

Electronics and Electrical Products



Real Sector Division - Economic Research Department
Central Bank of Sri Lanka

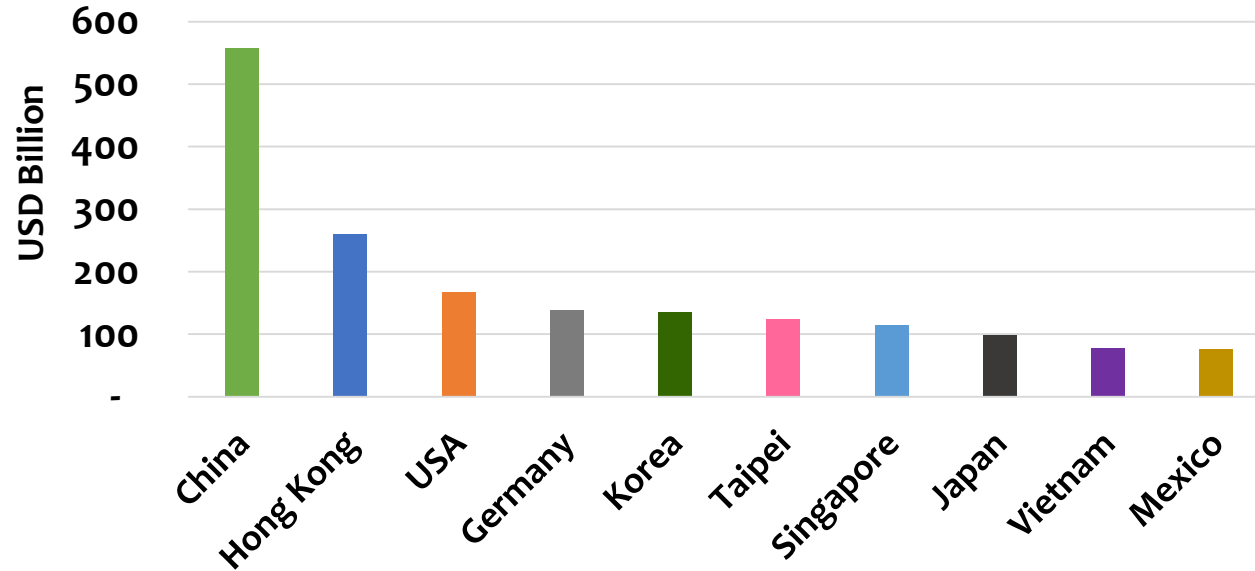
Industry Background

- **Electronic Sector**
 - Produce electronic equipment, consumer electronics and manufactures electrical components for a variety of products
 - Ex: mobile devices, televisions, and circuit boards etc.
- **Electrical Components Sector**
 - Produce any part of an electric circuit
 - Ex: wires, switches etc.
- **EEC sector has a wide area to operate such as,**
 - Security, transportation, healthcare, defence, agriculture and lightning and lifestyles
- **Through innovation, research and development and investments industry can be stimulated and can be developed with skilled labour, trade agreements and well developed infrastructure**

