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# Business Lanka

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## Quality
# A National Priority

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## WELCOME


**Quality, a national priority.**

**Sri Lanka focuses on ensuring quality in all its products, manufacturing processes and systems.**

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# Ayubowan!

**'Quality' is the theme of this issue of Business Lanka magazine. With Sri Lanka focusing on expanding its basket of exports, manufacturing of products that adhere to international standards is essential for the country. It is vital that products that circulate within Sri Lanka adhere to the required quality standards.**

In Sri Lanka, many organizations contribute to ensure that quality standards are adhered to not only in terms of products but also in systems and manufacturing processes. The National Quality Infrastructure includes three main institutions, namely; Sri Lanka Standards Institution (SLSI), the Sri Lanka Accreditation Board for Conformity Assessment (SLAB), and the Department of Measurement Units, Standards and Services (MUSSD). While organizations, such as ITI, support and contribute various technical services. The goal of Sri Lanka's National Quality Infrastructure (NQI) Strategy is to set quality-related functions on a course to provide high-performance services that allow small and medium-sized enterprises (SMEs), larger companies and exporters to comply with market requirements. It equally aims to build capacities, support the enforcement of Sri Lankan regulations, assist environmental sustainability, and ensure consumers are protected through access to quality and safe goods. Quality as a national priority has been addressed through the development of a comprehensive policy framework (the National Quality Policy), demonstrating Government commitment to establishing a modern NQI and accompanying governance structure.

This issue of Business Lanka features an interview with Santhush Woonjin Jeong, Ambassador of the Republic of Korea to Sri Lanka who emphasized on the various sectors of the bilateral partnership that spans across political, social, economic, development cooperation, and cultural spheres. The Chairman of the Sri Lanka Export Development Board, Suresh de Mel spoke on how he intends to steer the EDB in order to respond to the challenges faced by the country's exporter community in the wake of the COVID-19 pandemic. Dr Siddhika G Senaratne, Director General/CEO of SLSI focused on the importance of promoting standardization and quality control throughout all sectors of the economy. Chandrika Thilakaratne, Director/CEO of SLAB elaborated on the functions of the organization where SLAB assists the producers, exporters, regulators, and industry to obtain nationally and internationally recognized conformity assessment reports. Articles with the Industrial Technology Institute (ITI), National Plant Quarantine Service and the National Organic Control Unit of the EDB focus on the various services and facilities available for the Sri Lanka export community to ensure that quality standards are adhered to. CEYFLEX Rubber, Lalan Rubbers and Nelna Mangoes discuss the manner in which quality is prioritized in their processes to ensure that products manufactured meet the required international standards.

'Quality' has always been essential in all products and services that a country offers. It is important for Sri Lanka to have all policy and mechanisms in place to ensure that the country offers its best globally and domestically.

**Sri Lanka Export Development Board**

# Contents









BILATERAL RELATIONSHIPS

# Sri Lanka and South Korea 'Let's Stay Strong Together'

**The relationship between Sri Lanka and South Korea officially began in the year 1977. Since then, the two countries have grown in strength by maintaining a bilateral partnership based on mutual trust and respect. Santhush Woonjin Jeong, Ambassador of the Republic of Korea to Sri Lanka emphasized on the various sectors of the bilateral partnership that spans across political, social, economic, development cooperation, and cultural spheres.**

**Can you speak about the relationship between Sri Lanka and South Korea?**

The longstanding friendship between Korea and Sri Lanka was made official in 1977 when the diplomatic relationship between our two countries was established. Since then, we have come a long way together, and today, we maintain a cordial bilateral partnership based on mutual trust and respect, spanning diverse sectors, including the political, social, economic, development cooperation, and cultural fields. In fact, the Korean Government is making strong efforts to strengthen future-oriented bilateral ties with Sri Lanka. For example, the Korean Government chose Sri Lanka as one of Korea's priority ODA cooperation partner countries and we have been promoting various projects in the education, transportation, water resources, sanitation, and regional development fields in Sri Lanka. On the other hand, Sri Lankan youth have shown great interest in working in Korea. Many young Sri Lankan people employed in Korea have contributed significantly to the economic advancement of both countries. They also play an important role in promoting people-to-people exchanges between our two countries.

**South Korea is known as one of the most innovative countries in the world. Can you elaborate on this?**

According to the Bloomberg Innovation Index, Korea tops the list of the world's most innovative countries in 2020. Since the annual index was first published in 2013, Korea has made it to the top seven times except for one year. The most significant asset of Korea has been our human resources; therefore, the Government heavily invested in developing the skills of the people and promoting technological innovation. As a result, South Korea is one of the countries with the fastest average internet connections globally. The mobile industries and tech industries such as Samsung, Hyundai, SK Holdings, and LG Electronics have emerged as top contributors to the Korean economy today.

**Science and technology are the pillars of the South Korean economy. What was the thinking behind the strategy?**

The strength behind the Korean economy has always been the Korean people. They are highly motivated and driven to pursue science in order to develop products, which can be competitive in the international market. With the dawn of the fourth industrial revolution, Korea focused on technological innovations, which adds social value and caters to modern needs.

**What are the lessons that Sri Lanka can learn from South Korea in terms of industrial development?**

Santhush Woonjin Jeong, Ambassador of the Republic of Korea to Sri Lanka.

Investment in human resources and creating a highly-skilled workforce has led the transition of the South Korean economy from a resource-poor nation to a high-income nation.

Sri Lanka is a hub for smart and high-quality human resources with rich natural resources, which complement the state-of-the-art technology and capital available in South Korea. This combination creates the perfect synergy for both countries to further business potential. As a true friend, Korea would like to share the technological know-how and resources to help Sri Lanka achieve the so-called Miracle on Kelani River like the Miracle on Han River.

**What are the South Korean businesses in Sri Lanka? Will there be new investments in the future?**

**Korean investments in Sri Lanka have contributed immeasurably to the promotion of bilateral relationships and the elevation of the economies of both countries. In the early 1990s, Korea was the biggest foreign investment partner of Sri Lanka.**

Korean investments in Sri Lanka have contributed immeasurably to the promotion of bilateral relationships and the elevation of the economies of both countries. In the early 1990s, Korea was the biggest foreign investment partner of Sri Lanka. Today, Korean investors in various industries, including the ceramic industry and apparel industry, play a significant role in developing two-way trade and investment in ways that benefit our countries.

In my capacity as Ambassador, I encourage Korean investors to explore more opportunities in Sri Lanka, especially in sectors such as agriculture, renewable energy, LNG, infrastructure, and the digital economy.

**Can you speak about the trade relationship between the two countries as well?**

When it comes to Sri Lankan exports to South Korea, such as apparel, leather products, fabric, and agricultural items, they make a major contribution to the South Korean economy. In 2020, the volume of exports from Sri Lanka to Korea had increased from USD 100 million in 2019 to USD 110 million in 2020. This increase is an exceptional case amidst the world experiencing an economic depression due to the COVID-19 pandemic.

Among Sri Lankan exports, Sri Lankan tea is very popular among Koreans for its high quality and distinct taste. I enjoy several cups of Sri Lankan tea every day. We have to increase the trade volume itself in the near future.

**South Korea is a development partner for Sri Lanka. Can you elaborate on this?**

Even though Sri Lanka was promoted to an upper middle-income country by the World Bank in July 2019, Korea still considers Sri Lanka as a priority Official Development Assistance (ODA) cooperation partner country as well as one of the top five nations to benefit from its Economic Development Cooperation Fund (EDCF). Sri Lanka is so precious to Korea; the investment in various ODA projects and grants benefitting Sri Lanka since 1987 exceeds USD one billion.

The Sri Lanka office of the Korea International Cooperation Agency (KOICA) has assisted and funded projects in education, transportation, water resources, sanitation, and regional development.

This year, the Korean Government decided to include Sri Lanka as a priority partner country from 2021-2025.

**Can you elaborate on the "Stay Strong" Campaign? How did it strengthen our relations during a global public health crisis?**

In terms of diplomatic ties between Korea and Sri Lanka, I can say that our relations have become stronger and closer despite the ongoing pandemic. Under the "Stay Strong" campaign, which is a public diplomatic initiative by the Korean Government, Korea and Sri Lanka have been strengthening Anti-Covid collaboration with each other. Recently, Namal Rajapaksa, Minister of Youth and Sports, joined the "Stay Strong" campaign by sharing posts on his social media handles such as Twitter and Facebook.

On December 8, 2020, the Government of the Republic of Korea donated COVID-19 test kits amounting to the sum of USD 300,000 to contain and control COVID-19. The Korean Embassy in Sri Lanka has shown its thankfulness by donating re-usable fabric masks to the Sri Lanka Army and Police who have dedicated themselves to protecting people in Sri Lanka, including Korean residents, amid COVID-19. The Seoul Metropolitan Government provided Anti-COVID face masks to their sister-municipality Colombo Municipal Council as a goodwill gesture to deter COVID-19 here in Sri Lanka.

The engagement in labor cooperation has also been commendable in recent years. Since the COVID-19 outbreak, the process of departure to Korea for employment has been suspended. However, the Korean Government resumed the process of accepting the re-entry of workers from a small number of countries, including Sri Lanka, amid the pandemic. In September 2020, I invited the first batch of Sri Lankan migrant workers

**From 2021, the Korean language is officially adopted as a foreign language for an advanced level curriculum by the Ministry of Education in Sri Lanka. It will be a leap forward to elevate our bilateral relations.**

who were going to the Republic of Korea post COVID-19 to express my appreciation for their contribution to uplift both countries' economies. I hope to strengthen the public health cooperation in the following year as well.

**Going forward, can you speak about the continuity of the relationship between Sri Lanka and South Korea?**

Since 1977, the relationship between our two countries has been robust, and we are truly good friends to each other. The neutral and Asia-centric foreign policy of Sri Lanka is in harmony with Seoul's 'New Southern policy', which creates the ideal conditions to bring our countries closer together. Last year, in celebration of the 43rd anniversary of our diplomatic ties, the Embassy organized Korea week to promote our cultural ties and broadening the interests' Sri Lankans display for the Korean language, music, cinema, and food. It is heartening to see that many Sri Lankan people are enthusiastic about learning about Korea and its culture. As I have observed such a great response to K-pop, I hope to promote many more K-pop events in Sri Lanka in 2021.

2021 is a significant year for Korea-Sri Lanka bilateral relations. In March, the Embassy hosted the awards ceremony of the Ambassador's Cup Taekwondo Championship. Many athletes were recognized for their talents in Taekwondo.

From 2021, the Korean language is officially adopted as a foreign language for an advanced level curriculum by the Ministry of Education in Sri Lanka. It will be a leap forward to elevate our bilateral relations.

**What has been your experience in Sri Lanka?**


Sri Lanka is a beautiful country with highly skilled human resources. Given the huge opportunities offered by the rising Sri Lankan economy and the talent of the Korean and Sri Lankan people, the scope for beneficial collaboration is infinite. South Korea is a true and reliable friend of Sri Lanka, and will continue to stand by Sri Lankans in their journey to achieve national development goals.

I arrived in Sri Lanka last July as the Ambassador of the Republic of Korea to Sri Lanka. Once I arrived in this beautiful country, I wanted to embrace the true essence of Sri Lanka by making it my home during my tenure.

My Korean name 'Woonjin' means happiness and when I was seeking an equivalent in Sinhala, I learned that 'Santhush' is used to describe happiness. I decided that it's the most suitable name I can adopt because Sri Lanka brings me immense happiness. I'd like to carry happiness ('Santhush') to Sri Lanka. Therefore, I want people to know me as Ambassador Santhush Woonjin Jeong.

I love Sri Lanka; I love the Sri Lankan people. I am not only the Ambassador of the Republic of Korea, but I'm also the Ambassador to Sri Lanka. Like the meaning of my name, I wish to bring much happiness to Sri Lanka. I look forward to working closely with you to achieve our common goals. Let's stay strong together! BL

**Sri Lanka is a beautiful country with highly skilled human resources. Given the huge opportunities offered by the rising Sri Lankan economy and the talent of the Korean and Sri Lankan people, the scope for beneficial collaboration is infinite. South Korea is a true and reliable friend of Sri Lanka, and will continue to stand by Sri Lankans in their journey to achieve national development goals.**

Suresh de Mel, Chairman of the Sri Lanka Export Development Board (EDB).

