

# Distinctly Different

Posted on



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Heladiv transcends the conventional in the tea industry in Sri Lanka. They have taken bold steps to ensure that Ceylon tea is not merely a beverage but a lifestyle product. Innovative and distinctly different Heladiv has made tea not only accessible but something to be talked about. This spirit of adventure and novelty has been inculcated in the group by its Chairman, Rohan Fernando who has stood firm on his beliefs to ensure that Heladiv makes a difference. The journey of Heladiv

as it celebrates its 25th Anniversary is indeed an interesting one.

By Udeshi Amarasinghe | Photography Mahesh Bandara and Isuru Upeksha

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### **Can you tell us about how you entered the tea industry and also the beginnings of HVA?**

I joined the tea industry in the 1970s as a tea taster. During those days we did not have many opportunities in the mercantile sector and it was very difficult to enter university. Unlike today, people could not send their children overseas due to many restrictions and strict exchange controls. We had to find a job in Sri Lanka. There were only a few fields available and tea tasting was a very upmarket and highly exciting job. My first job was at Carsons. At that time when I applied for the position there were over 4,000 applicants for three posts. I still remember, at the bottom of the advertisement in bold letters there was a statement saying 'canvassing in any form will be a disqualification.' We had to hope and pray that we were successful. I was very lucky because I was one of the three people who was selected to train as a tea taster at Carsons. I had not even seen the inside of a tea factory and it was a totally new experience. Following my training I managed a few accounts at Carsons and then I got a good opportunity with Brooke Bonds where they offered me the position of Assistant Manager.

I worked at Brooke Bonds from 1979 to 1989 and worked with them even after the company was taken over by Unilever, and Brooke Bonds and Lipton were amalgamated. I also worked with Brooke Bonds, UK for one year learning tea tasting and trading. This gave me a very good exposure of the international tea trade. In 1989 after the amalgamation, it took about four years for all segments to work together. Many changes happened within the company. I felt that our scope was limited being Sri Lankans in a multinational company controlled by the Anglo-Dutch headquarters. That is the time frustration started to set in because I am a free spirited man who always looks at things differently, breaking the traditional norms and looking at exciting things. As such I did not want to be tied down to a monotonous job where I had to follow the instructions from England and was not encouraged to be inventive.

At the same time Heath and Company, which is no longer in operation, was going through a management crisis. I was offered a job to reactivate this company. It was a very risky move because I was holding a comfortable position of being a manager in the largest tea company on earth, but taking a job to reactivate a company was a challenging opportunity. The one year that I worked with them gave me self confidence in that if you have the will and look at things differently you can do whatever you believe in. The owners of Heath and Company after much deliberation decided to sell the assets and the business in 1990 because they were sitting on a large prime estate in Park Street and they felt running a tea trading operation was not feasible. I too felt that it was the right decision for them.

HVA Holland was interested in entering the tea plantation sector in Sri Lanka during the privatization stage. Two HVA directors came into my office one day and said that some people had recommended me to them. They wanted me to setup a tea trading operation for them. That is how HVA was started. We had a small operation on Kynsey Road with about five people to set up the company. Working as its first general manager I had to start from the scratch. Everything had to be structured, equipped and a network was established. By 1995 they wanted to exit because the business environment was not conducive to their model as privatization had been stopped in its track where foreign companies were not allowed to invest in the estate sector. Their purpose was defeated after being qualified for the bid process. They asked me whether I wanted to takeover the business as they were not interested in having a small trading operation in Sri Lanka without being able to achieve the bigger picture, which was to get into the estates as their expertise was in managing estates. Since then we have not looked back.

### **What makes Heladiv different?**

We think differently. When we first setup the company I wanted to be clear as to why we should setup another tea company. That is the first question that came into my mind and then the little insights into the industry, consumer needs, the changing economy and the changing global consumer trends showed us that there are many things that you can do with a simple beverage like tea. There were two advantages with tea, one is you do not have to introduce tea to anyone in the world. There are 240 nations in the world and every country knows what tea is and drinks tea in certain quantities.

Secondly whatever happens in the world – turmoil, war, dictatorships or closure of borders – there are only five things that are absolutely essential for a human being to live a life, which are food and drink, clothes, medication and education.