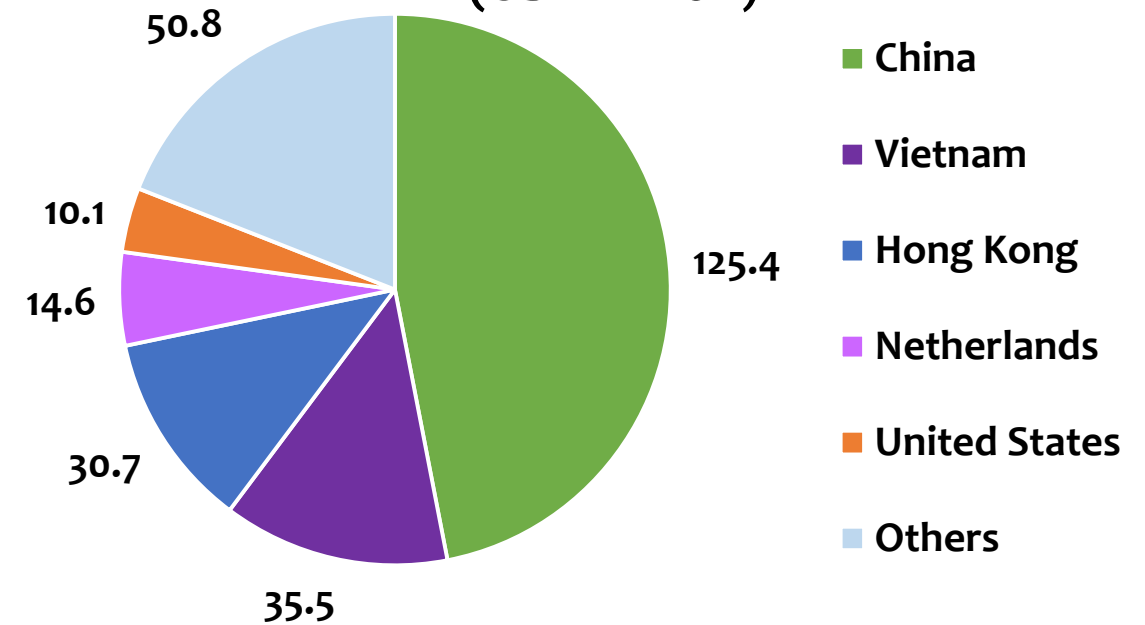
Industry Status – Global 2019

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Top 10 Exporters of Electrical Machinery & Equipment



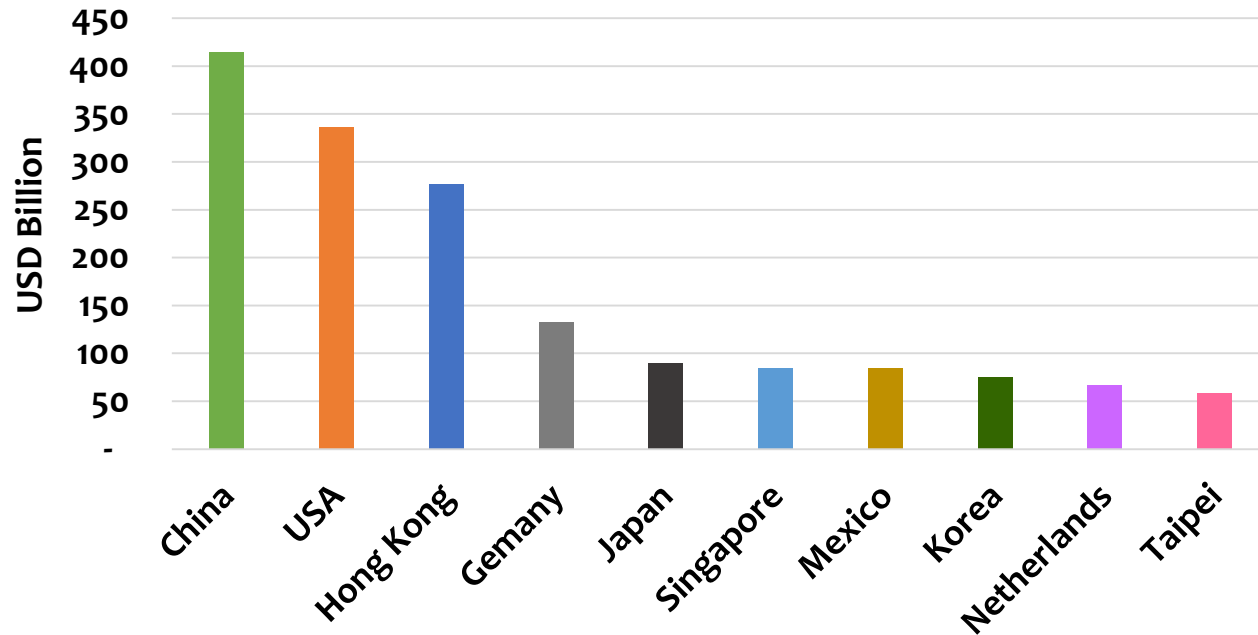
Cellphone Exports by Country (USD Billion)