VISION

# Becoming Market Oriented in Challenging Times

**Suresh de Mel was appointed as Chairman of the Sri Lanka Export Development Board (EDB) last December. He is a successful and accomplished entrepreneur and is the Managing Director of Lanka Fishing Flies, which is a pioneering manufacturer of hand-tied fishing flies that are exported worldwide. De Mel has a Bachelor of Science degree from California Polytechnic State University – USA, and worked in the US as an Agricultural and Environmental Engineer for ten years before returning to Sri Lanka in 1990 to develop Lanka Fishing Flies, which was established by his father with an American partner in 1980. He serves on several boards and committees – Government and Non-Government that focus on development and promotion of regional SMEs, entrepreneurship, vocational training, labor relations, responsible tourism, sustainable agriculture, and exports.**

**The newly appointed EDB Chief shared his views and ideas about how he intends to steer the EDB in order to successfully respond to the challenges faced by the country's exporter community in the wake of the COVID-19 pandemic.**

**How do you look forward to the challenge of heading the EDB at a time when the world is confronted by a pandemic?**

I like challenges because it gives me an opportunity to think out of the box. If there was no pandemic, then people would have stayed normal without looking for changes. But now with the pandemic over the last year, there had been an unprecedented disruption in the history of the world. Therefore, the only solution to overcome this challenge is to be different in the way we do things. This pandemic is quite unique in the sense it evolves continuously with numerous waves and different variants of the virus itself. Nobody even knows how far the vaccine is going to be successful. So there is a tremendous amount of uncertainty, which had not been observed before in our life time. Hence, in order to manage this uncertainty you have to think out of the box. You cannot use the same solutions you used in the past to solve the current problems. Going forward, we need to come up with novel ideas to develop the country's exports. That requires us to look out for new product sectors and new markets. The biggest responsibility of the EDB at

this particular juncture is to be market-oriented. Because the data we have about the market has also changed after COVID. Some new product sectors have emerged subsequent to COVID such as pharmaceuticals, health food, and personal protective equipment (PPE products). So those are the challenges I look forward to as opportunities for the Export Development Board.

**What is your assessment of the performance of Sri Lanka's exports last year?**

In spite of a crisis like COVID, Sri Lanka's export sector proved its resilience by successfully responding to the challenges created by the pandemic. Our merchandize exports earned USD 9.9 billion in 2020, which was higher than the revised export target of USD 9.5 billion. Although most categories of export products witnessed declines during last year compared to 2019, coconut and coconut-based products (USD 664.54 million) spices and concentrates (USD 335.47 million) and other export crops (USD 67.59 million) recorded positive growth rates during the period. At the disaggregate level, industrial and surgical gloves of rubber, coconut oil, coconut milk powder, activated carbon, cinnamon, pepper, essential oils, ginger, processed vegetables, fruits and juices, sugar confectionery and bakery products, other plastic products, and petroleum gases showed year-on-year gains. In a noteworthy development, earnings from export of PPE-related products increased by 47.42 percent to USD 876.44 million in 2020 from USD 600.45 million in the previous year.

**In spite of a crisis like COVID, Sri Lanka's export sector proved its resilience by successfully responding to the challenges created by the pandemic. Our merchandize exports earned USD 9.9 billion in 2020, which was higher than the revised export target of USD 9.5 billion.**

**How did the EDB assist the nation's exporters during the COVID?**

The EDB played a pivotal role in enabling the exporter community to restart its operations in the midst of a nationwide lockdown, which was imposed during last March. During that difficult period, the EDB officers worked tirelessly to help the exporters to resume the business processes through facilitating of logistical and other arrangements such as obtaining export certifications, licenses, and curfew passes. Due to those efforts, most of the factories became operational in April and May. A 24-hour helpline/help desk was established to facilitate all queries and provide quick assistance, latest information concerning procedural changes, guidelines, and announcements.

The EDB made interventions to facilitate cargo movements during the limited cargo operations carried out throughout the lockdown period in coordination with Customs, Ports Authority, the Department of Commerce, the Presidential Task Force, and the Department of Police. We also maintained a close coordination with the Sri Lanka Missions overseas by organizing weekly meetings with the Foreign Ministry to share quick intelligence reports with exporters on the new opportunities, market alerts and product updates of Sri Lanka. Furthermore, information on relaxing regulations, new procedures adapted by the EU, SAARC countries and product inquiries received from missions were shared quickly with sector associations, exporters and through the EDB's specially designed COVID-related web page. We also took a special effort to facilitate essential raw materials for certified export orders by establishing an online mechanism to submit applications.

I myself as an exporter greatly benefitted from the assistance

given by the EDB to exporters when the country was locked down last year. I could recall at that time the EDB gave me a letter enabling me to get a curfew permit within 24 hours, which allowed me to start my factory. Likewise, many exporters personally told me that they received a considerable amount of assistance from the EDB during the first wave of COVID to restart their operations.

**Sri Lanka's exports are heavily reliant on a few key markets and a small number of commodities. How does the EDB plan to diversify the country's export basket while developing new markets?**

It is extremely important to diversify our export basket and explore new markets without staying in a comfort zone. We must use this COVID pandemic as a reason to pursue that approach vigorously. There is a huge demand worldwide for organic food, super food, and healthy food as consumers are becoming increasingly health-conscious. I think Sri Lanka is well placed to capitalize on these trends, as the present Government under the vision of His Excellency President Gotabaya Rajapaksa has placed an enormous thrust on the agricultural sector. The EDB is also actively promoting six thrust sectors – boat building, food and beverages, electronic and electrical components, spices and concentrates, ICT/BPM, and wellness tourism as per the National Export Strategy (2018-22) in order to accelerate the diversification of the export basket, which is currently predominated by tea and apparel.

**What is the progress of the National Export Strategy (2018 -22)?**

The National Export Strategy (NES) aims to empower the emergence of new champions while supporting the growth of traditional export industries by addressing supply and demand-side bottlenecks identified during the stakeholder consultations. The projects implemented under NES

**The present Government under the vision of His Excellency President Gotabaya Rajapaksa has placed an enormous thrust on the agricultural sector. The EDB is also actively promoting six thrust sectors – boat building, food and beverages, electronic and electrical components, spices and concentrates, ICT/BPM, and wellness tourism as per the National Export Strategy (2018-22)...**

support a wide array of thematic areas, including policy and regulatory reforms for Sri Lanka, branding and promotion for domestic exporters, and SME and exporter capacity development.

Since the launch of the NES in 2018, out of the 337 identified activities by the stakeholders, 166 have either been fully implemented or in the process of being implemented – which indicates a 50 percent performance rate. The treasury has spent a substantial amount of budget for NES project implementation across over 47 lead implementing agencies during this period for operational activities of the projects.

**What are the major changes you intend to introduce to the EDB?**

In terms of major changes, I intend to encourage everybody at the EDB to think out of the box.

Furthermore, like in the private sector, I am going to introduce a strong emphasis on performance monitoring, with every employee being given Key Performance Indicators (KPIs) to achieve. Also, I want the EDB to work closely with district and regional chambers with regard to supporting small and medium-size exporters and regional enterprises.

**I am going to introduce a strong emphasis on performance monitoring, with every employee being given Key Performance Indicators (KPIs) to achieve. Also, I want the EDB to work closely with district and regional chambers with regard to supporting small and medium-size exporters and regional enterprises.**

**How much of support do you receive from other trade-related government agencies in undertaking the EDB's activities?**

The EDB receives a lot of support from other trade-related government departments and agencies in carrying out its duties. Particularly, to conduct the Exporters' Forum, which is a common platform to discuss and resolve the issues faced by the exporter community in Sri Lanka, in order to facilitate exporters to overcome constraints arising from policy and operational issues with regard to cross-border trade. The forum is held once in every two months and it brings all government agencies related to international trade to a common platform to provide solutions to the issues faced by the exporter community. I must also mention that we got a lot of assistance from the Department of Police, Department of Health, Sri Lanka Customs, Sri Lanka Port Authority, Department of Commerce, BOI, Airport and Aviation Services Limited, and SriLankan Airlines during this pandemic period to assist exporters to restart their operations and resolve their cargo-related issues. We always maintain a close relationship with other government agencies through our advisory committees.

**Can you share your success as an entrepreneur with our readers?**

I think the key reason behind my success as an entrepreneur was my ability to understand the requirement of the market correctly. Our company, which exports fishing flies was started 40 years ago by my father with a partner in the US. Once I came to know about the formation of this business, in order to understand what the market wants, I myself started going fishing as I was in the US those days. I also never missed an opportunity to visit trade shows and was constantly speaking with fishermen and shops about their needs.

So when I came back to Sri Lanka in 1990, I was fully acquainted with the market expectations, which enabled me to grow our company significantly from 90 workers to 400 workers within a span of 15 years. We

followed a niche marketing strategy by producing high-quality fishing flies, which was something novel at that time. For 40 years, we have dominated the fly fishing market in the US. We managed to achieve that feat by continuously responding to the changes in the market. As I was supplying to a niche market, I even managed to maintain close personal relationships with my customers.

I think for a country like Sri Lanka that is the appropriate strategy to pursue in terms of exports.

**What are your expectations for the country's exports in the post-COVID future?**

As part of His Excellency President Gotabaya Rajapaksa's policy manifesto – Vistas of Splendor and Prosperity – a great emphasis is placed on developing agriculture and promoting SMEs. I believe there is a great potential for us to increase value addition in our agricultural exports.

We must make a concerted effort to reduce post-harvest losses in fruit and vegetable production. We also need to improve our storage handling, transport facilities, and increase value addition as far as possible in industrial and agricultural exports.

We must give special attention to develop certified, organic agricultural products. The EDB's National Organic Control Unit will play a pivotal role over the coming years in this regard.

I also want Sri Lanka to be recognized as a country, which supplies pure, single-origin, high-quality spices, and other agricultural products.

**We must give special attention to develop certified, organic agricultural products. The EDB's National Organic Control Unit will play a pivotal role over the coming years in this regard.**

**Interviewed by: Asela Gunawardena**
Photography: Sanath Jayawardana
Sri Lanka Export Development Board

NATIONAL QUALITY INFRASTRUCTURE

# Elevating the stature of Sri Lanka's exports through improved National Quality Infrastructure

**The goal of Sri Lanka's National Quality Infrastructure (NQI) strategy is to set quality-related functions on a course to provide high-performance services that allow small and medium-sized enterprises (SMEs), larger companies, and exporters to comply with market requirements. It equally aims to build capacities, support the enforcement of Sri Lankan regulations, assist environmental sustainability, and ensure consumers are protected through access to quality and safe goods.**



Above: Sri Lanka has all the necessary institutions that form the basis of an NQI.

**Sri Lanka's NQI has been developing progressively for many years and has established the main functions required to operate and be internationally recognized through multilateral agreements.**

The NQI Strategy originates from the need to implement the National Quality Policy (NQP) of Sri Lanka. All key NQI institutions, private sector, relevant Government institutions and civil society (representatives from universities and technical and vocational education and training institutions) were involved in the consultative and inclusive design process to ensure the final document reflects their diverse ambitions and is fully implementable for the benefit of Sri Lanka.

This Strategy builds upon the findings of an NQI gap assessment, corresponds to a broader vision for the long-term improvement of the quality function. It defines a precise five-year implementation road map (action plan). This NQI Strategy was designed in conjunction with the National Export Strategy (NES) of Sri Lanka.

Sri Lanka's NQI has been developing progressively for many years and has established the main functions required to operate and be internationally recognized through multilateral agreements.

Sri Lanka has all the necessary institutions that form the basis of an NQI: the National Metrology Institute (NMI) of Sri Lanka handles industrial, legal, and scientific metrology; the Sri Lanka Standards Institution (SLSI), which formulates standards for Sri Lankan products in line with international standards; and the Sri Lanka Accreditation Board (SLAB), which is the national accreditation body of Sri Lanka. In close coordination with Conformity Assessment Bodies (CABs), these core institutions have been protecting Sri Lankan consumers and ensuring compliance of Sri Lankan exports.

Quality as a national priority has been addressed by developing a comprehensive policy framework (the NQP), demonstrating Government commitment to establishing a modern NQI and accompanying governance structure.

**The following represent the main focus areas of the NQI Strategy:**

- Reinforce overall institutional coordination in the NQI
- Revise the legal framework and initiate the development of regulatory impact analysis and an umbrella legal framework for the NQI
- Strengthen managerial and technical capacities of NQI core institutions in line with international best practice
- Strengthen and broaden conformity assessment services in Sri Lanka with international recognition

**Sri Lanka has aspirations to become a middle-high income country by 2025 by having a highly competitive economy with diverse products and services for local requirements and export markets.**

- Broaden and coordinate the metrology function
- Promote the participation of national technical institutions (SLSI, SLAB, MUSSD) in international technical forums
- Develop national standards in line with newly developing economic sectors
- Streamline food safety control in Sri Lanka
- Build awareness and understanding about quality in the private sector and the general public

The strengthening of these strategic points will ensure that the NQI works efficiently to raise the bar of quality, safety, and environmental protection in Sri Lanka.

**The benefits of the NQI Strategy**

Sri Lanka has aspirations to become a middle-high income country by 2025 by having a highly competitive economy with diverse products and services for local requirements and export markets. An increase in export revenue will only occur by consolidating Sri Lanka's market hold in existing markets and venturing into and establishing itself in newer markets through new, high value-added, and diversified products and services.

Sri Lanka's ambition of becoming South Asia's next regional Trade Hub is therefore, anchored to many national development programs including the implementation of 'The NQI Strategy'.

For Sri Lankan goods and services to maintain their current market hold amid increased regional competition, Sri Lankan products and services must be synonymous with high quality and safety and compliance with international regulations and standards. A strengthened NQI has the potential to boost the standing of Sri Lankan goods and services and an enabling environment for SMEs in managing requirements of local and international markets, thereby boosting Sri Lanka's rural economies.