Everything else is secondary. Paradigm shifts will take place but the demand and supply chains will remain. That is what we saw during the Iraq war. At that time Sri Lanka was the largest supplier of tea to Iraq. Everyone at that time said that Ceylon Tea is doomed and it will have no market. But what happened? Jordan became the largest buyer of Ceylon Tea because tea went to Iraq through Jordan. Even Iran expanded its tea purchases and through the borders of Iran tea filtered into Iraq. Iran was at war with Iraq but tea went through. This is an interesting fact, when it comes to essentials there are no borders. Unfortunately most of the authorities have this islanders' mentality. They do not understand. Today's world is a world without borders. It is one large global village. You cannot put any block because there is so much of access. That is what we have seen.

**We Think Differently... We Thought About How We Were Going To Change The Perception Of This Beverage. That Is How We Started Focusing On The Branding, The Look, Variety And Of Course The Real Value And Strength Of Tea.**

Having realized that and with the concept of doing things differently, then how did we get our ideas? You can always dream, but how do you make a dream a reality, a strategy and then the strategy a successful venture? We thought out of the box. Tea to a great extent is considered as the cheapest beverage in the world, that is the level tea has been brought down to. If you look at tea in most countries it is regarded as a transporter of energy, drunk by the working class. For example in Sri Lanka if you go to one of our paddy fields the farmer's main sustenance during the day is sweetened tea. Sugar gives him the energy, and tea gives him the tannin and caffeine to keep his body active. This happens throughout the world in the categories where tea is consumed. We wanted to create a platform for tea to be elevated even above coffee. Coffee is the rich cousin of tea. People drink coffee showing that they are drinking coffee. They will not want to show that they are drinking tea. That is the perception created in various social levels.

We thought about how we were going to change the perception of this beverage. That is how we started focusing on the branding, the look, variety and of course the real value and strength of tea. This commodity was controlled by multinationals; as

such these factors were suppressed so the price of the commodity was cheap. It is a very simple equation. They had a strategy and we did not. In Sri Lanka we were told to grow and sell, but at what price? Today we have got caught to that very unfortunate equation of promoting the product from a point of view of a grower and not from a marketing perspective. Even agencies that provide assistance to this sector do so for us to grow tea and the commodity price remains low. That is the way the world works, unless we understand why they do these things, we will remain in the same place.

Sri Lanka is one of the first countries in the world that has been successful in placing Ceylon Tea on the shelf with other sophisticated global brands. Our products are available in Japan, US and Europe; produced in Sri Lanka straight to the shelf. We have the distinction of being the first country that is focusing on a branded value added product in tea. I still believe that tea has the best chance of creating that segment in the world market if politicians and decision makers understand the economics of it. They should take the exporters into confidence and not only the plantation small holders.

At HVA, we have created a large variety of products and an extensive range, not only in tea. We did not look only at tea as a simple beverage but how we can branch out of tea; that is the beverage based products and non beverage products. Today we have developed several non-beverage products from tea in addition to beverages, which are not 100 percent tea but tea based. For instance our isotonic drink is a combination of king coconut water, green tea and lemon juice. This is marketed globally. This perhaps is the only natural isotonic drink in the world. We based our product on the simple thinking that King Coconut water can be used as a replacement for saline. We have an in-house research and development laboratory, which is the first in Sri Lanka. We have people inside and outside working on projects to find out what else can be done with tea. We are also doing a project with the University of Colombo to extract polyphenols from tea. We are looking at a product where polyphenols from tea will be provided as a supplement. Polyphenols effectively combat free radical in your blood stream that cause heart ailments, cancer, pressure and other diseases. Tea is a rich source of polyphenols.

**We Are A Company That Provides Tea As A Lifestyle Beverage And Tea Based Products. As Such Our Scope Is Unlimited In Terms Of Research And Development. We Follow The Principle Of Thomas Alva Edison To**

## **Constantly Innovate, So That We Come Out With Novel Products.**

We are a company that provides tea as a lifestyle beverage and tea based products. As such, our scope is unlimited in terms of research and development. We follow the principle of Sir Thomas Alva Edison to constantly innovate, so that we come out with novel products.