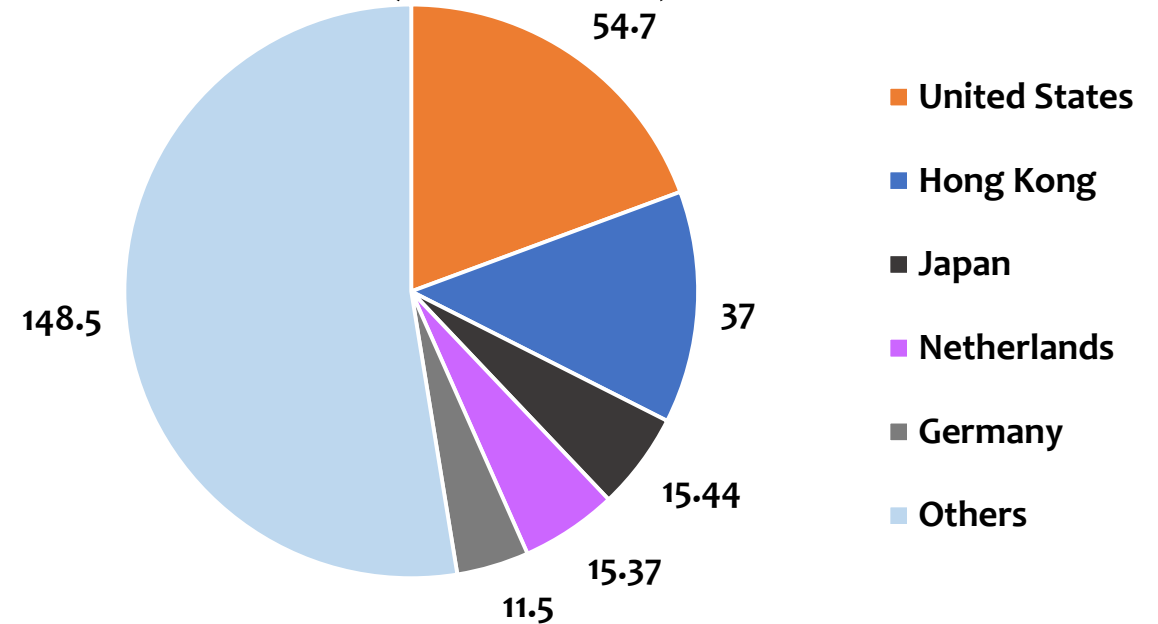
- China is exporting these products in around 220 countries across the world and Hong Kong, USA, Korea, Japan are its top electrical machinery equipment importer countries.
- The most exported electrical machinery equipment by China is telephone sets including telephones for cellular networks.

Source: <http://www.worldstopexports.com>

Largest Electrical Machinery Importers



Cellphone Imports by Country (USD Billion)