For Sri Lanka to be recognized as a regional Trade Hub by 2025, the NQI Strategy has identified three priority

areas. These include a focus on policy, legal framework and regulatory issues, supply-side issues, and demand-side issues. Therefore, the Strategy outlines that NQI related policy and regulatory frameworks need to be updated, capacity building needs to be set up, and staff with expertise in NQI development are trained and deployed to implement the plan of action.

A focused intervention in these strategic issues will ensure that the NQI works smoothly to increase the quality, safety, and environmental protection in Sri Lanka. As such, stakeholders of the Sri Lankan NQI have agreed to the vision statement 'A national quality infrastructure at the service of socio-economic development in Sri Lanka'. Adherence and support to this vision and strategic approach will pave the way for a well-established and dynamic NQI in Sri Lanka.

**Sri Lanka's ambition of becoming South Asia's next regional Trade Hub is therefore, anchored to many national development programs including the implementation of 'The NQI Strategy'.**

The NQI has identified three strategic objectives. These are to implement the National Quality Policy and the National Quality Council (NQC) as the monitoring body of the NQI, to promote recognition of Sri Lanka's NQI system and foster a culture of national quality consciousness while improving the provision of NQI services to all Sri Lankans.

**How would an NQC benefit Sri Lanka?**

Spearheaded by the Ministry of Science, Technology, and Research, the NQC will be established under the Office of His Excellency the President of Sri Lanka. The main objective is to provide direction and guidance to implement the NQP. The establishment of such a coordination and oversight body for all NQI institutions in Sri Lanka will increase the efficiency and effectiveness of existing NQI entities. The NQC will facilitate developing a strong foundation for quality assurance of products and services for domestic and export markets.

**NQI Organizations will include:**

(I) Sri Lanka Standards Institution (SLSI)
(II) Measurements Units Standards and Services Department (MUSSD)
(III) Sri Lanka Accreditation Board for Conformity Assessment (SLAB)
(IV) Regulatory Bodies/ Authorities responsible for the implementation of Technical Regulations
(V) Conformity Assessment Bodies (includes state and private sector; testing, inspection, and certification bodies)
Technical Regulations, in this context, include all regulations impacting health, safety, quality of imports and exports, consumer protection, and protection of the environment. Under the provisions of an NQC Act, the Council would be able to:
(1) Provide policy direction to the Government of Sri Lanka to promote quality concepts, raise quality consciousness and inoculate a quality culture among all sectors of the economy.
(2) Provide policy directions and guidance to the Government of Sri Lanka, and relevant NQI organizations on strategic planning and monitoring activities of the NQI Strategy
(3) Provide guidance to the NQI organizations to streamline, upgrade and strengthen their capacities to deliver quality-related services by gaining wider international recognition. Established under the Presidential Secretariat, with a strong governance structure and adequate financial resources, the NQC will be headed by a senior

Sri Lanka's National Quality Infrastructure strategy aims to build capacities, support the enforcement of Sri Lankan regulations, assist environmental sustainability, and ensure consumers are protected through access to quality and safe goods.

**Sri Lanka has efficient surveillance and monitoring systems. Adopting RIA and drafting an umbrella law to define the whole NQI, its institutions, and interactions will help create effective, transparent, and implementable regulations.**

Presidential nominee and the input of members from core line Ministries, statutory bodies, and representatives from Chambers.

**Benefits to the Sri Lankan economy and consumers:**

- Protecting the domestic market, consumers, environment, safety, and health in Sri Lanka – strengthened and well-delivered NQI services will ensure the domestic market's protection and Sri Lankan consumers' health and safety, and the environment, which results in socioeconomic development. Strengthened NQI services ensure that products and manufacturing processes meet international quality requirements and ensure that only safe products reach domestic consumers. Improved NQI services will assist the provision of cleaner water and safer food and products for Sri Lanka. There will be accurate diagnostics by health care services and less accidents due to unsafe products. Improved services and competition in providing these services will reduce compliance costs in production processes and create a quality culture. The risk of fraudulent products not meeting the domestic market's standard requirements will be minimized, thereby building trust in trade practices among consumers.

- A state with better capacities to assess risks and enforce regulation – institutional and legal framework improvement will ensure that Sri Lanka has efficient surveillance and monitoring systems. Adopting RIA and drafting an umbrella law to define the whole NQI, its institutions, and interactions will help create effective, transparent, and implementable regulations. This will give Sri Lanka more capacity to enforce regulations under one coherent institutional framework

**Business in Sri Lanka to have a level playing field private sector investment in national quality services is paramount for the NQI to develop. SMEs that can increase the export capacity of Sri Lanka need the services of CABs, which are mainly supported by the private sector.**

and encourage industries to comply easily with standards. National quality institutes will enhance institutional coordination and thereby be enabled to respond quickly to emerging demands and correctly enforce regulations. The state can prioritize higher-risk categories and focus its resources on those areas so the general public can benefit from the regulatory mechanism.

- Business in Sri Lanka to have a level playing field private sector investment in national quality services is paramount for the NQI to develop. SMEs that can increase the export capacity of Sri Lanka need the services of CABs, which are mainly supported by the private sector. Developing the capacity and international recognition of private CABs through accreditation and assistance, from tax concessions or subsidies to demand, will help SMEs access NQI services at a reasonable price. On a leveled playing field, private CABs will have the confidence to invest in developing their capacities, and SMEs will have increased availably of services.

- Increased export performance – NQI development will protect the domestic market and lead to higher export performance. Exporters will be able to provide quality-compliant products and services at an affordable cost. This, as a result, will contribute to Sri Lankan exporters responding to increasingly stringent market requirements. Obtaining internationally recognized certification for organic products and Geographical Indication for authentic Sri Lankan products such as cinnamon and Ceylon tea will increase value addition by Sri Lankan exporters.

**Initiatives to improve the NQI under the EU-Sri Lanka Trade-Related Assistance Project 2017–2021**

With UNIDO's support, SMEs in the spices and concentrates, processed food, and beverages sector entered 16 new markets in the EU, Asia-Pacific, and America. 2,000 SMEs and 400 extension officers were trained on Food Safety and Quality (FSQ) assurance best practices and bespoke technical guidance to holistically strengthen enterprise performance was delivered to 101 SMEs; a third of them are now certified against international FSQ standards. Three practical handbooks on food safety, quality, packaging, and an Exporter's Guide are available as reference materials for SMEs targeting export markets.

4,000 trainees from NQI institutions and conformity assessment bodies (CAB) have been capacitated to elevate service provision to the sector. To effect institutional coordination across the NQI system, UNIDO supported the NQI Strategy development, an action plan for the National Quality Policy, and laid the National Quality Council's operational foundations. UNIDO delivered bespoke technical guidance towards accreditation of 24 CABs that are now ready to provide 198 new conformity assessment services, 36 of those calibration services, accredited by the Sri Lanka Accreditation Board.

The Asia Pacific Metrology Program, a regional metrology organization, approved the Measurement Units, Standards, and Services Department's quality management system as compliant with international standards. The Industrial Technology Institute is to launch Sri Lanka's first national packaging testing center this quarter.

The pinnacle of the Ceylon Cinnamon Geographical Indication Association's collective efforts, founded with UNIDO's support, is the prospective international and local registration of geographical indication (GI) for Ceylon Cinnamon in the EU and Sri Lanka. To prepare upstream actors for higher-level quality compliance, 800+ cinnamon processing technicians have been trained at the Cinnamon Training Academy (CTA) within the National Vocational Qualification framework, an international occupational standard scheme CTA has become accredited for; a cinnamon processing center has also been established there with project support.

To fortify the legal and institutional framework for food safety, UNIDO proposed modernizations to primary and secondary legislation for adoption and delivered an analysis to substantiate public health and commercial benefits of reform to stakeholders in the food control system.

**Asela Gunawardena,**
Sri Lanka Export Development Board.

STANDARDS

# Sri Lanka Standards Institution
# Ensuring Quality

**As Sri Lanka moves towards consolidating its presence in the local and overseas markets by developing manufacturing, the stakes remain high as it underscores the necessity to make its products and services competitive in terms of high quality and safety and compliance with international standards and regulations. Sri Lanka Standards Institution (SLSI) being brought under the function of the President for the first time is a sign of strong commitment towards realizing the objectives of the Government's national policy for development by embracing the need for strict adherence and commitment to standardization and quality, so that Sri Lanka's products and services reach their optimal potential.**

SLSI updates and reviews standards while keeping pace with advancement in technology.

**Regarded as the guardian of quality in Sri Lanka, the Sri Lanka Standards Institution (SLSI) is the nation's premier State institution entrusted with enriching the quality of life of the people by enforcing standardization and improvement in quality.**

Dr Siddhika G Senaratne,
Director General/CEO,
Sri Lanka Standards Institution.

Regarded as the guardian of quality in Sri Lanka, the Sri Lanka Standards Institution (SLSI) is the nation's premier State institution entrusted with enriching the quality of life of the people by enforcing standardization and improvement in quality. Since its inception in 1964 as the Bureau of Ceylon Standards, the SLSI today is poised to reach greater heights in service delivery as it is coming directly under the purview of President Gotabaya Rajapaksa. Through the President's stewardship and guidance, the quality standards of our basket of exports will receive dependable and improved and timely certifications that would ultimately bear upon the export sector in a very positive way.

As we move ahead with new plans for development and enhancement, our mission has and will remain resolute – to promote standardization and quality control throughout all sectors of the economy, with special reference to industry and commerce.

As is common knowledge among industry players and stakeholders, the main function of the SLSI is to formulate standards – on a national and international basis; and armed with these standards, the SLSI is empowered to guide the quality standards throughout the entire economy. Standards are indeed a powerful tool that can prevent inferior goods from reaching the market and the consumer. The SLSI has the authority to direct businesses to re-export or re-import a product that fails the test of quality as stipulated by the national standards body, a formidable responsibility that ensures that Sri Lanka consumes and uses products of quality.

The work of the SLSI is carried out by several important divisions that are in charge of dealing with enforcing standards in the various sectors in the economy. Its services include the formulation of National Standards, product certification, laboratory services, import and export inspections, systems certification, training and information and the Sri Lanka National Quality Awards.

The Product Certification Scheme or the SLS mark that is displayed on consumables and non-consumables is a certification of the quality of products as per the national standards according to the regulation enforced by the Consumer Affairs Authority. The SLS mark is an important sign of quality, safety and security of a product; moreover it allows consumers to differentiate the products with the SLS mark and ensures that they are not purchasing a substandard product. Purchasing a product with the SLS mark is indeed a fillip and an indication of intelligent consumer behavior. In addition, under this Scheme, the SLSI provides Energy Efficiency Labelling of Electrical Appliances, Energy Efficiency Star Rating and Organic Certification.

Two important inspection schemes for import and export goods is executed by the Quality Assurance Division of the SLSI, namely the Import Inspection Scheme and the Pre-Export Quality Certification Scheme.

The Import Inspection Scheme ensures that imports comply with quality as per the national standards according to the regulation enforced by the Import and Export Controller. As of now, there are 122 items in the Import Inspection Scheme; samples of products that arrive at the port are inspected in order to determine conformity with stipulated standards

**Enhancing the quality of exports is the objective of the System Certification Scheme implemented by the System Certification Division, which operates the Management System Certification schemes pertaining to ISO international standards.**

Above: The laboratory facilities at the SLSI. Below: SLSI has a comprehensive library.

of quality. Since the SLSI is the only organization that issues product certification, it has the authority to recommend an item for consumption or otherwise, direct a business to re-import a particular product.

As of now, the Pre-Export Quality Certification Scheme is on hold, the main setback that has hitherto resulted in this temporary hiatus are delays in releasing laboratory results of product inspections. Delays in releasing lab reports have had their impact on exporters, such as when a consignment is ready to be shipped at the port. In practice, a shipment cannot be delayed owing to a lack of lab results because the exporter has to meet time limits and buyers' demands. In response, the Government has approved the construction of a new lab with adequate staff, which will improve the efficiency of the process and produce rapid results, which in turn will ease the pressure on exporters.

However, the importance of the Pre-Export Quality Certification Scheme cannot be undermined. For instance, the malpractice of pasting cashew kernels with glue by some exporters was exposed by the Pre-Export Quality Certification Scheme. But, we insist on this pre-export inspection for cinnamon, because cinnamon being a commodity graded on quality, the higher grades would yield better prices in foreign markets. Our exports are a strong reflection of Sri Lanka. Exports are a window to the standard of Sri Lanka's products and the country's commitment to respect benchmarks in the products that it sends for overseas consumption. India has underscored this importance by establishing a separate institute just to test export products, which eliminates any possibility of inferior products leaving its shores, while it ensures that all exports adhere to benchmark quality standards across the board. Exports are flag bearers of a country's reputation that can be either elevated or tarnished by one thing done right or one small mistake.

Enhancing the quality of exports is the objective of the System Certification Scheme implemented by the System Certification Division, which operates the Management System Certification schemes pertaining to ISO international standards; such as ISO 9000, 9001, 14001, 22000, 18001 and 50001. These include a quality management system, environmental management system, food safety management system, occupational health and


Types of product and systems certifications awarded by the SLSI.

safety management system, energy management system, and schemes that ensure certification in food safety, good manufacturing practices, vegetarian system certification for food and beverage, and other certification schemes that are done through audits and certificates of approval.

