

Malaysian entrepreneurs to build Sri Lanka's first pharma industrial zone

15 January 2018 | News

Called Pharma Zone, the industrial area occupies 50 acres of land, and will facilitate local pharmaceutical manufacturers with sufficient land and infrastructure facilities



As per reports, The Sultan of Johor, Sultan Ibrahim Ibni Almarhum Sultan Iskandar has teamed up with entrepreneur Patrick Lim Soo Kit to build an industrial zone for pharmaceutical manufacturers in Sri Lanka with an investment of 100 million US dollar.

According to a press release, the State Pharmaceuticals Manufacturing Corporation of Sri Lanka (SPMC) and Pharma Zone (Pvt) entered into an agreement to build the first ever exclusive pharmaceutical manufacturing zone of Sri Lanka in the Welipenna area of the Kalutara district.

Pharma Zone, located on 50 acres is a Sri Lankan Board of Investment approved company whose principals are Sultan Ibrahim and Lim Soo Kit, a leading Malaysian entrepreneur.

Health Minister Rajitha Seneratne said Sri Lanka was giving incentives for local firms to produce drugs for the state health system, through a 15-year guaranteed buyback agreement and a cost plus 20 percent purchase price in an 'import substitution' strategy.

The industrial zone will lease land to prospective firms for a premium and annual rental. The zone will come with common infrastructure including effluent treatment and warehousing. The firms in the zone will partner with Sri Lanka's SPMC.

The SPMC will provide drug formulations and monitor quality, Lohitha Samarawickrema, President of the newly established National Chamber of Pharmaceutical Manufacturers of Sri Lanka said.

SPMC had signed memorandum of understanding with 25 companies to make drugs for the government's medical supplies division.

SPMC Chairman Dr Sayura Samarasundera said prospective investors who were attempting to set up pharma factories were turned away from several industrial zones operated by the Board of Investment except Kandy, due to lack of understanding

about the nature of the business.

The pharma manufacturing zone through its common facilities including warehousing will help reduce costs, Samarasundera said. It costs about 2 million US dollars to set up a factory to make 1-1 billion tablets or capsules but the warehouse cost about 200 million rupees (about 1.5 million dollars). The common facilities in the zone will provide common infrastructure helping keep down costs, he added.

Patrick Lim Soo Kit said the zone will adhere to the 'very strict' environmental standards of Sri Lanka. "We are delighted to enter into this agreement with the government of Sri Lanka which has always enjoyed warm relations with Malaysia. It is the fervent wish of Sultan Ibrahim, that this venture not only brings commercial prosperity to Sri Lanka but benefits the people by way of reduced pricing as well as the ready availability of drugs," Lim said in the statement.

"This is a 100% Malaysian investment and it underlines the high regard that the Sultan and the people of Johor for Sri Lanka," he added.

SPMC chairman Dr. Sayura Samarasundara said that with the completion of the Pharma Zone, envisaged to be in operation within one year, the Country Sri Lanka's dependency on imported drugs would soon become a thing of the past.