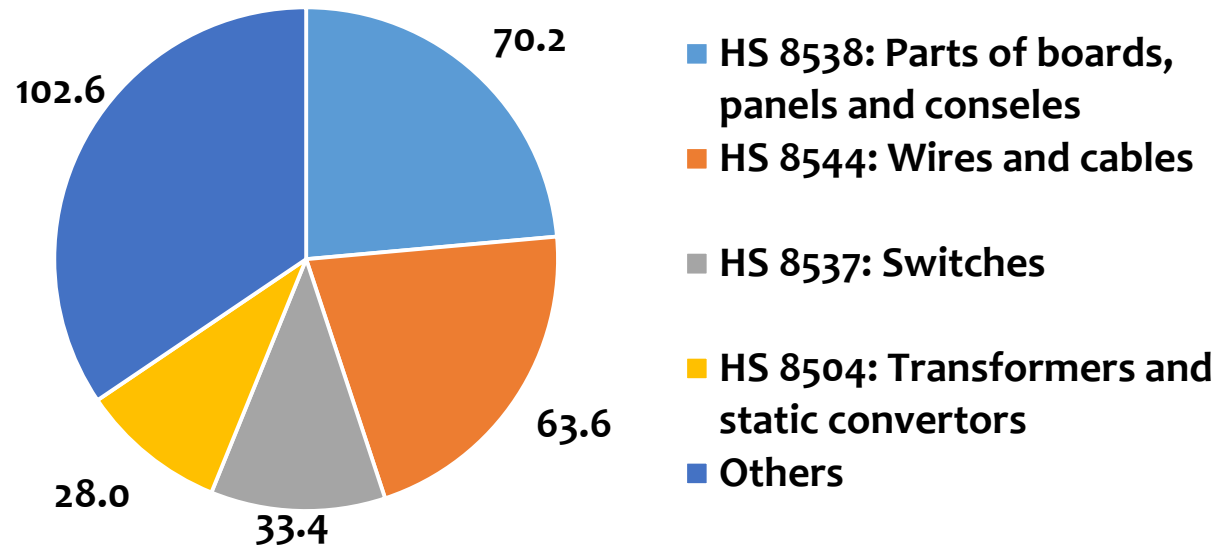


- China's top imports were Electrical machinery, equipment (USD 496.8 billion; 24%)
- United States of America stood as second largest electrical machinery importer country in the world. It is majorly importing Telephone sets including telephones for cellular networks or for other wireless networks.

Source: <http://www.worldstopexports.com>

Industry Status – Sri Lanka

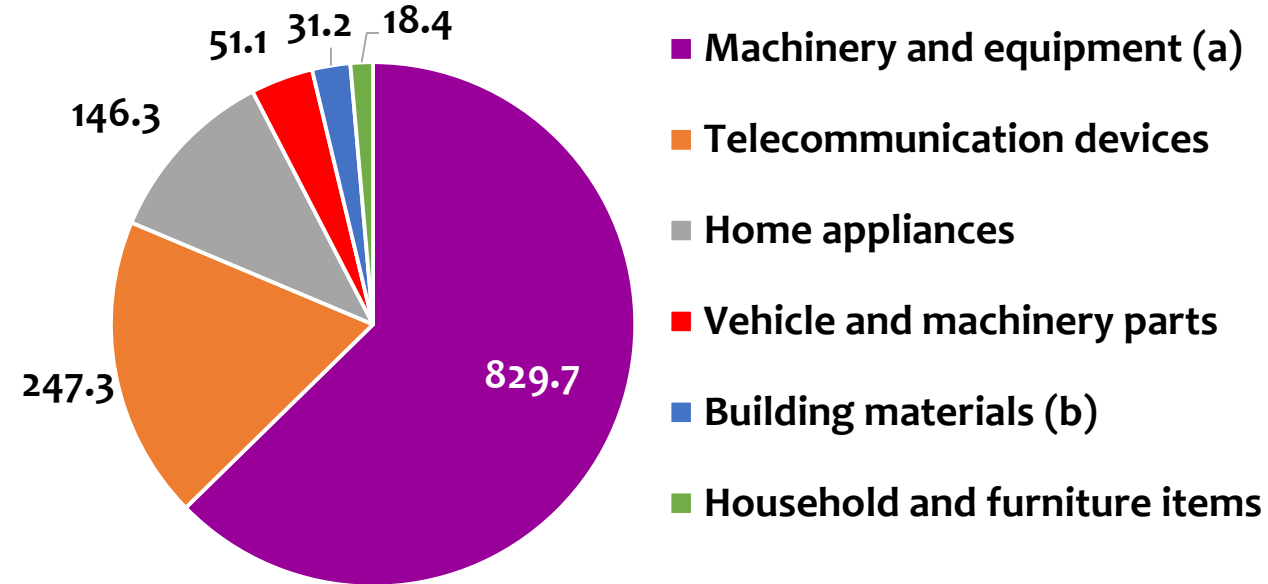
Sri Lanka's EECs main exports 2019
(Machinery and mechanical appliances: HS 85)
(USD Million)