Provision for efficient and competent laboratory services, carried out through our seven laboratories for food, textiles, electrical and electronics, chemicals, materials, and microbiology is an essential component of the integrated national standardization activity. The honesty and the effectiveness of the above schemes can be ensured by providing reliable and accurate test data. The Laboratory Services Division being the most prominent testing laboratory in the country, offers comprehensive compliance testing services for a wide range of consumer products to assist standardization, quality assurance, and other related activities at a national level. Screening a product for quality has become a vital requirement in the country to maintain the wellbeing of the nation and concomitantly elevating the quality of people's lives. As the national standards body, the SLSI had launched three major schemes to facilitate the regulations enforced by other government regulatory authorities mainly for the protection of consumers, to assure the quality, safety and health aspects of the products complying with national standard specifications, whilst supporting the industry to be competitive so that the industry can contribute to the development of the economy.

Delays in producing lab results has been a prevailing problem in Sri Lanka, which is a result of inadequate personnel to carry out the tasks. The problem also rests with the exporters, who are unwilling to comply with quality standards required in the products they wish to export, resulting in considerable rejects, which tarnishes the country's image abroad.

A favorable policy for the future would be to certify a product according to the standard used in the receiving country. This is important because receiving countries are more concerned about a product complying with a local standard than with a quality standard in the country of origin. Developing the laboratory apparatus is definitely the need of the hour to accommodate new tests in order to avoid situations that require

SLSI, the main function of the institution as the national standards body is to formulate national standards and promote the application of them.

**The SLSI is very much in sync with the International Organization on Standardization (ISO), which formulates international standards with the contribution of experts from around the world, including from Sri Lanka.**

certain test samples to be sent to either Singapore or India, which is expensive, and introducing advanced testing facilities in Sri Lanka would be an investment for the betterment of export product quality while saving the outflow of foreign exchange. Hence, we are in the process of purchasing new equipment to help our exporters with quick and efficient testing.

The SLSI is very much in sync with the International Organization on Standardization (ISO), which formulates international standards with the contribution of experts from around the world, including from Sri Lanka. The SLSI being the national standard body, is a member of the ISO, and therefore, has participatory and observer membership of ISO technical committees and participates in the formulation of International Standards, while voting and providing comments and feedback on draft ISO standards. Therefore, the SLSI has the right to use ISO standards in Sri Lanka, adopting an ISO standard as a national standard. Moreover, under the WTO/TBT agreement, Sri Lanka has an obligation to base its National Standards on International Standards where possible. The Scientific Standards Division of the SLSI has the right to adopt ISO and IEC Standards as Sri Lanka Standards. In certain instances, the Scientific Standards Division may have an agreement in place with other regional and international standards bodies to adopt their documents subject to specific conditions. While System Standards of the ISO are easily adoptable, the same cannot be said of Product Standards as Sri Lanka still lacks the facility to conduct certain product-related tests, prompting us to select standards that require tests already available in Sri Lanka, tests that do not demand the use of expensive chemicals that the country cannot afford to use regularly; therefore, a National Standard is often a modification of an existing standard globally to suit local requirements and availability of resources.

The National Standards formulated by the Scientific Standards Division are developed through a participatory, transparent and consultative process with the voluntary involvement and collaborative effort of all interested parties representing consumers, producers, users, public institutions, and independent technical organizations. National, regional and International Standards may be used as source documents in the development of Sri Lanka Standards subject to copy right constraints. A Sectoral Committee is appointed to review a proposed National Standard for a sector, such as food, and with the guidance of the Sectoral Committee, a Working Group, again one for every sector in question, is appointed to advice and guide the Division in these activities with the aim of gathering all possible expertise in the best possible way

to maximize benefits to the national economy. Comments from the public are also sought before the final draft is prepared; the period for public circulation for each draft Standard is generally two months. Comments received during the public comments period are considered in order to maximize benefits to the national economy. The final approval for a National Standard is granted by the members of the SLSI Council. The formulation of a National Standard is not the role of the officers working at the SLSI, but rather that of sector-specific experts, who are supported and facilitated by the SLSI, who is the principal implementer of any such National Standard introduced. The formulation of National Standards are guided by the cardinal tenet of grounding it on the needs of the country.

The SLSI provides training on standardization and quality management for personnel in the industry, private and government sector organizations and individuals with a view to providing the knowledge required for producing good quality products and services. The SLSI covers training programs on standardization, management systems such as ISO 9001 Quality Management Systems, ISO 14001 Environment Management Systems, ISO 22000 Food Safety Management Systems, ISO 50001 Energy Management Systems OHSAS 18001 Occupational Health and Safety Management Systems and other quality related fields for all levels of personnel; top management, middle management, executives, supervisors, technicians and shop floor workers. These programs are also conducted at client premises on request. Two diploma programs in Quality Management and one diploma program on Food Quality Management of one year duration are much sought after study courses by companies that provide employees with vital knowledge when navigating through the various stages of the import and export operation.

Sri Lanka's prospects for development rests with its walk along the path to quality and standardization. With the aspiration of becoming a middle-high income country by 2025, Sri Lanka needs to develop a highly competitive economy built on a diversity of products and services for local requirements and the export market. This requires the implementation of the National Quality Infrastructure (NQI) Strategy. The three core Government institutions in the NQI are the SLSI, the Sri Lanka Accreditation Board (SLAB) and the Department of Measurement Units, Standards and Services (MUSSD), and despite the NQI identifying the strategic objective of implementing the National Quality Policy with monitoring by the National Quality Council, the mission is yet to take off. The NQI has been developing progressively for many years, including the necessary institutions, but the members to the National Quality Council are yet to be appointed. As a result, the National Export Strategy is also on hold. The implementation of the NQI Strategy will immensely benefit the manufacturing and export sectors, thereby allowing our products and services to reach their optimal potential.

History can teach us many lessons. Local manufacturing was at a reasonable highpoint from 1970 to 1977, supported by the State to substitute imports through local manufacturing. The subsequent introduction of an open market economy in post 1977 resulted in the entry of foreign goods into the country, and in this milieu our locally manufactured products began losing their market hold because they lacked quality and compliance with international standards and regulations. Naturally, even with cheaper local substitutes, the consumer selected the imported product. Moreover, locally manufactured products were unattractive with no value additions. The clothes for instance were of such poor quality that the dyes washed away in the first instance of laundering. The local small and medium entrepreneurs lost to the competition from imports and many of them were eliminated from the market. Therefore, any country that is on a trajectory of development has to take on the mission of establishing and enforcing quality and standards. And now that the SLSI has been taken under the direct purview of the President, we expect remarkable changes. We value the fact that he has taken the importance of quality seriously, which I believe is a first in this country's history, which no previous Government paid attention to. This is a sign of better things to come. BL

**Sri Lanka's prospects for development rests with its walk along the path to quality and standardization. With the aspiration of becoming a middle-high income country by 2025, Sri Lanka needs to develop a highly competitive economy built on a diversity of products and services for local requirements and the export market.**

**Dr Siddhika G Senaratne**
Director General/CEO,
Sri Lanka Standards Institution.

ACCREDITATION

# Sri Lanka Accreditation Board for Conformity Assessment

**Established in 2005, the Sri Lanka Accreditation Board for Conformity Assessment (SLAB) is the national accreditation authority in Sri Lanka. SLAB is an autonomous body under the Ministry of Trade. The main function of SLAB is to provide accreditation services for different types of Conformity Assessment Bodies (CABs), such as testing laboratories, Inspection bodies, Certification bodies and validation and verification bodies. SLAB assists the producers, exporters, regulators and industry to obtain nationally and internationally recognized conformity assessment reports.**

Left: Chandrika Thilakaratne, Director/CEO, Sri Lanka Accreditation Board for Conformity Assessment. Below: all types of laboratories covering chemical testing, biological testing, physical & mechanical testing, and calibration laboratories are included under the Testing and Calibration laboratories scheme.

Accreditation is the independent evaluation of laboratories, certification bodies and inspection bodies to ensure their competency, impartiality, and integrity in delivering services to their clients. SLAB facilitates international and domestic trade through the accreditation of CABs who issue test reports, inspection reports, verification reports and certifications to the manufacturers, exporters, importers, other traders and producers, service providers as well as regulators and enforcement authorities.

There are different types of testing laboratories, which include chemical testing, biological testing laboratories, mechanical testing, and medical testing laboratories. In this manner, SLAB provides accreditation services to cover different testing requirements of above stakeholders. If an exporter wishes to send his products overseas, he has to obtain a test report. The challenge faced by the exporter is to select the best laboratory. He must know the quality of services provided by the different testing laboratories, because there are many testing laboratories in Sri Lanka. But all of

**SLAB is a full member of the International Laboratory Accreditation Cooperation (ILAC), which is an international body working in the area of testing labs and inspection bodies.**

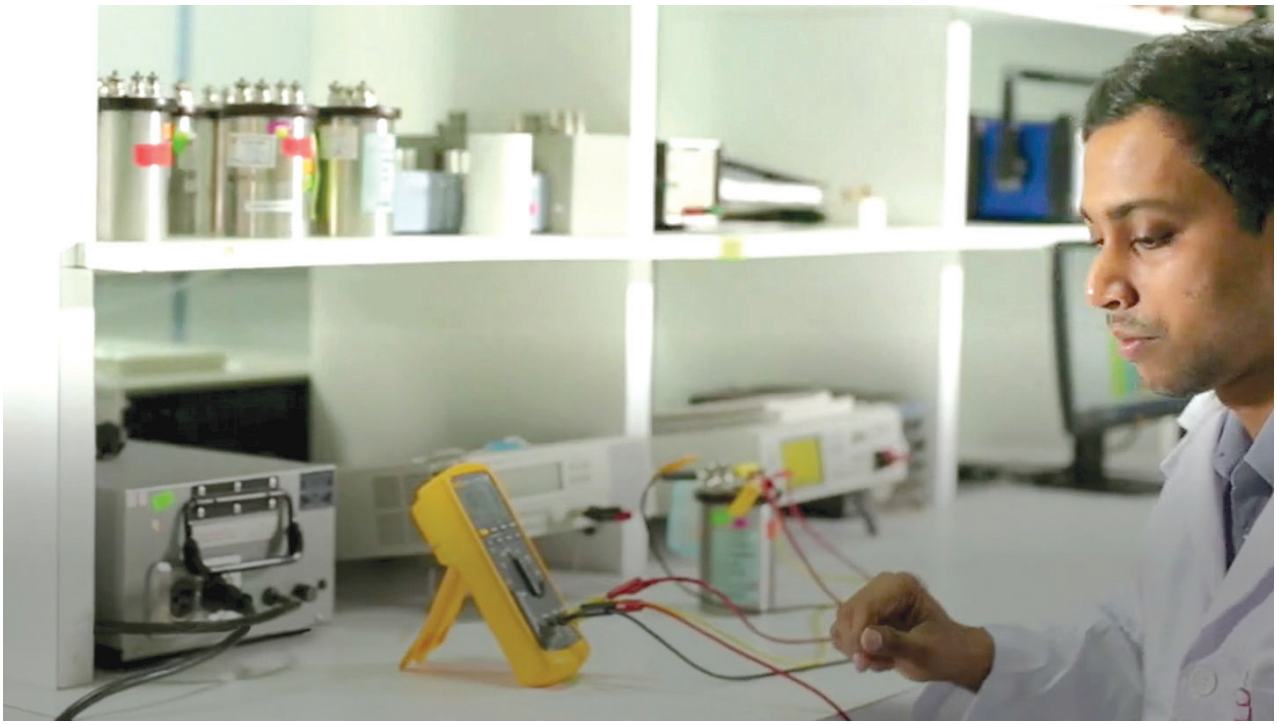
Left: Laboratories are developed with the participation of relevant experts in the field. Below: as a response to the growing international demand on environmental wellbeing, SLAB has launched the Accreditation Scheme for Green House Gas Validation and Verification Bodies.

them are not accredited. There are only certain labs that have been given accreditation, after conducting several assessments. SLAB assessors visit the testing labs and evaluate the staff, the methods used, they evaluate the recordings systems, their equipment and accuracy and whether they are calibrated. It is only after such an extensive assessment that SLAB will issue the accreditation certification to any laboratory. Once the accreditation certificate is issued to a particular laboratory, it is recognized internationally for the relevant scopes.

Another work performed by SLAB is the accreditation of certification bodies. An example would be the certification of organic produce. An exporter would need to have a report that states the produce is free from certain pesticide residue and complies with certain standards. That inspection or certification activity is carried out by a certification body. SLAB accredits the certification body and does not directly access the organic farmer or organic exporter. SLAB determines whether the human resources are competent, unbiased and capable to perform the certification activity as per the relevant standard, whether they follow Sri Lankan and international guidelines and standards. In this manner, SLAB issues accreditation certificates for different types of conformity assessment bodies.

SLAB is a full member of the International Laboratory Accreditation Cooperation (ILAC), which is an international body working in the area of testing labs and inspection bodies. Thus, test reports issued by SLAB accredited laboratories are accepted by the Border Control Agencies of different countries, when Sri Lankan companies export to other countries.