Sir Thomas Alva Edison is personally for me a role model in science where his inventions and concepts continue to this date. His company, General Electricals is the one company that stood firm without collapsing even during the recession because of its principles. We are not Edison, but we follow similar principles where we are constantly being innovative with tea. At one stage our tag line was 'Heladiv probably the most innovative tea company in the world'. Our innovative spirit is what makes us different from other companies.

## **Even the concept of a tea club is novel to Sri Lanka where not only tea but coffee too is served, and tea has become a fun beverage and the tea club a place to socialise and interact with people. Can you elaborate on this?**

The atmosphere we have created at Heladiv Tea Club (HTC) invites people for interaction. Business meetings casual meet-ups and lazing around in plush sofas have made HTC a popular café in Colombo.

We found that in the world the lifestyle shops were based on coffee. They also offered tea but it was basically coffee shops. We have tea boutiques, this is not really like the boutique hotel but a small shop where you have a cup of tea. We wanted tea to go beyond that of a tea shop, so that people could have a lifestyle experience with tea. In 2009 we met a partner in China to start this tea café concept in their country. At that time we were a bit worried because China is the birth place of tea, they are the largest producer and consumer and have the greatest variety of tea. We discussed the strategy and were encouraged to proceed with the initiative. We now have 55 shops in China with our joint venture partners Beijing Pure Ceylon Tea Company and we serve only Ceylon Tea.

There we found that we could project tea to a different level. The staff are dressed

in Sri Lankan outfits and the girls wear sarees. The cafés are very high-end and have a Sri Lankan ambience and feel. We serve expensive champagnes, the best wines and Cuban cigars. We have been able to create a new experience of life over a cup of tea.

That is how we got the idea of doing a tea club in Sri Lanka. In Sri Lanka when you say tea, most of them are too passionate about it. They do not want to think beyond tea. I always tell the members of the tea association that we are too passionate. The industry has got bogged down in a time capsule and has not been able to branch out because of the attitude that tea must remain as tea. This is where we want to make a difference. At the Heladiv tea club tea becomes predominant. We can even convince a coffee drinker to try tea. But if you don't have that kind of variety and flexibility we will not be able to attract people.

First is to attract people, second is to entice, and third is to get them locked in; that is the strategy of the tea club concept. Our attraction is so much that people come and see the place and then the other two aspects happen automatically. We have not done a major advertising campaign; our customers come here mainly by word of mouth and through social media.

We Are Among The Pioneers Who Introduced Flavoured Teas, But We Are The Pioneers In Iced Tea. We Introduced The Concept.

Having said that we are many steps behind in making this a global franchise café. To make this venture profitable you cannot only focus on selling a cup of tea, you have to add elements to that. We are looking at enhancing the ambience of the space so that it can be used for private functions. That will bring additional revenue. We are making it a fun place for people to come and socialise and then they see our products where we will have a retail section as well. We are bringing together all these elements and we are fine tuning them into a format, which will eventually become a franchise café network. We are already discussing with a US company who are very keen to start this concept in the US. Hopefully in the next few years we will see Heladiv Tea Clubs in cities around the world. That is our idea.

**Heladiv was also one of the first to introduce flavoured tea and the pioneer in ice tea. Can you elaborate on this aspect?**

We are among the pioneers who introduced flavoured teas, but we are the pioneers

in iced tea. We introduced the concept. I know that so many companies tried before us but they were not successful.

Our first introduction was in the late 1990s and in the year 2000 we introduced ice tea in a very small way in tetra packs and that project has been very successful and we are growing slowly. We have to generate cash within the organisation because we do not get any kind of assistance from the state or any other organisation like other pioneering industries. We cannot afford massive advertising campaigns or investments. As such we have to tread cautiously. We have now started our tea extraction plant, called the Heladiv Incubator, which is essentially our concept centre. We do extraction and many experiments. We have now introduced to the market tea in concentrated form, which is a very cost effective process and very soon we are going to introduce tea in a box with a tap, similar to the wine cooler. The initial steps have already been completed.