2019

- **Exports**
Printing industry products USD 48.3 million
- **Imports**
Telecommunication devices USD 247.3 million
Home Appliances USD 206.6 million

Imports to Sri Lanka – 2019; under HS 85
(USD Million)

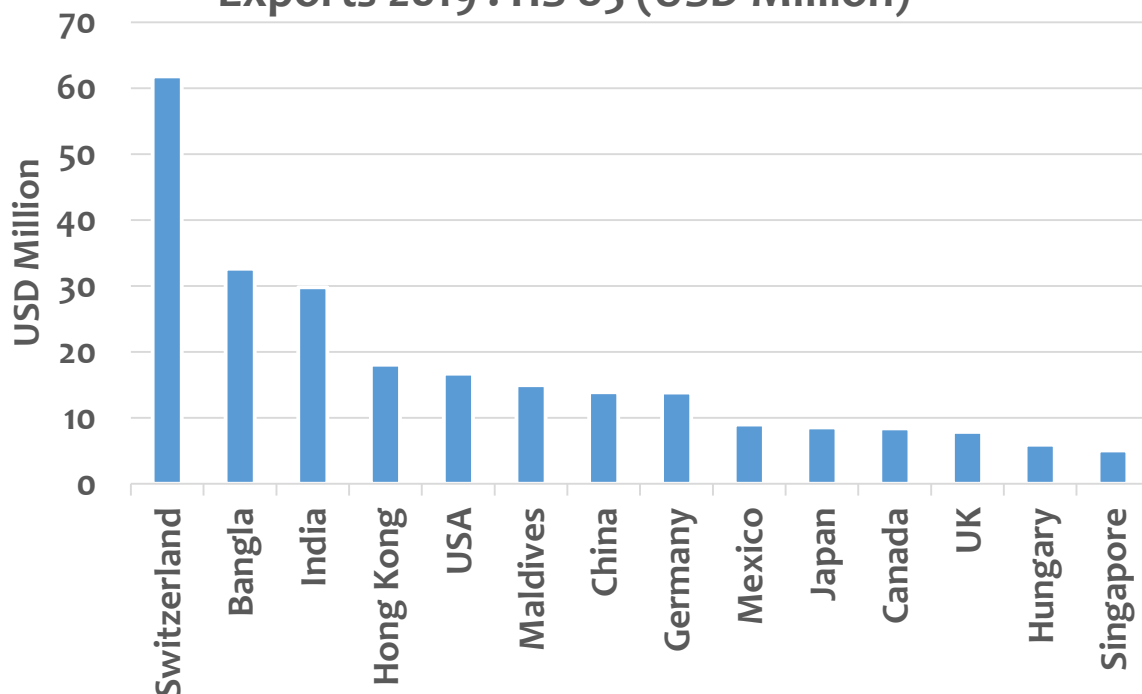


- (a) Includes audio and video related apparatus, electric motors and generating sets and electrical machinery and equipment
(b) Includes insulated wires and cables