In terms of certification, SLAB is a member of the International Accreditation Forum (IAF), and is also a signatory to the IAF multilateral agreement (MLA). Therefore, the



Accreditation scheme for Inspection Bodies provides formal recognition to an inspection body for its services for integrity and reliability.

certifications issued by SLAB accredited certification bodies are accepted by the other countries. In this manner, SLAB performs an important role in promoting exports, as exporters require certification from recognized institutions. If not, they have to send their product samples to overseas laboratories to get test reports. That is very expensive, and would entail in foreign exchange flowing out of the country. Therefore, by establishing a set of accredited conformity assessment bodies within the country, SLAB facilitates the exporters to send their products abroad without any technical barriers.

**The National Quality Policy is a Cabinet approved policy developed in 2017. SLAB is an important partner in implementing that National Quality Policy, and accreditation is the final step in quality assurance.**

The Government has the responsibility to protect the health and safety of their citizens. SLAB supports regulators to implement their technical regulations and enforcement of local approval procedures effectively and thereby contribute to promote health and safety of people and ensure environmental protection.

In terms of quality, one institution cannot perform the entire role; it is a network of organizations. This includes, Sri Lanka Standards Institute (SLSI), which is the national body for standards, Measurement Units, Standard and Services Department (MUSSD), and the Conformity Assessment Bodies (CABs) together with SLAB. The regulators are such as the Consumer Affairs Authority, Central Environmental Authority, National Medicine Regulation Authority, and Food Control Authority. In order to implement the regulations stipulated by the regulators, they need the services of the conformity assessment bodies. Quality Infrastructure is the collection of all the organizations; that is the SLSI, MUSSD, CABs, SLABs, and the regulators. It is a collection of

Accreditation of Management system Certification Bodies.

**SLAB as a Pillar of National Quality Infrastructure (NQI)**

National Quality Policy

National Quality Council & Secretariat

| Sri Lanka Standard Institute (SLSI) | Measurement Units, Standard & Services Departments (MUSSD) | Conformity Assessment Bodies (CABs) | Sri Lanka Accreditation Board (SLAB) |
|---|---|---|---|

Public Users: Regulatory Agencies, Authorities
Private Users: Exporters, Producers, Importers

General Public : Consumers

organizations working towards promoting quality.

The National Quality Policy is a Cabinet approved policy developed in 2017. SLAB is an important partner in implementing that National Quality Policy, and accreditation is the final step in quality assurance. SLAB implement different accreditation schemes, namely, testing labs – ISO 17025; product certification – ISO 17065; personnel certification – ISO 17024; and inspection body – ISO 17020. As per the international accreditation procedure, once in every four years, a peer evaluation team from APAC regional accreditation body review all aspects of the work done by SLAB. They evaluate all SLAB procedures, processes, the manner in which assessments are conducted, assessment procedures, documentation, record management, and quality system. The peer evaluation team determines whether SLAB adheres to the standard for accreditation bodies, which is ISO 17011. All accreditation bodies in order to receive the recognition have to fulfill the requirements of ISO 17011 and SLAB is in compliance with those requirements.

The latest accreditation scheme is the accreditation of Greenhouse Gas Validation and Verification Bodies. Recently, SLAB granted accreditation to one conformity assessment body for the product carbon footprint under ISO 14067. It is a new accreditation scheme, and is the first accreditation offered in the region. There are many new accreditation schemes emerging. Another such accreditation is CORSIA – Carbon Offsetting and reduction for the Civil Aviation, which is being conducted by SLAB together with the Civil Aviation Authority.

The World Accreditation Day will be on June 9 and is celebrated each year under a different theme globally. The theme for this year is the 'accreditation in the implementation of SDGs' (Sustainable Development Goals). BL

**Chandrika Thilakaratne,** Director/CEO, Sri Lanka Sri Lanka Accreditation Board for Conformity Assessment.

RESEARCH & DEVELOPMENT

# Quality Assurance Services offered by Industrial Technology Institute to Export Sector

**Industrial Technology Institute (ITI) was established on April 1, 1998 by Science and Technology Development Act of No 11 of 1994. ITI is the successor to The Ceylon Institute of Scientific and Industrial Research (CISIR), which was established in 1955. ITI is a Government-owned multidisciplinary R&D institution, which conducts demand driven R&D and internationally competitive technical services. Hence, the vision of the institute is to be a center of excellence in scientific and industrial research on national development while the mission is to conduct innovative R&D and provide internationally competitive technical services to accelerate the industrial development for the benefit of Sri Lanka.**

Industrial Technology Institute.

Dr Sudarshana Somasiri,
Director/Research Fellow,
Industrial Technology Institute.

**The technical services division of ITI is Sri Lanka's premier analytical services center, which leads the nation in chemical, microbiological, and mechanical testing.**

ITI consists of two major technical divisions: Technical Services Division and Research & Development Division, and three supporting departments: Quality Assurance Department, Information Service Center, and Engineering Services Department, who contribute to the industrial development of the country. The Technical Services Division consists of ISO 17025 accredited testing and calibration laboratories, while the R&D laboratories are ISO 9000-2015 quality certified.

### Major quality assurance services conducted by the Technical Services Division of ITI

The technical services division of ITI is Sri Lanka's premier analytical services center, which leads the nation in chemical, microbiological, and mechanical testing. Laboratories of the technical division are accredited and combine years of experience with cutting-edge technology in providing its wide array of testing and consultancy services.

ITI provides all its technical services using five primary laboratories with recent scope expansion to new analytical areas.

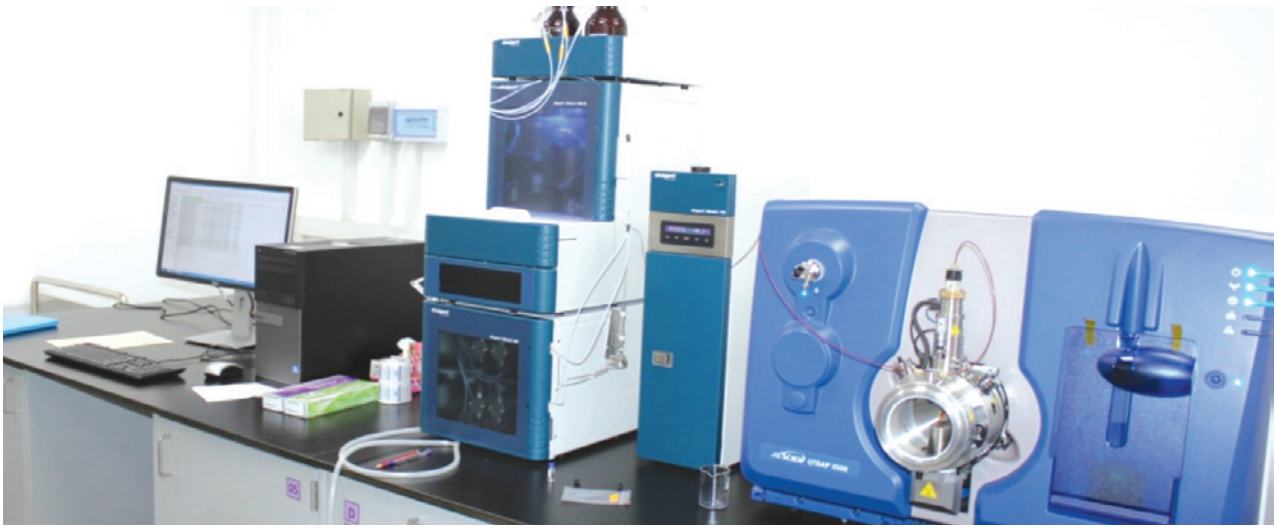
- Chemical and Microbiological Laboratory/Pharmaceutical Testing Laboratory
- Residue Analysis Laboratory (RAL)
- Electro Technology Laboratory
- Industrial Metrology Laboratory
- Materials Laboratory/Packaging Testing Laboratory/Lubricant Testing Laboratory

### Services of the Chemical and Microbiological Laboratory (CML)

Chemical and Microbiology Laboratory (CML) of ITI is a leading provider of high-tech analytical testing services in Sri Lanka. The analyses are carried out by scientists, trained technicians, and laboratory management guidance with years of relevant industry expertise and experience. For more than 50 years, CML comprises Cosmetics, Food & Agro, Microbiology, Organic, and Water & Wastewater testing laboratories.

The CML of ITI specializes in the pre-shipment sampling of products and analysis of foods, toys, and packaging materials for exporters. The laboratory can help ensure that products conform to the food regulations and labeling requirements of the target country and conduct related quality assurance testing.

Below, left and right: Chemical and Microbiology Laboratory.



Above and right: Residue Analysis Laboratory.

**The R&D division of ITI conducts demand-driven research and development and transfer the technologies to government agencies, commercial business, industries including MSMEs, and other organizations.**

**Areas of Expertise available:**
**Cosmetic Testing**
- Cosmetics/personnel care and consumer products testing services according to Sri Lanka Standards.
- Training and quality assurance solutions for cosmetic products manufactures, suppliers, and retailers.

**Oils and Fats Testing**
- The laboratory inspects vegetable oils and fats including palm oil, Palm stearine, Palm kernel oil, gingelly oil, Rapeseed oils, Groundnut oils, Mustard oil, Sesame oil, Soya oil, Sunflower oil, margarine, other vegetable oils and animal fats.

**Food and Agro based product testing**
- Food commodity testing and inspections, quality assessments, and nutritional labeling in compliance with international standards and regulations.
- Analysis of foods, beverages, tea, fats and oils, vitamins and premixes
- Analysis of food preservatives

**Microbiology Laboratory:**
Microbiology quality testing in food and related samples – water, food, cosmetics, pharmaceutical, herbal products, disinfectant, sanitizers, and masks

**Organic Testing/Pharmaceutical Testing**
- Analysis of cosmetics and household products
- Analysis of sanitizers and disinfectants

Above: Industrial Metrology Laboratory.

**ITI recently established a state-of-the-art packaging testing laboratory with the EU trade-related assistance program's assistance, which was implemented by United Nations Industrial Development Organization (UNIDO).**

### Services of the Residue Analysis Laboratory (RAL)

Residue Analysis Laboratory (RAL) of ITI is available to assist industry, Government, the university community, and the public with trace level analysis. RAL has experience analyzing traces or residues of pesticides, pharmaceuticals, and heavy metals in any matrix such as food, canned products, cosmetics, spices, and cosmetics as per EU requirements.

RAL is the only accredited laboratory for MCPA analysis in tea, which is an essential and mandatory requirement for tea exports to Japan. The laboratory is also specialized in the analysis of Aflatoxin in spices.

### Services of the Industrial Metrology Laboratory (IML)

The Industrial Metrology Laboratory (IML) has established the facilities to provide accredited calibration services as per ISO/IEC 17025 in Mass, Temperature, Dimension, Electrical, Pressure and Volumetric Areas. Calibration services are provided to local and foreign industries on request.

IML provides calibration services at laboratories and on-site based on the requirement in following areas:

– Dimension
– Electrical
– Force
– Mass
– Miscellaneous
– Pressure
– Temperature
– Volumetric

### Services of Materials Laboratory (ML)

Material's Laboratory (ML) provides material testing services for raw materials and finished products according to ASTM, ISO, BS, SLS standards and carries out customized testing services for customer-defined parameters. Our product development services and consultancy services are extended to the Government and private sector organizations.

Rubber, plastic, and footwear testing service of materials, laboratory covers, and a large area of testing services for rubber, polymer, and related materials, including footwear with highly qualified staff that can fulfill standard and customized testing requirements are available. Rubber and footwear testing service provide testing of raw materials, semi-finished and finished products for physical properties and environmental and chemical effect analysis and characterization of materials. Footwear testing is done as per the ISO, BS, SLS, and customer specified testing methods. Also, the Laboratory will assist in the preparation of product specifications for customers.

ITI recently established a state-of-the-art packaging testing laboratory with the EU trade-related assistance program's assistance, which was implemented by United Nations Industrial Development Organization (UNIDO). The Laboratory can provide quality assurance for any packaging material.

### Major services conducted by the R&D Division of ITI

The R&D division of ITI conducts demand-driven research and development and transfer the technologies to government agencies, commercial business, industries including MSMEs, and other organizations. I

n order to provide our services effectively, R&D support is given in five core theme areas with an


Above: ISO 9001 certified laboratory for R&D on Material Technology and Nanotechnology.

**The Food Technology Section (FTS) of the institute is equipped with state-of-the-art food processing and analytical laboratories, a food pilot plant facility with advanced pilot-scale equipment, and relevant expertise.**

interdisciplinary approach via following laboratories:
- Food Technology Section
- Herbal Technology Section
- Material Technology Section
- Environmental Technology Section
- Biotechnology Section with GMO testing facility

The above laboratories are equipped with state-of-the-art equipment, Pilot plant facilities, expert staff including research scientists, research engineers, research technologists, and other administrative assistants.

## Major services conducted by R&D laboratories

### Food Technology Section (FTS)

Food Technology Section (FTS) of ITI is pioneered in providing technology and process know-how of food and beverages to SMEs and even large-scale industries in Sri Lanka. The Food Technology Section (FTS) of the institute is equipped with state-of-the-art food processing and analytical laboratories, a food pilot plant facility with advanced pilot-scale equipment, and relevant expertise.

