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Today I have to speak of an industry with only a handful on investors in this country. When you talk of hi-tech you can count by the number of fingers in your hand. It's an industry which is virtually non existing in this country. A very few people are involved; the reason is it needs technology. Now hi-tech industries need technology but do we have that technology in this country or do we learn it, or do we import it or do we make our own technologies.

In late 1960's an attempt was taken to draw FDA's in to this country by introducing the 1<sup>st</sup> free trade zone in this entire region in this country. It was a great initiative if it was pursued in the correct way by today our economy would have been quite different. I'm telling this to you with confidence in so many reasons. We pioneered the FTZ in the entire region more than 40 years ago and after many years in Dubai Jebel-Ali started a free zone and they made a very minimal investment in 1985. In the Katunayake zone there are 100 industries. Jebel-Ali has 6500 industries. Today 50% of their countries exports are done from their zones. And 33% of the entire countries GDP is produced with the free zones; all the technologies are coming in. Now we took this attempt, we created the proper regulations at that time and for the last half a century we still have the same old rules. We have not evolved. The BOI have the same old rules which was introduced 50 years ago which was appropriate at that time.

Once I went to Jebel-Ali about 10-15 years ago to set up a factory there. I went there unannounced and spoke to the inquiries and met with one of the directors. They showed a lot of interest and said that I only had to come and start the work and they will take care of the rest. This is not possible in our country. To set up a new factory it took virtually 2-3 months to get the proper acquisition of the property. They sent me from pillar to post. It is not the fault of the officers. It is the system that really discourages every person who works there to perform. Therefore if we think of brining hi-tech industry in to this country we need to make these regulations to suit the present conditions. For example, if one wants to sell exports in to the country you are allowed to sell 10% of the total volume of exports. When I visited Dubai and asked them if I set up a factory n Dubai what's the percentage what can sell in to the country of the total volume of exports, they said even 100% is possible as long as duty is paid. If we

produce a product in Sri Lanka we are not allowed to pay a duty and sell the product in to the country. The same product can be produced somewhere else and can be brought to the country. Now these laws are still prevailing. So I think if we are to think hi-tech industry this policy change will affect all the industries in this country not only hi-tech. Many Investments, many technologies will come in to the country if we really set our policies, facilitate it to entice the investors.