Source: Sri Lanka Customs, CBSL

Industry Status – Sri Lanka

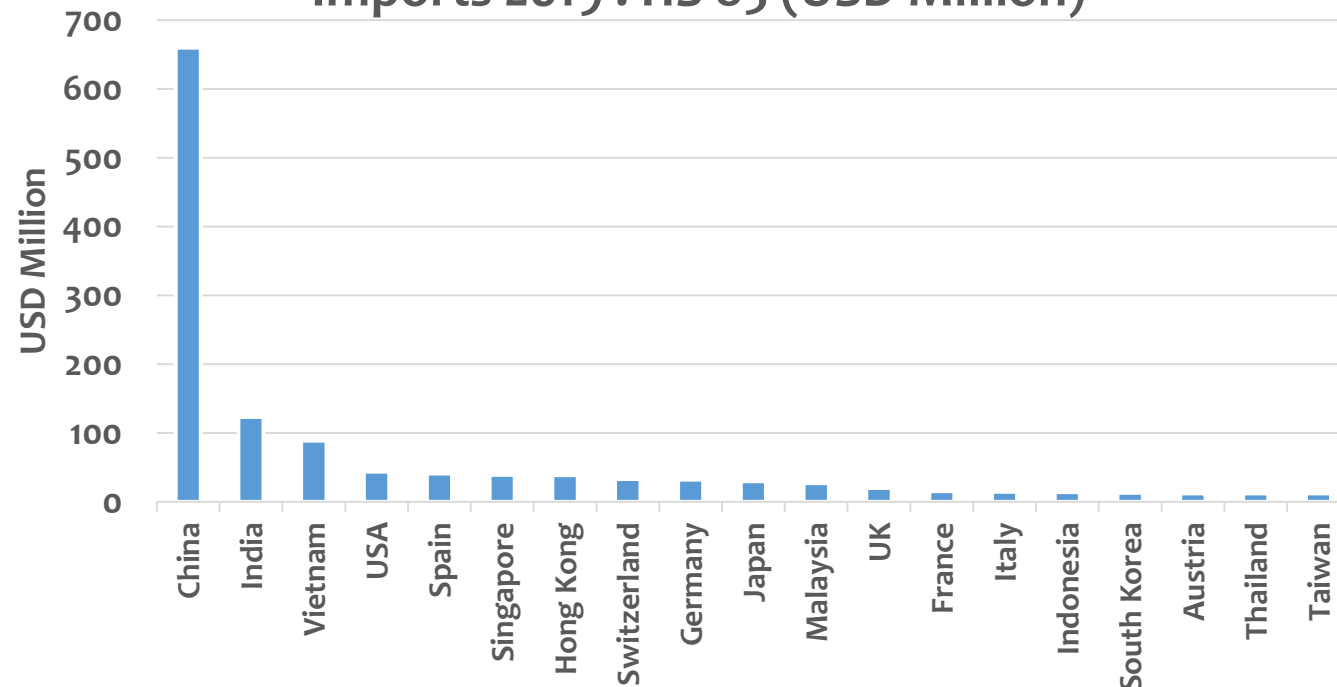
Exports 2019 : HS 85 (USD Million)



Major exports to Switzerland

- Metallic components for electric accessories
- Boards, panels, consoles etc.
- Other machinery and equipment parts
- Other electronic equipment
- Electric conductors
- Static converters

Imports 2019 : HS 85 (USD Million)