The group of FTS scientists include Food Technologists, Microbiologists, Food analytical experts, Food/ Chemical Engineers, and Quality experts. Special services offered by the FTS to food industry are:
- Factory layout designing comply to quality standards
- Upgrading existing food facilities
- Consultancy and troubleshooting in food industry
- Sensory analysis
- Shelf life testing of food
- Thermal Process validation of canned and bottled food
- Nutrition labeling and health benefit/functional food analysis
- Food process validation in food industries
- Assistance to comply with QMS (GMP,HACCP, ISO 22000)

Also the laboratory offers:
Postharvest Technology related services such as:
- Postharvest handling of perishables intended for supermarkets and other local stores
- Export protocols for fresh fruits and vegetables (air and sea shipments)
- Maintaining freshness of fruits and vegetables
- Packaging, transport, and storage conditions
- Postharvest treatments to extend storage life
- Safe Fruit Ripening technologies
- Cold Chain Management of perishables
- Pack house designing and machinery recommendation
- Technology on Bio coatings/waxes, waxing technology for Pineapple, Papaya, and King coconut
- Hot wax technology to preserve the quality of manioc and yams

### Herbal Technology Section (HTS)

The Herbal Technology Section (HTS) of ITI is pioneered in conducting research related to medicinal, aromatic, and other natural products. The section continues to be the premier research group in Sri Lanka, providing support to development of natural products sector in the

Above and right:
National LMO/GMO Testing Laboratory from the Biotechnology section.

country. Special analytical services on herbal-based products quality assurance provided by the laboratory are: analysis of herbal drugs and cosmetics based on local and international regulations; analysis of essential oils; high throughput bio-assays Bioassay techniques demand of the industries related to life sciences, especially in pharmaceutical development and manufacturing:

- Anti-oxidant assays
- Anti-inflammatory assays
- Anti-aging assays
- Anti-hypertension assays
- Anti-diabetic assays
- Anti-cancer assays
- Pharmacognostic identification
- Active ingredient testing in herbal cosmetics

## Material Technology Section (MTS)

The Materials Technology Section(MTS) conducts demand-driven basic and applied research in Materials Science and Technology. Typical industries catered for include those in the ceramic, minerals, coatings, wood and cellulose natural fiber (example: coconut and banana), and rubber & plastics sectors. The competent staff can undertake specialized testing such as examinations under the Scanning Electron Microscope, interpretations of FTIR and XRD data, and ceramic testing (thermal expansion coefficient).

## Biotechnology Section (BTS)

The Biotechnology Section (BTS) is a well-equipped modern laboratory with excellent research capabilities. The BTS researches Molecular Biology and Biotechnology areas and provides Biotech based services to local industries.

Some of the quality assurance activities undertaken by the laboratory are Genetically Modified (GM) Foods and Organisms identification, genetic bar-coding of cinnamon, Plant species authentication through DNA barcoding.

**Dr Sudarshana Somasiri**
Director/Research Fellow,
Industrial Technology Institute

QUARANTINE

# Plant Quarantine in Sri Lanka towards the Facilitation of Plants and Plant Products Trade

**Plant quarantine is defined as the legal enforcement of the measures aiming to prevent pest gain into a country along with the imported plants, plants products and regulated commodities and multiplying further and spreading. The National Plant Quarantine Service (NPQS) is responsible for safeguarding agriculture, natural resources and environment of Sri Lanka from alien pests.**

Movement of pests across countries around the world can cause devastating consequences on national plant resources and food security to which global attention has been adequately paid. The International Plant Protection Convention (IPPC) is an inter-governmental treaty signed by 184 countries in order to protect the world plant resources from the spread and introduction of pests while promoting safe trade. IPPC provides closer alignment with the agreement of the application of Sanitary and Phyto Sanitary (SPS) measures of the World Trade Organization (WTO). Contracting parties to the IPPC including Sri Lanka commit to prevent the introduction and spread of plant pests. Each country has established an official organization to discharge the function specified by IPPC. This official organization is called as the National Plant Protection Organization (NPPO).

National Plant Quarantine Service (NPQS) serves as the NPPO of Sri Lanka, which safeguards agriculture, natural resources and environment of Sri Lanka from the negative impact of pests and eventually contribute to enhance food security and improve trade opportunity by working closely with relevant border agencies, regulatory agencies and stakeholders. NPQS is a competent and legally responsible entity for implementing the function of IPPC. Key objectives of the NPQS are to protect plant resources through implementing appropriate phytosanitary measures in import, to facilitate market access and safe international trade in plants and plant products through a robust export certification system and to reduce risk to national food security and the environment while protecting the plant resources.

Top left and right: detailed examination of each commodity.

Core activities of NPQS include pest surveillance, import regulation, export certification, and regionalization among others. Pest surveillance is an official process of collecting and recording information about presence or absence of pests. This supports phytosanitary programs and provides information for phytosanitary decision making not only in Sri Lanka but also regionally and globally for facilitation of trade. With the process of pest surveillance, pest free areas in which a specific pest is found to be absent based on scientific evidence can be identified. Country freedom, area or place of production freedom from particular pests is the most widely accepted phytosanitary requirement for many high-end markets elsewhere. NPQS has recently conducted pest surveillance on *Xylella* spp, a bacterium causing disease in many export oriented plant species across the country to confirm scientifically the absence of particular pests. This opens up a huge market in Europe for certain species of foliage crops. As per the IPPC guidelines, NPQS is responsible for reporting the occurrence, outbreak and spread of regulated and quarantine pests in Sri Lanka by conducting regular surveillance studies so that other contracting parties can facilitate safe trade of plants and plant products from Sri Lanka.

**Core activities of National Plant Quarantine Service (NPQS) include pest surveillance, import regulation, export certification, and regionalization among others. Pest surveillance is an official process of collecting and recording information about each presence or absence of pests.**

Phytosanitary import regulatory system aims to prevent the introduction of quarantine pests or limit the entry of regulated non-quarantine pests with imported commodities. Sri Lanka has sovereign authority in accordance with international agreement to prescribe and adopt phytosanitary measures to protect plant health and to determine the appropriate level of protection for plant health.

Pests Risk Analysis (PRA) is mandatory for the establishment of phytosanitary import requirements of certain commodities of the country. It helps to mitigate the risk posed by pests, which are potentially being associated with importing commodities. Rather than rejecting the import request, imports may be allowed under strict phytosanitary

Samples being tested thoroughly.

Inspection of commodities.

**NPQS in collaboration with other border agencies such as customs, aviation authorities, and ports authorities can effectively assure the biosecurity of the country and facilitate trade.**

conditions set based on the PRA results for trade facilitation. Small quantities of planting materials have been permitted into the country for multiplication purposes targeting the export market. NPQS promotes transparency by making phytosanitary import requirements known to trading parties and establishes collaboration with other border agencies and stakeholders for joint action in a common purpose of pest prevention. Effective border operations are the key to prevent the pest introduction. NPQS in collaboration with other border agencies such as customs, aviation authorities, and ports authorities can effectively assure the biosecurity of the country and facilitate trade.

Phytosanitary inspections are carried out by NPQS. Inspections of imported consignments are done at the point of entry, at the point of transshipment or at the point of production. Phytosanitary inspections are applied to all consignments as a condition of entry in which the level of inspection is set on the basis of level of risk of the commodity. Low risk commodities are cleared within a short period of time. Compliance checks are carried out promptly and jointly to minimize interference with the flow of trade and the impact on perishable products. In case of non-compliance of phytosanitary requirements of Sri Lanka, the notification is sent to the exporting country in order to investigate the cause of non-compliance and to facilitate steps to avoid recurrent.

NPQS makes arrangements for phytosanitary certifications by ensuring the compliance of exported plant commodities with phytosanitary requirements of importing country and has the authority to prevent the export of consignments that do not meet phytosanitary import requirements. Specific activities related to phytosanitary certification include inspection, sampling, testing, treatment and verification of the identity and integrity of consignments. As per the importing country requirements, phytosanitary requirements are fulfilled by entry point inspection, area freedom, subjecting the consignments into treatments, and product chain certification. NPQS has recently been introduced to exchange phytosanitory certification online, which is known as electronic Phytosanitory certification (ePhyto) with certain countries. However, other countries will have access to this facility with time so that export and import clearance can be made with highly transparent, rapid, and low cost manner.

NPQS has official procedures for regular communication on pest status, phytosanitary procedures and import requirements with relevant governmental department agencies, authorized personal and private sector including producers, brokers, exporters, handlers, other stakeholders, and general public. Management of phytosanitary programs can be enhanced with regular liaises of

Above: careful inspection of plant varieties for pests. Right: Microscopic investigation of commodities to verify the level of risk.

NPPO with international and regional organizations. Bilateral and other agreements for mutual phytosanitary arrangements can facilitate the trade. Agreements among certain countries are established for the transit of the consignments to one or more countries en route to the final destinations and for third country quarantine of commodities.

NPQS has a designated division for liaising with international and regional organizations. NPPO also provides effective means of communication by receiving information, requests, notifications and responding in a timely manner. NPQS facilitates trade by encouraging producers to comply appropriately with phytosanitary regulation and to improve their knowledge of pests associated with their crops. The exporters are encouraged to cooperate with NPQS in all phytosanitary certification processes and comply with phytosanitary import requirements. Similarly, importers are encouraged to cooperate with NPQS during import verification and totally comply with phytosanitary import requirements.

NPQS has taken appropriate arrangements for research and investigation in the field of plant quarantine and plant protection where existing means of plant protection are found to be inadequate for controlling pests of plants and plant products and preventing their introduction and spread into sensitive areas. Research is mainly focused on pest surveillance, pest biology, quick diagnostic methods, site inspection methods, novel treatment technologies, PRA procedures, and pest control methods.

L: **Dr W A R T Wickramaarachchi,**
Additional Director
R: **M F M Rizwan,**
Head, Plant Quarantine Operation Division
**National Plant Quarantine Service, Department of Agriculture, Katunayake, Sri Lanka.**

ORGANIC AGRICULTURE

# Organic Certification in Sri Lanka

**Organic agriculture is a sustainable eco-friendly system practiced in line with four principles, namely: health, ecology, fairness, and care. The non-availability of a proper organic agricultural policy and a program to promote a National Standard with a regulatory mechanism were the major reasons to hinder the expansion of organically certified lands in the country.**

Sri Lankan spices.

Certified organic products provide assurance to consumers that such products are free from residues of harmful agrochemicals, heavy metal toxins, and harmful pathogens.

The aforementioned drawbacks were successfully solved when the National Organic Control Unit (NOCU) was established within the purview of the EDB under the Extraordinary Gazette Notification No 1870/71 dated 11.07.2014, to streamline the organic operations of the country such as cultivation, handling, processing, certification, labeling, imports, and exports in order to ensure the credibility of Sri Lanka's organic products. NOCU facilitated the Sri Lanka Standards Institution (SLSI) to develop and publish the Sri Lanka Organic Standard SLS 1324:2018. The Sri Lankan Organic standard was prepared by an expert committee appointed by the SLSI after having studied the international organic standards of export markets relevant to Sri Lanka such as the EU, Japan and the USA as well as Sri Lankan traditional agricultural systems. The SLS standards entail the principles of organic production and processing.

Certified organic products provide assurance to consumers that such products are free from residues of harmful agrochemicals, heavy metal toxins, and harmful pathogens while assuring the products meet a consistent standard. Even though our farmers/processors follow organic agricultural and processing practices, the products would not be marketed as "organic" unless they are verified and certified by a third-party-accredited certification body.

Currently, in Sri Lanka, organic certification is done by the internationally accredited private certification bodies and NOCU is working with the SLAB to register a few local certification bodies as well. Exporters willing to sell organic agricultural products to countries with established organic standards and regulations, have to either certify their products conform to the respective standard in the importing country (example the US, EU, Japan, Australia, China, and Taiwan) or sign equivalent agreements for the National Standard. At present, Sri Lankan exporters

**In Sri Lanka, organic certification is done by the internationally accredited private certification bodies and NOCU is working with the SLAB to register a few local certification bodies as well.**


obtain conformity certifications for farmer groups operating under them according to the organic standards of the export destinations and due to the high cost involved with the certification, the cultivation is limited only to the farmer groups operating under these exporters.

Many countries in the world have developed National Organic Standards encouraging their farmers to convert production into organic from conventional agriculture. Most of them have obtained international recognition by upgrading the National Standards to the international level and some have obtained equivalent status with other countries.

The Sri Lanka Organic Certification has to be issued by an accredited certification body operating in Sri Lanka. The National Organic Logo highlighted in the organic regulations published in the Extraordinary Gazette Notification No 1870/71 dated 11.07.2014 would also be incorporated in this certification.

The certification charge for this standard is comparatively low, and more farmers could be encouraged to obtain this certification. The establishment and promotion of the Sri Lanka Organic Standard is a timely requirement in the country. Empowering the farmers/processors by assisting them to obtain the organic certification as per SLS 1324:2018 will facilitate Sri Lankan agro industries to move into organic agriculture, obtain high value for their products, and also provide adequate supply to the export market.