Similarly we are introducing products with tea mixed with various other ingredients such as the isotonic drinks and other beverages. We are already exporting to Australia and will be exporting to many other countries as well. We also produce tea in bag-in-box for commercial applications, like 5kg, 10kg packages so that you can use in dispenser machines to make different beverages. The tea extraction aspect is doing very well. There is great potential for us.

**Heladiv is known for its unorthodox strategies where you have been able to create a distinct image, number of products, brands and expand to international markets. How was this achieved?**

In business there is what we call the herd mentality. People go after success and they copy others. Our idea is that we emulate success but we never copy. When we first started developing brands I told our team to emulate successful companies like Mlesna and Dilmah but to never copy them, because we must be distinctly different.

When we first introduced Heladiv as a brand concept I explained to the brand designers that they can have anything on the pack except any element of tea. They were surprised and they asked me how they can design a tea pack without tea. We banned the tea cup, tea factory, tea plucker, tea leaves and bud from the design. We explained to them that to the consumer it is confusing to select a brand when



everything looks the same. He or she will pick up a brand that he or she has seen on TV or is fully loyal to a brand.

We wanted the consumer to see something different in Heladiv where the natural tendency is to check what it is. That is what we were praying for people to take the product into their hands. Once consumer takes the product into their hands that means you have their attention. That is how we became successful, when we introduced our first packs they asked 'how can you sell this? These are like perfume packs'. We had a stylised multi coloured tea leaf, which we called the power of the leaf.

The leaf was very small and Heladiv was in very thin fonts. There was no point in putting Heladiv in large lettering because no one knows what it is. We went on the consumers' cravings and feelings and gradually increased our popularity. Today Heladiv is asked for by name. We are now in Japan with the Aeon Group, that is one of the largest networks. We are in Korea with E-mart and Lottemart and there too we sell our product as Heladiv, it is now known with a lesser marketing budget than most other brands.

We have created that hype in the market to get a captive audience and not push some marketing strategy down the consumer's throat. Sometime back AFP did an interview with me and asked me about the uniqueness of our tea so we showed them a 60g of tea that we sell in China for USD 350, which contains silver tips. Silver tips is considered an aphrodisiac in the Eastern and Middle Eastern countries. We were not saying that by drinking silver tips and gold tips it will increase your libido activity. This was insinuated in an indirect manner and it went viral. And in the Sydney morning news there was a cartoon with the housewife in a short mini skirt on the breakfast table pulling the husband's tie and he is asking her "honey have you been drinking tea lately?" We felt that we did a great service to tea by doing that and this was mentioned in our article.

We are excited to make novel products rather than forcing people to do things. With tea we adapted the changing ideas and needs of the consumer so that we could weave through and manipulate the customer with excitement. That is how Heladiv is different.

**Heladiv Is In 40 Countries. We Have Two Companies, The First Company Is HVA Lanka And We Are Celebrating 25 Years This Month. HVA Foods Is The Company That We Specifically Created For Value Addition To Product Brands.**

**You have been able to introduce new products that target specific markets. Can you elaborate on this?**

Heladiv is in 40 countries. We have two companies, the first company is HVA Lanka and we are celebrating 25 years this month. HVA Foods is the company that we specifically created for value addition for product brands. Many people asked us why we named the company HVA Foods, and whether we have food items. I explained to them that in years to come tea will be in the food grade. True to our word, today tea is in the food category and there are many restrictions. Initially tea was seen as a simple beverage and there was no testing or a requirement for nutritional level panels. In the present day Ceylon Tea has to provide information on the maximum residue levels, nutritional values, contents and expiry dates similar to any other food item.

HVA foods created that concept for tea. That is how we have embedded ourselves in the various markets. In Japan, Korea, Singapore and China we have primary dealerships rather than going through agents. We have a very good client base in the West Indies and have a sub-brand called Eve in that market, which we started long years ago as soon as we established HVA Lanka. It is doing very well. We are also in Russia and Ukraine. In the African continent, we are in Nigeria and looking at moving into locations like Ghana. In Europe we are established in Germany and are looking at expanding to other European cities. Overall we are in 40 countries and in all these countries we are registered in their brand registrations.