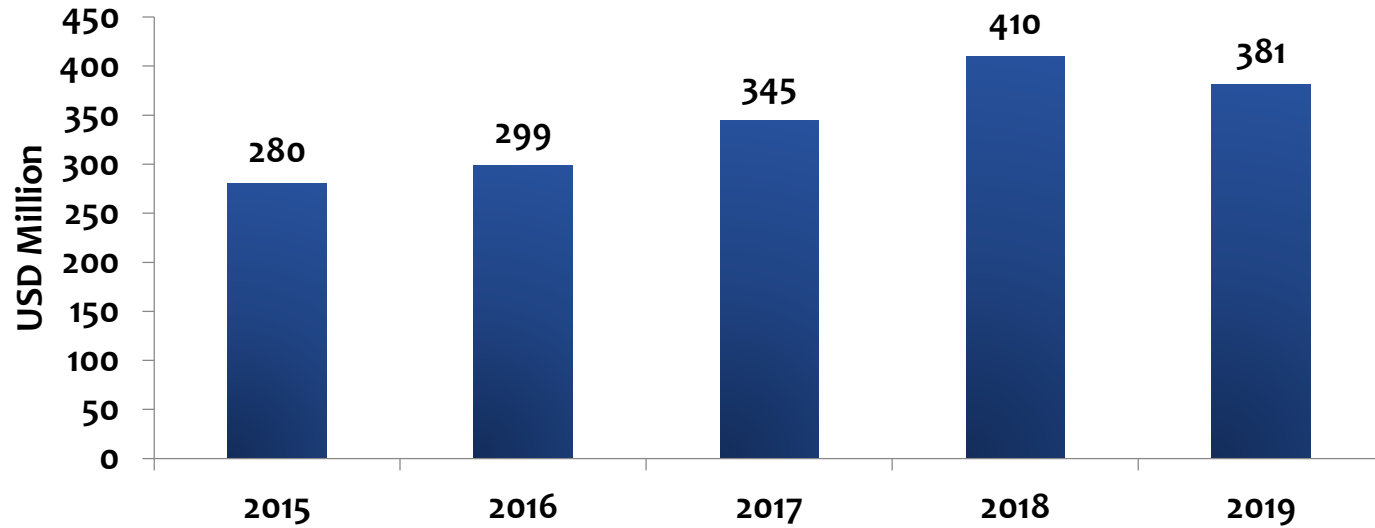
Major imports from China

- Mobile telephones and Televisions
- Transmission Apparatus
- Diodes, Transistors and Static Converters
- Telephone parts and other electronic equipment
- Electric motors and generating parts
- Other Lamps

Source: Sri Lanka Customs, CBSL

Industry Status – Sri Lanka

Export Performance (USD Million)



Sri Lanka

85+

Companies

40,000+

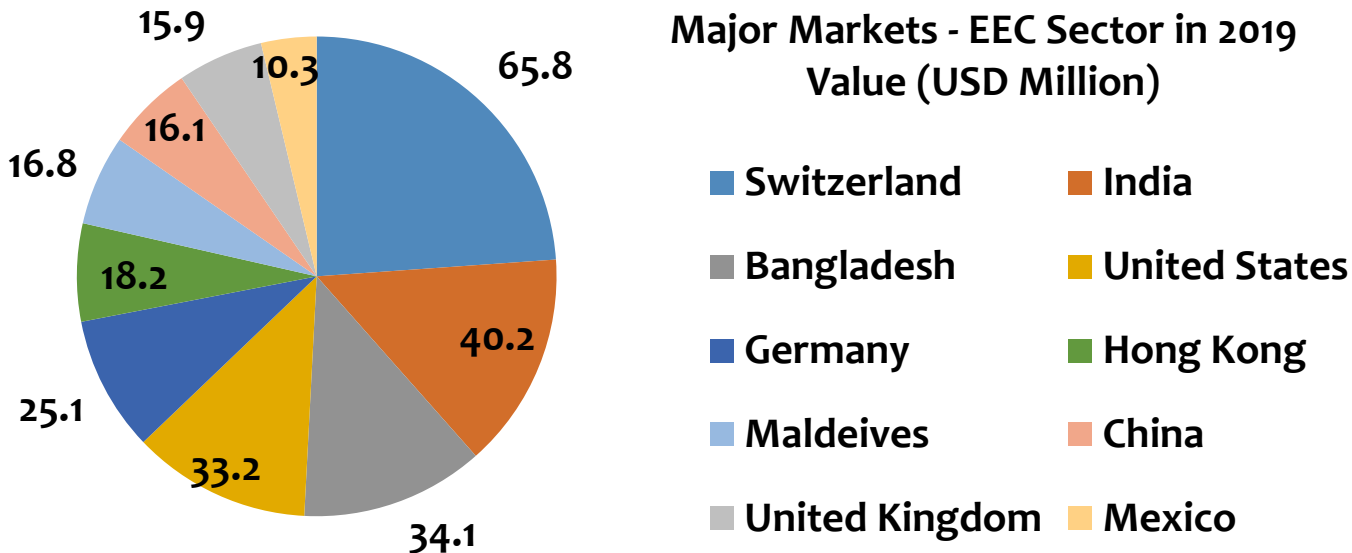
workforce

1,000+

Researchers,
Electronics, Electrical,
Mechanical and
Design Engineers



Major Markets - EEC Sector in 2019
Value (USD Million)