The EDB has implemented an assistance program under the EDB budget 2020 to assist Sri Lankan farmers/processors to obtain organic certification as per the Sri Lanka Organic Standard SLS 1324:2018. Under this program, 25 farmers/ processors cultivating processing paddy, coconut, cashew, vegetables, and spices have been selected to obtain assistance for organic certification as per the SLS 1324:2018. Inspections audits have been conducted by the certification body and samples have been drawn from the sites and sent to the accredited laboratories to get analytical test reports. Three virtual training programs were conducted covering the topics of Induction of SLS Standard (SLS 1324), Organic Certification process, Organic Agricultural Techniques, and Organic Management Plan to upgrade the participants' Knowledge in collaboration with the SLSI, DOA and the Certification body. Also, NOCU has requested the National Fertilizer Secretariat to make arrangements to provide organic fertilizer subsidy to the selected farmers/processors. BL

**Empowering the farmers/processors by assisting them to obtain the organic certification as per SLS 1324:2018 will facilitate Sri Lankan agro industries to move into organic agriculture, obtain high value for their products, and also provide adequate supply to the export market.**

**Vinoka Perera,**
Assistant Director,
National Organic Control Unit – EDB.

INDUSTRIAL

# Ceyflex Rubber: Mastering Quality to Win The Global Competition

**Ceyflex Rubber, a fully owned subsidiary of E B Creasy & Co was established in 2016 in Sri Lanka. While the corporate office is in Colombo, the factory is located in the Horana Export Processing Zone. Ceyflex manufactures and markets three categories of products.**

**Sports and Body Toning**
Resistance Stretch Bands, Resistance Loops and Exercise Tubing products.

**Therapeutic/Medical**
Resistance Bands and Loops for post orthopedic surgery, muscle strengthening and toning. Tourniquets, Dental Dams and Hospital and Domestic Disposable Rubber Sheeting for use in beds for the sick and invalids.

**Fashion Clothing**
Beautiful latex fashion clothing with brilliant, glistening colors for glamorous dresses to be worn at beauty parades and festive occasions.


Smooth Ceyflex Dental Dams.

**The Market**
Ceyflex latex products are held in high esteem by international buyers primarily for the durability and precise quality. Among the many buyers of Ceyflex products, the most frequent orders come from the United States, Germany, Australia, United Kingdom, Spain, Finland, Norway, and Malaysia dominate our order schedule. Happily these orders extend our capacity to optimum use of our machinery to enable competitive pricing.

The Quality Management System of the company was established at the very outset of the Company's operations and continued to be maintained with continual improvement resulting in the high standards of the quality of products we offer. The quality inspections in the manufacturing process commences with registration of approved suppliers of materials sourced from proven, reliable sources. The quality process continues with the inspection of incoming raw materials at the raw material acceptance point

S D R Arudpragasam, Chairman.

S Rajarathnam, Managing Director.

**Ceyflex is certified for ISO 9001:2015 Quality Management, ISO 13485: 2016 Medical Devices standards and Good Manufacturing Practices (GMP) under WHO guidelines.**

of our manufacturing facility. In-line inspection during the production process examines in detail every minute feature of the process development stages of the product. The final inspection of the manufactured goods ready for delivery is exhaustive and detailed.

## Production adhering to quality standards

A major factor in the production of high quality finished product leaving the Ceyflex factory is a strict monitoring of quality at every stage of the production process, especially the in-line inspection stations established at every sensitive stage. Providing the knowledge applicable to the expected high standards, the operating staff has been well trained and educated about the quality parameters and tolerance levels of the specifications of our products.

## Our business module

The senior management's commitment to all aspects of stringent


Resistance Loop Band from natural rubber latex is used for a variety of exercises to increase balance, strength and flexibility.

Left and below: the Ceyflex Rubber manufacturing facility is equipped with a state-of-the-art R&D and quality testing laboratory with a wide range of analytical instruments including tensile strength testing equipment with measurement traceability to international standards.

**"The attention to high quality standards facilitated Ceyflex to build the trust of the OEM clients in Ceyflex's products."**

quality management ensures the delivery of the high quality products to all our buyers.

Quality is embedded in our business strategy as a way of life.

Ceyflex's business model is mainly focused on providing OEM solutions to our buyers.

Maintaining a high quality in our products became a work regime, which paved the way to build the confidence of our clients, in our ethics, our products and in our Company, Ceyflex Rubber.

When Ceyflex first made inroads into the market of Exercise and Therapeutic Bands, the competition from overseas, especially, from China and Malaysia was intense. Yet, Ceyflex was able to circumvent the competition to reach an admirable level of acceptance, for all our products within a short span of time.

All our OEM clients receive equally attention, and are supplied with equally high quality products of high standard. As a result of our care and attention to the buyer's needs, Ceyflex has now become the most popular Exercise and Therapeutic product supplier much in demand from all buyers in diverse countries. In today's competitive market environment, it is vital to secure core competencies in each area of entailing business whether it be production, quality management or human resource management. Respecting ethics of business and adherence to quality that Ceyflex has held sacred, local and international buyers with the confidence to source their product needs from Ceyflex.

**Wathsala Abeysinghe,**
General Manager, Factory
Ceyflex Rubber

MANUFACTURING

# Lalan Rubbers: Excellence in Quality, Spirit in Innovation

**Exporting over 3.2 billion gloves annually to more than 53 markets worldwide, Lalan Rubbers is guided by steadfast values that prioritize our people, our partners, and our environment. Lalan Rubbers' success comes from the relentless commitment to excellence in quality, spirit in innovation, and sustainability in growth.**

Lalan Rubbers ensures highest quality and social compliance standards across all facilities, and at every step of the manufacturing process.

In 1940, father and son duo, Peter and David Hapangama, established a rubber trading company, providing natural rubber to the Sri Lankan domestic market, and subsequently to international markets.

More than 80 years on, now led by the third and fourth generations, our family-owned business – now called Lalan Group – has grown into a diversified conglomerate specializing in seven sectors of expertise:

- **Glove Manufacturing**
- **Plantations**
- **Value Added Rubber**
- **Renewable Energy**
- **Printing and Packaging**
- **Engineering**
- **Leisure**

The largest subsidiary, Lalan Rubbers, consists of the glove manufacturing and plantations operations. With the first glove production line started in 1987, the ensuing 34 years has seen us expand to over 10 lean, vertically integrated manufacturing facilities, producing over 3.2 billion gloves annually. Much of our glove production is focused on the intensely quality-focused, Personal Protective Equipment (PPE) industry, servicing a wide range of applications; from medical, surgical, automotive and aviation industries, through to oil, gas, and mining industry.

Head Office.

**Much of our glove production is focused on the intensely quality-focused, Personal Protective Equipment (PPE) industry, servicing a wide range of applications; from medical, surgical, automotive and aviation industries, through to oil, gas, and mining industry.**

With a R&D-led approach to innovative product development, our independent, fully accredited, in-house laboratory ensures that we maintain the highest quality and social compliance standards across all our facilities, and at every step of the manufacturing process.

Product quality assurance and compliance standards are ever-changing for PPE manufacturers. Already highly regulated, the industry regularly introduces progressively stringent measures to ensure the safety of the user. Consequently, this has seen responsible manufacturers place great importance on, and heavy investment in, comprehensive quality assurance programs. For example, in the medical device industry alone, the direct cost of ensuring good quality equates to approximately 2.0 percent to 2.5 percent of industry sales i.e. 7.6 billion dollars to 9.5 billion dollars annually (McKinsey & Co., 2017).

For us, this starts right at the raw material stage – and in the case of our natural rubber gloves, with our own rubber plantations. With over 17,000 acres of rubber plantations and the largest rubber plant nursery in Sri Lanka, our meticulous, quality-centric cultivation methods ensure that we obtain the highest quality latex, while having the lowest impact on the surrounding environment; all this while maintaining some of the highest yielding, FSC-certified rubber plantations in the island. Sections of our plantations are organic and allows us the flexibility to offer our customers organic products. Through our rubber nursery, we also conduct an "Outgrower" program; providing a learning center and rubber cultivars to independent rubber planters, allowing them to sign up for our buy-back schemes helping stimulate the economy around our plantations.

Natural latex from our plantations and imported synthetic latex, along with all our other incoming materials, followed by our latex compound preparation is also checked and tested. Strict quality parameters early in the manufacturing process ensures that deviations, if any, are captured and rectified early – saving time, effort, and ultimately – money. Post-production batch testing and final release testing ensures consistency in quality across multiple batches, ensuring we maintain our


**This rigorous and painstaking approach to maintaining product quality assurance standards has been fostered through years of working with some of the world's leading testing and regulation agencies, and the equally quality-sensitive consumer and retail brands.**

Above and left: glove production is focused on the intensely quality-focused, Personal Protective Equipment (PPE) industry.

internally benchmarked 99.8 percent quality target.

This rigorous and painstaking approach to maintaining product quality assurance standards has been fostered through years of working with some of the world's leading testing and regulation agencies, and the equally quality-sensitive consumer and retail brands. This 'quality first' mentality is ingrained at all levels in the company, and has meant that over the years, our manufacturing facilities have successfully maintained ISO 9001:2015, ISO 13485:2016, GMP, HACCP, and BRC certifications.

The recent years have seen the market focusing more on the transition to sustainable manufacturing concepts and social compliance certification. In line with the values we have been following since our inception in 1940, we have positioned ourselves at the forefront of this movement. Beginning in 2020, we have aligned our sustainability initiatives with the UN's Sustainable Development Goals (SDGs).

In our movement to becoming a greener, more environmentally responsible manufacturer, we have introduced several new product lines – biodegradable and compostable gloves, recycled yarn-based seamless knitted gloves, along with multi-polymer alternatives to the fossil-fuel derived synthetic-latex gloves.

We have also initiated, and successfully implemented, multiple sustainability projects based on reduced consumption and recycling of energy, water, and reduction of waste and carbon footprint where possible.

**Biomass Energy Generation**

All our facilities use 100 percent sustainably farmed and sourced biomass for their heating energy requirements. By switching from fossil fuels to biomass, we have not only reduced our cost of production, but have also significantly reduced our carbon footprint.

**Rainwater Harvesting**

Our facilities have rainwater harvesting infrastructure to capture rainwater for low-impact usage such as washing and cleaning purposes.

**Replanting and Conservation Initiatives**

In the plantation industry, annual replanting is a necessity to ensure the continued health of both the land and the trees on the plantations. In

addition to replanting, we carry out interplanting with compatible crops that ease the strain on the land. We also maintain non-commercial land holdings, which are being replanted with endemic species of flora in order to conserve and protect the native eco-system.

As a result of these projects, The most exciting development that comes from this is the ISO 14064 net-zero carbon insetting certification, we have obtained across multiple styles of gloves. Net-zero carbon insetting means that with a combination of our land holdings and sustainability projects, we are currently generating carbon credits within our own value chain that can be used to offset the greenhouse gas emissions from our manufacturing process – essentially offering our customers a product that has a zero-carbon footprint.

Our experience working with leading retail and consumer brands has also helped us cultivate and perfect the social compliance standards across all our facilities. Along with the many product and system certifications, we maintain social compliance standards such as BSCI (Business Social Compliance Initiative) and SEDEX (Supplier Ethical Data Exchange). However, the focus on employee welfare extends beyond just certifications for us; we focus on enriching and uplifting the lives of the people that work with us. Aligned with the SDG goals of "No Poverty", "Reduced Inequality", and "Decent Work and Economic Growth", we have initiated several projects:

**Employee-driven Welfare Shops**

Where plantation employees and their families can sell their handicrafts and other artisanal items, with 100 percent of the proceeds going directly to the employees themselves. This not only serves to increase the income of our employees, but also stimulates the local economy.

**Provisioned Employee Housing**

Plantation employees are provided housing at no cost, allowing the employees the financial freedom to invest in other endeavors and their own wellbeing.



**Early Education and Vocational Training**

With on-estate child development centers, the children of plantation employees are provided public-school standard education up to the Primary school level. Additionally, plantation employees are also provided vocational training to further develop their skill set.

The world market, now in the first steps of recovery from the pandemic, has renewed its focus on the importance of quality. Lapses in quality are unacceptable irrespective of market conditions, but they would be met with unusually high degrees of scrutiny in the current market. Our 30+ years of experience, a 'quality first' mindset, and dedication towards servicing the needs of the customer at every level at our organization, has seen emerge as a dependable and credible partner at a time when many customers have faced unstable and disrupted supply chains. The pandemic has also been a period of learning and discovery for us as an organization. While we are dynamic, agile, and quick to embrace change, this unprecedented period has required us to be even more nimble, more equipped, and more astute to add value to our customer's success – building sustainable, long-standing business relationships that transcend the current market and into the future. Agility, efficiency, and dependability on our part translates to stability, recovery, and progress not just for our customer and stakeholders, but also for our country.

