

**PROPOSAL TO CONTRIBUTE AT THE STRATEGIC LEVEL TOWARDS A
FORMIDABLE AND SUSTAINABLE NATIONAL ECONOMY, THROUGH A DEMAND
SIDE APPROACH.**

(BY WAY OF POPULARISING LOCALLY MANUFACTURED PRODUCTS)

1. Motto : GANNA APE DE

2. Introduction :

During the last 30 years, Sri Lankans have gradually created a consumption culture where imported products are given preference over the locally manufactured products, irrespective of the level of quality or the price. In parallel to that successive governments have ill treated the local industries by way of reducing the duties on imported products, by imposing various taxes on local industries and also by ignoring the government's responsibility to provide technical and financial assistance to local industries until they are strong enough to compete with imported products.

As a result on one side the market for locally manufactured products is shrinking and on the other side the production systems are gradually deteriorating. In that context most of the local industrialists have opted to close down their production facilities and get in to so called "import and export business". The others those who have a profound link with the Sri Lankan soil are struggling their best to continue with their industries and to protect the interests of local industrialists.

This situation has put the country on economic dependency and in to a debt trap. Because there is no systematic approach to produce import substitutes in the country, the balance of payment problem has become a cardinal feature in our economy. In the year 2004 the country has spent nearly Rs. 8000 Billion for imports, whereas export earning was around Rs. 5750 Billion. Our Tea and Rubber are exported as bulks or "Raw Materials." Sri Lankan Cinnamon has captured 80% of the world market, yet we earn less than Rs. 5 billion because we don't process or add value within the country. One third of the imports accounts for consumer goods that can be produced in Sri Lanka.

In this context if we are to build a formidable economy in the country to uplift living standards of people, there is no alternative other than developing our own

local industries. For that, a dual intervention is needed where market for local products is expanded by people giving preference to those products over imported products and the industrial sector is strengthened for continual improvement of quality and to be competitive in the market. But the priority must be given to Demand Side Approach of popularizing local brands. There are very courageous and innovative local industrialists, who are willing to face the challenge, provided the masses and the government acknowledge and support their efforts.

3. Objectives :

- 3.1 To strategically contribute towards a formidable and sustainable National Economy.
- 3.2 To popularize locally manufactured products (local brands) in the local market and increase the sales volumes of local brands as oppose to the imported brands.
- 3.3 To improve the image of the genuine local industrialists and their products among the people of Sri Lanka and built the confidence of the people towards them.
- 3.4 To support local industrialists to improve their business performances and contribute more to the National Economy by way of developing new local products, improving the quality of products and also producing more and more import substitutes..

4. Strategic Approach :

Objective of building a formidable and sustainable National Economy will only be achieved by strengthening the local industries which is directly attributed to consumption culture of the people. As such the strategic approach of this program is directed at creating to consumption culture where people are proud and give preference to consume locally manufactured products. In this exercise accreditation of locally manufactured products will be used as a promotional tool and thereby build up the confidence of the people towards locally manufactured products.

The key strategy is to launch a National level advertising and public relations campaigns and grass root level mass mobilization campaigns based on Patriotic Marketing Concepts.

Concepts on which the promotional strategy should be based:

- Introduce a logo or symbol (awarded through accreditation) to represent local brands in order to differentiate the local one from the non local.
- Communicate the values of the symbol to the local consumer.
- Encourage the consumer to take an informed purchasing decision.
- Add the emotional value of patriotism to the purchasing decision.(for differentiation of products)

(At the same time providing technical and moral supports to local industrialists to improve their business performance, which include the improvement of the quality of the products, should also be given a priority.)

5. Activities (Projects / Programs)

- 5.1 Establish an not for profit association under the companies act, to manage the Whole process as an independent body in a legally binding manner. (If there is any organization already established for this purpose, it is advisable to come to terms with that organization)

This type of non governmental organization is needed to sustain grass root level mass mobilization and promotional campaigns and also to get the active involvement of Industrialists, Civil Activists and Trade Unionists etc.

The Director Board of this organization should be comprised of leading and reputed industrialists, University Academics, Quality Management and Accreditation experts, representations of Chambers of Commerce/Industries, representatives of Industrial Ministry including Inventors Commission, representatives of service sectors, and representations of organizations that command the respect of the masses.

- 5.2 Develop accreditation standards and a system to accredit genuine locally manufactured products and businesses, conduct accreditation surveys, and award the accreditation status. And also register the accreditation logo as a Trade Mark.

- 5.3 Launch a promotional campaign to popularize accredited local brands.(advertising, public relation activities and mass mobilization) A MoU should be signed between the accreditation body and the state owned

media organizations to get their support for the advertising and public relation campaign. This should be justified in the context of social responsibility of the state media towards strengthening the National Economy.

- 5.4 Sign a Memorandum of Understanding between the Accreditation body and the relevant Government Authority specifying the duties and responsibilities of each party in relation to the activities to be performed. Also there should be a provision for the Government Authorities to appoint a director to Board of Directors of the accreditation body, who will represent the interest of the Government in relation to the MoU.
- 5.5 Provide technical, educational and moral assistance to local industrialists to improve their business performances (in the form of short courses, lectures, workshop, field visits- etc)
- 5.6 Lobby in the interest of local industrialists and bring their grievances on the top of the political agendas to convince the government in addressing them. (Especially to convince the government to give preference to locally manufactured products in government tenders and other types of concessions).
- 5.7 Provide a forum of discussion for local industrialists and encourage them for collective actions to improve their bargaining power as well as the knowledge base. (For this sub committees should be established among the members of the Association/Accreditation Body.)
- 5.8 Evaluate local manufacturing businesses every year to award best practices, products and industries.
- 5.9 Provide industrial counseling in view of settling industrial disputes in the accredited local industries and services.

Some of the activities are to be conducted as projects where there is specific time - frame to complete. The others are on going programs which are conducted until the objectives are fully achieved.