Source: EDB

Key Players in the Industry: e-wis

- In Sri Lankan market for more than 30 years
 - 1986-1999: Sole agent for IBM and HP computers in Sri Lanka
 - 2003: Local Manufacture
 - 2013: Factory established in Sooriyawewa, Hambantota
- US companies were dominating the local market
- Issues
 - Issues in availability of spare parts
 - Difficulties in meeting customer needs
 - Compliance with US standards
- Motive: Manufacture computer locally
- Current status
 - Sole manufacturer in Sri Lanka
 - Most of the inputs are locally produced
 - Importing hard disks and memory cards



Key Players in the Industry: Damro

- In Sri Lankan market for more than 30 years
- 2003 onwards: Manufacturing washing machines and refrigerators in Sri Lanka
 - Innovex and Damro
- Issues
 - Imported branded products in local market
 - Less variety and choices in washing machines compared to global
 - Expensive product diversification (Machinery and molds)
- Current status
 - Most of the inputs are locally produced
 - Branded motors and compressors are imported
 - Cannot produce locally as it requires large investment (small market)
 - Can buy from a local manufacturer if produced at low cost
 - Competent in technological know-how



Key Players in the Industry: Orel Corporation Pvt. Ltd

- In Sri Lankan market since 1979
- Initially manufactured electrical wiring accessories
- Currently
 - Manufacturing household & industrial wiring devices, switch gear, cables and lighting
 - Exporting household & industrial wiring devices, switch gear, cables & lighting
- Plans within 2-5 years:
 - Expand the current manufacturing from electrical to IT based components & building materials
 - Expand the international distribution channel



Key Players in the Industry: Jinasena (Pvt) Limited

- In Sri Lankan market for more than 50 years
- Conceivable demand met by the famous 'Centric' range of water pumps
 - Turnkey pump solutions for domestic and industrial users
 - Special application Pumps for Bore Well, Fire, Booster packages, Solar, Sewerage, Construction, Food/Beverage, Pharmaceutical & Chemical applications
- Issues
 - High cost for fuel and electricity
 - Lack of modern technology
 - Lack of government support to develop a manufacturing industry
- Current status
 - High thermal energy required to melt iron (2,000 litres of Kerosene per month, Fuel)
 - 30 per cent of the raw materials imported from China
 - Highly competitive products from China and India. Hence no exports currently.

JALAYATA JEEWAYAK
JINASENA (PVT) LIMITED



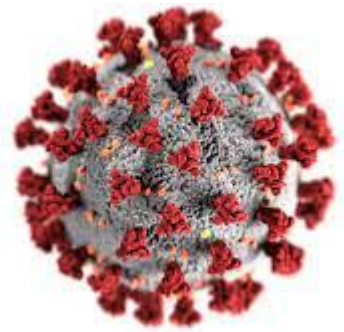
Barriers to Success

- Low level of recognition of industry locally and internationally
- Lack of skilled and semi-skilled labour
- Internationally recognized high quality products entering local market
- Limited access to modern and innovative technologies
- Less opportunities to integrate with global value chains
- Absence of sector-specific promotion and branding
- Limited participation in local/international trade fairs
- Limited services for product testing and standardization
- Lack of correlation between industry and academia
- Less interaction with related industries

COVID-19 Impact on the EEC Sector

- From Jan-Nov, 2020 total exports declined by around 17 per cent
- **Electrical and electronic components;**
USD 352.65 Mn (Jan – Nov, 2019)
USD 292.12 Mn (Jan – Nov, 2020)

EEC exports had
declined by
around 17 per cent



Measures taken to Boost EEC Exports

- Ministry of Finance gears up to help achieve the revised exports target of USD 10.75 bn for 2020
- New initiatives include identifying new markets, addressing supply chain issues and capacity building
- Network of missions help companies to tap market trends

Way Forward

- Introduce national level framework for sector development
- Build and strengthen linkages between the industry, universities and research institutes
- Initiate a few projects of national importance
- Stimulate demand for low-cost, high-tech, environment friendly products

Way Forward

- **Improve recognition of the locally manufactured products and local brands**
- **Strengthen the quality assuring with Sri Lanka Standards Institution (SLSI) for product compliance testing**
- **Develop human resources and emphasize skills development**

Thank you