**Navam Hapangama,**
Director – Business Development,
Lalan Rubbers.

FOOD SOURCES

# Nelna Mangoes: Quality Assured Every Step of the Way

**With the global population expected to reach 10 billion by 2050, the need for sustainable food sources and production practices are greater than before. The global mango industry accounts for more than half (52 percent) of the global tropical fruit production. When W G E G Nanayakkara decided to diversify and expand his business from poultry to mangoes, he did so with the intent of wanting to become a game changer by creating a demand in the global marketplace for Sri Lankan mangoes. At this period of time, Sri Lanka was not featured in the top 10 Asian countries exporting mangoes.**

Fresh and value-added TJC mangoes from Nelna.

**Nelna Mangoes is confident that the sweetness levels of the fruits are above the international standard in grading (known as the Brix level).**

W G E G Nanayakkara, Chairman, Nelna.

At the time of diversification, Mr. Nanayakkara, when transforming from Nelna Farms, a successful poultry business to Nelna Mangoes, was aware that the approach, with such ambitious aspirations, had to be centered around the assurance of the finest quality that was available to its end consumer. The venture began with an investment of nearly one billion rupees in cutting-edge machinery, technology, and infrastructure in preparation for the commercialization of fresh and value-added fruit-based assortment mix, commercial production of fresh and processed mangoes on a large scale.

Looking back briefly on the product-mangoes, Mr. Nanayakkara was keen on enhancing the footprint of the TJC Mango registered under the Department of Agriculture in 2003 within the global market. The mango was a result of years of experiments that was acclimatized to harsh weather and soil conditions of the North-Western Province of the country. Similarly, as the plant takes less time to mature and with adequate care given, it bears a superior fruit quality and high resistance to pests and diseases. Pests and diseases are a major concern among exporters of mangoes to the US, Europe, China, Japan, Korea, Australia and other developed broader Western markets. The TJC mango tree starts to bear fruit in three years and has a lifespan of over 20 years.

TJC is the biggest mango grown in Sri Lanka weighing at 500-600 grams on average, with some growing up to a kilo. With its unique attributes, it is claimed to be one of the world's biggest and juiciest mangoes. When the fruit is ripened under natural conditions, it has a beautiful golden orange color, an unblemished skin, excellent flavor, low fiber content, high flesh content and a smaller seed. The tree yields fruit through eight months of the year unlike other native species that aids to gain economies of scale.

Mr. Nanayakkara's journey begins with the first purchase of 1,000 plants in 2005 that he began to cultivate in bare lands within the five poultry farms belonging to Nelna Farms. His research included traveling to many mango growing countries around the globe to study the international market dynamics and acquiring technical know-how for mangoes and other agriculture mango-related products. This research concluded with a renewed aim of producing TJC variety of mangoes, Nelna Mangoes as an export-oriented product and 60,000 trees have been planted across two plantations, one at Embilipitiya (150 acres) and the other at Monaragala.

The latter at 500 acres, is the largest mango plantation in the country to date. Each tree on average yields 150 kilos or 300 mangoes. In the local market, the mangoes retail at USD 4. The major mango producing districts in Sri Lanka have been identified as Anuradhapura, Hambantota, Monaragala, Puttalam, Embilipitiya, and Dambulla areas.

**Quality in the Product**

Fast forward to 16 years since Mr. Nanayakkara declared his commitment to mango, carefully selected fruits adhering to uniform quality, grade one fruit standards are exported as fresh produce to the Middle East, Europe and Singapore and Maldives. Nelna Mangoes is confident that the sweetness levels of the fruits are above the international standard in grading (known as the Brix level). The international Brix level for mango sweetness is 11 to 14

**Another significant milestone, which Nelna Agri is planning to embark on together with other mango growers in Sri Lanka is to obtain quarantine clearance for fresh mango exports to countries such as Japan, China, and Korea.**

Left: freshly harvested mangoes. Below: mango plantation maintained with care.

percent while Nelna mango claims to be between 20 to 22 percent.

Nelna's future investment plan also involves setting up a factory in the Monaragala District – in an Individual Quick Freezing (IQF) plant with technology introduced from Europe. Realizing that traditional freezing infrastructure is not sufficient anymore, with his vast industry experience, Mr. Nanayakkara sought the best shelf life extending technology to deliver high quality products. His investment in an IQF plant, which will freeze the fruits to an optimal temperature within seconds, especially mangoes, will increase the scope for expansion into frozen fruits. Processed mango products produced in the country include mango pulp, juice, nectar, dried slices, mango wine, glazing, and jams. Global revenue from IQF fruit in 2016 was estimated to be USD 8 billion. With this investment, the company will have the capacity to produce a variety of frozen fruits and vegetables that is currently wasted in the local market, mainly during the post-harvest stages. At present, the post-harvest losses in the country are quite significant (about 10 – 20 percent in case of TJC mangoes). Nelna Mangoes intends to solve this problem with the use of IQF technology and the introduction of frozen fruits that have a shelf life of two years.

Each fruit is grown in an imported carbon quoted protection cover in order to safeguard from the potential pests and diseases. The mangoes have RFID traceability from the point-of-origin to the point of consumption. The same carbon-coated fruit cover bag aids in maintaining the right color and texture. With care, every single fruit has to be plucked individually by hand for fear of bruising and to deliver a rich in quality product to the global consumer.

Another significant milestone, Nelna Agri is planning to embark on together with other mango growers in Sri Lanka is to obtain quarantine clearance for fresh mango exports to countries such as Japan, China, and



Left: Nelna Mangoes packed and ready to be exported. Right: the Global GAP certificate obtained by Nelna.

**Nelna Mangoes is keen to respect traditional and native cultivation practices, as well as to bring in modern technology and innovation to increase productivity, and longevity of the fruit while fulfilling sustainabledevelopment objectives.**

Korea. Nelna is already in the process of communicating with possible mango importers from each of these countries to commence the export in the near future.

The company also identifies the most appropriate agriculture input products for the crop and advises and provides the necessary skillsets to farmers on the efficient use of agriculture inputs, playing an important role along the value chain to support farmers in their attempts to set up high performing mango farms by passing on the knowledge. There is also regular feedback of technical inputs provided by qualified agronomists and experienced staff. As a successful organization within the food industry, Nelna Mangoes is keen to respect traditional and native cultivation practices, as well as to bring in modern technology and innovation to increase productivity, and longevity of the fruit while fulfilling sustainable development objectives.

For its efforts, Nelna Mango is the only company in Sri Lanka to be certified by Global GAP, a plantation assurance program, translating consumer requirements into Good Agricultural Practice, and is governed according to the ISO Guide 65 for certifications schemes.

**Extending quality and value beyond the surface**

At present, Nelna Mangoes provide livelihood opportunities to about 5,000 families in Sri Lanka. With a targeted annual production of 10 million fruits by the year 2025, Nelna Mangoes, led by Mr. Nanayakkara intends to expand the employee cadre to 3,000 more people from the areas. Providing employment opportunities to those in the Monaragala and Embilipitiya areas is an important goal for Nelna Mangoes that also intends to ensure that more women in the area are empowered and employed to enhance household benefits.

In the journey towards achieving the production of 10 million fruits by 2025, Nelna Mangoes is aggressively increasing its scope of training to ensure that cultivation is conducted in a manner that is eco-friendly and sustainable and extends to all 60,000 trees. The transition towards becoming more environmentally conscious will generate further employment opportunities for the people in these districts.

The fruits of labor transcend the mangoes in itself. Some of the employees at Nelna Group have been with the company for closer to two decades. This retention rate has been achieved by the Group paying above market rates to ensure the security of their staff. Mr. Nanayakkara believes that this is also reassuring to newer staff that come on board the Group as they are able to see a growth in their career from the beginning of their employment within the Nelna family.

Globally, mango, pineapple, banana, and avocado are the four most significantly traded tropical fruits. In terms of production volumes mango continues to rank as the primarily cultivated fruit mostly due to its popularity in India. It is becoming evident that Nelna Mangoes is overruling the consumption of apples in Sri Lanka. This has been the vision of Nelna Chairman Mr. Nanayakkara whose foresight will bring about lasting change to some of the traditional agricultural practices in Sri Lanka. EL

**Punya Nanayakkara,**
Director,
Nelna Agri Development

GO DEEPER

# Creative Economy

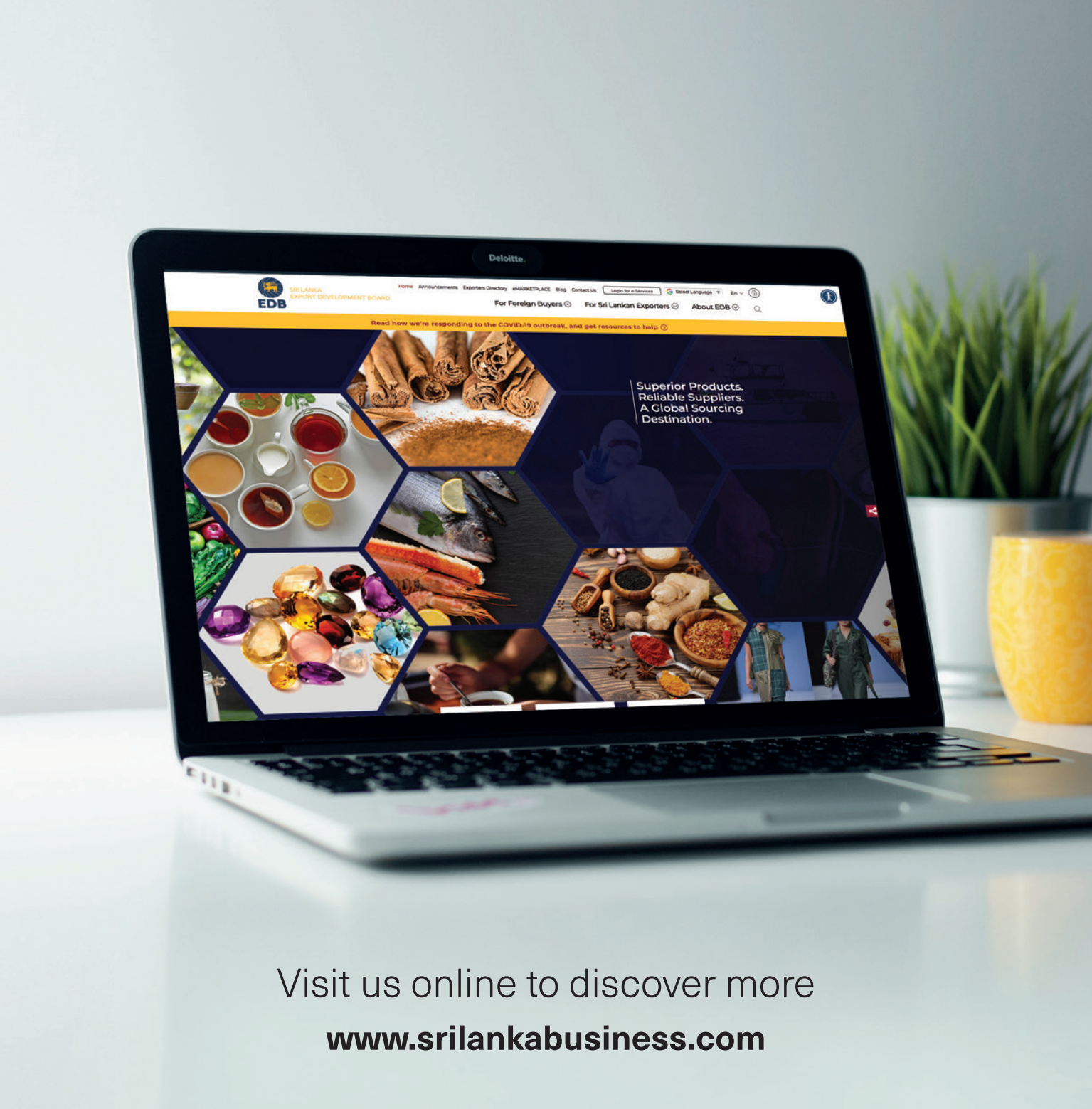
**"In 2019 at the 74th session of the UN General Assembly, 2021 was declared the International Year of Creative Economy for Sustainable Development."**
**UNCTAD**

The term creative economy evolved from the term creative industries, which was used to describe a range of activities some of which are the oldest in history and those that came into being with the advent of digital technology. The concept of creative economy can be explained as the income-earning potential of creative activities and ideas. This sector includes the arts and culture, architecture, design, photography, publishing, fashion, filmmaking and other such creative fields.

The creative economy is becoming increasingly important because it is providing employment to a large number of people, thus, providing careers in non-mainstream fields. These activities depend on the creative talent of individuals and on the generation of intellectual property. The creative sector contributed to a wide range of industries and professions, from advertising to tourism, and the skills and work styles of the creative sector also impact on other areas of the economy, especially in the use of digital technologies.

The economic value of the creative sector cannot be isolated from it social and cultural value. Furthermore, with globalization countries have begun to display their distinctive image or identity through the combination of culture and commerce, which is reflected in the creative economy. Government policy should also recognize the importance of the creative economy since it will determine the manner in which businesses are organized, the need to transform the education system, how value is measured, the generation of new types of employment and careers and also how cities will be planned and built to cater to these requirements.

In the next issue of Business Lanka, we will take an in-depth look at the creative economy in Sri Lanka. BL

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