**HVA also prides itself on integrating traditional manufacturing with green initiatives. Can you elaborate on this?**

There cannot be anything greener than our premises here in Sri Lanka. This property was a waterlogged area. There was not a single tree, only marshy land. We faced many problems when developing this land because we refused to fill the land. If any area was to be filled then a similar extent had to be dug because we wanted to maintain the environmental balance. What people don't realise is that you cannot fight water. Water has its own power. If you weigh water, 1 litre is 1kgs. So when

thousands of litres come at a gathering momentum you can imagine the sheer power of water. That is what we saw during the Tsunami.

Our premises is on a very low area. But by being friendly with water and understanding the momentum of it, we have not got flooded. That is our first green initiative; letting the water pass through and behave the way it wants without obstructing it. We have a man-made lake in order to maintain the ground water level as there is a substantial amount of aquifer in the ground. I am not an environmental fanatic, but I love nature and trees. And, trees are my passion. If you walk around the compound, you will see kumbuk trees, kaluwara, burutha, milla, ulu, goraka and many other varieties, which we planted here. This is a typical green initiative.

**By Being Friendly With Water And Understanding The Momentum Of It, We Have Not Got Flooded. That Is Our First Green Initiative; Letting The Water Pass Through And Behave The Way It Wants Without Obstructing It.**

We purchased the opposite land as well but we have not developed it as of yet. People in the area have asked me to start something but I have refused to do so because we want to do the right thing. This land too will be developed into a tree filled environment.

We have used solar curtains in the building. We are situated exactly on the solar path. During certain times of the year there is a tilt of the earth and you get a 5-10 degree line where the sun comes from. That is why we have large because then the sunlight will not directly hit the building through the glass panes. With the curtains we can control whether the light will hit directly or indirectly. That is another way we are focusing on nature. We spend about 0.005 percent on electricity in relation to our turnover, how many companies can boast of that? We primarily use electricity for air conditioning and machinery. And, the roofs are built to accommodate solar panels. But we have not done so yet as there will not be a return on the investment as our usage is very low. At the right time we will be using solar panels and supplying to the national grid. Even for air conditioning we are looking at some new methods. We have innovated a novel system called the clay pipe system where you fill the container (which is similar to a radiator) with clay pipes filled with water and you blow the air through that and the temperature drops

by 3-4 degrees. This is based on the traditional water cooler, the guruleththuwa.

All our waste is sorted at the point of origin. There is nothing to release from the plant to the environment or the municipality. We have about 100 people working here. We have two compost pits where we put all our degradable material. Then human waste is sent to a pumping station where it is broken down to water and sludge. Once in six months we take the sludge out. We sell used paper and aluminium waste for recycling and from that we make about 10,000 rupees a month.

We focused on the environment not because anyone told us to but because we wanted to. We did not do these for certification. We found that we are qualified to be certified as a green factory. Certified or not we are green that much we know.

Any visitor who comes here knows that we are green. We have created a forest garden, the atmosphere is cool and everyday I walk at least twice around the compound because it relaxes my mind. That is our green initiative.

**We Are Still Stuck In A Time Capsule. We Are Trying To Move Away From That Passionately Held Closed Industry Concept To A Liberal Global Format.**

**What are your thoughts on the current status of the tea industry of the country?**

We are still stuck in a time capsule. We are trying to move away from that passionately held closed industry concept to a liberal global format. Fortunately our organisation, the Tea Exporter's Association of which I am the president, we are all of the view that tea has to be much bigger than it currently is and it has the potential to do so.

Tea exports generate about 1.6 billion dollars, which is actually very little for a nation. Some of the medium sized global corporates generate 7-10 billion dollars; as a country where tea is one of the main exports, generating only 1.6 billion dollars make us a bit shy to talk it about as an industry.

We believe that in five years tea can go to the five billion dollar earning capacity if we look at the global market as opposed to looking at Sri Lanka only to sell our 320 million kg. That is the basic difference. If you take the globe you are looking at 90 billion dollars in ready to drink tea export market. 1.7 billion kgs of tea going from producer countries to consumer countries that is from about six billion that they manufacture. And, in that 1.7 billion kg equation Sri Lanka is only 320 million kg trying to sell it at a premium.

