from just five employees to a team of 150 people. Through these acquisitions, the Tavistock Group will position Elovate to be a dynamic provider of exceptional solutions in the global technology space.

INDUSTRY ACCOLADES



INDUSTRY ACCOLADES



Over the years, Sri Lanka's rise to prominence as a global IT and BPM destination has been backed by a number of global industry accolades.

- ▶ **Newest Entrant to APAC Top 6**
Primary Countries for Outsourcing, Shared Services and Captives

- ▶ **14th Globally**
Global Services

- ▶ **16th Globally**
Global Services Location Index



- ▶ **Winner 2013 & 2014**
Offshoring Destination of the Year



- ▶ **3rd in South Asia**
Doing Business Ranking



- ▶ **Top 10 in Asia**
Network Readiness Index



- ▶ **2nd in South Asia**
Global Innovation Index

**For more information on the ICT/BPM industry
in Sri Lanka, please visit:**

www.islandofingenuity.com
www.srilankabusiness.com



Sri Lanka Export Development Board

NDB-EDB tower
No. 42, Nawam Mawatha, Colombo 02, Sri Lanka.

Tel: +94 112 300 723 | 2 300 700
Fax: +94 11 2 300 715
Email: ict@edb.gov.lk

Line Agencies

Telecommunication Regulatory Commission (TRC)

276, Elvitigala Mawatha,
Colombo 08, Sri Lanka.

Tel: +94 11 2689345
Fax: +94 11 2689341
dgtsl@trc.gov.lk
www.trc.gov.lk

Department of the Registrar of Companies

400, D R Wijewardena Mawatha,
Colombo 10, Sri Lanka.

Tel: +94 11 2689209
Fax: +94 11 2689211

Information & Telecommunication Technology Agency

160/24, Kirimandala Mawatha,
Colombo 05, Sri Lanka.

Tel: +94 11 2369100
Fax: +94 11 2369091
info@icta.lk
www.icta.lk

Department of Immigration and Emigration

"Suhurupaya", Sri Subhuthipura Road,
Battaramulla, Sri Lanka.

Tel: +94 11 5329000 *Hunting Line*
Fax: +94 11 2885358
controller@immigration.gov.lk
www.immigration.gov.lk

Sri Lanka Customs

40, Main Street, Colombo 11, Sri Lanka.

Tel: +94 11 2445147
Fax: +94 11 2446364
dgc@customs.gov.lk
www.customs.gov.lk

Department of Inland Revenue

No. 81, Sir Chiththampalam A. Gardinar
Mawatha, Colombo 02, Sri Lanka.

Tel: +94 11 3009355, 3009257
Fax: +94 11 2337777
www.ird.gov.lk

Sri Lanka Telecom (SLT)

Lotus Road, PO Box 503,
Colombo 01, Sri Lanka.

Tel: +94 11 2021000
Fax: +94 11 2440000
pr@slt.lk
www.slt.lk



www.islandofingenuity.com