If we take a portion of the 1.7 billion kgs and go up to 500 million kgs, we will see a massive difference in the country. We will virtually double our GDP in relation to tea, because there is so much direct and indirect benefits to the economy. Manufacturing, finance, shipping, logistics, port services, marketing, employment and other such aspects will be generated by the bigger picture. In the past due to the vested interests of individuals the government has been formulating trade policies by talking only to a few people in the industry. Fortunately the current government has taken the entire industry into its confidence. We have given our proposals and they have looked at it positively. We are very focused and we will have a better future. There is a misguided perception that by allowing imports into Sri Lanka, it will press or kill the domestic tea growers, which many of us do not agree with. Today you cannot tell people what they want to drink. If you don't have it they will get it from somewhere else. There are no longer captive consumers. They have the free will to decide what they want.

We have to look at the economy in a liberalised manner. We suggested sometime back that Sri Lanka should be a tea hub and be known as the tea nation, which at one point was mentioned in the original manifesto of the previous government. However, this was derailed due to various reasons. And today what we are seeing are the results of those bad decisions. We are still not too late. I believe that Sri Lanka has the potential to become the world tea hub, similar to what London and Rotterdam were in the 1960s-70s. Sri Lanka can be the world tea hub in this decade because we have the expertise. We have to look at the big picture. By allowing tea to come we are not going to kill pure Ceylon Tea. We can have two different segments of pure Ceylon Tea for high quality and niche markets. And, another segment for local brand owners to build brands for the mass market going to supermarkets and compete as equals internationally. That option is now removed because of the restrictions to keep one segment of the industry happy or live in a

bogus world of protectionism. If companies are restricted in their operations, they will setup their operations outside of Sri Lanka. This has already happened where several companies have operations in Dubai, Russia and India where restrictions of regimes are much less to become global companies. Why can't a Sri Lankan company become a multinational? We have to learn from these experiences.

**You are a board member of the Sri Lanka Tea Board, can you elaborate on the work done to promote the industry?**

Sri Lanka Tea Board was started as the Sri Lanka Tea Promotion Board and was set up primarily for promotion in the global markets. At the beginning their scope was very simple; to promote tea and they had a Tea Commissioner's department. These were amalgamated as the Sri Lanka Tea Board, where you have the control segment of the Tea Commissioner department, estates and promotions. I am working in some other government organisations as well but I feel Sri Lanka Tea Board, because of its interaction with the private sector, is much more attuned to the commercial world than other government or semi government organisations.

The current management of Sri Lanka Tea Board has a very cordial relationship with the industry stakeholders and during the past six months there has been much improvement; there is interaction between the tea export industry and finally the global campaign that was held back for various reasons for over four years has been activated. There is nothing called excuses for a failure or for a delay because in the legal world they say justice delayed is justice denied. Similarly when you start a programme collecting funds for the specific purpose of promoting tea, and there is a notification in parliament, I cannot see any reason for delays to happen.

The tea export industry always looked at this delay with suspicion and that the funds were being taken and used for some other purpose. After the funds are collected by the government there is a statutory requirement that it should be controlled by the government and no one else has any access to it unless you go through a legal process or other means of agitation. The tea industry came very close on several occasions on taking action, fortunately with the change of government this was accelerated and the promotion programme and the global campaign should start any time now. Green lights have been given and contracts have been signed, before the end of the year we will see the global campaign taking off. At the same time the Tea Board has to listen to the tea export trade.

Export companies are now participating in fairs with the Sri Lanka Tea Board where the Board is meeting 50 percent of the cost from this fund. They are in the process of short listing suitable locally registered brands to support in the global market. There is no point launching a global campaign if the brand owners don't get a benefit from that. If the lion logo of pure Ceylon Tea is not connected with the brands physically to what is available on the shelves it will be just be another fairy tale. While promoting Ceylon Tea brand owners must be empowered by the global campaign. We spend money on unnecessary things. That is water under the bridge and there is no sense in talking about it. We are stressing on the point that this fund should be used only for the purpose that it was established for. That is good governance nothing else. No one is doing us any favours, it is not a demand. That is how it should be. Thankfully under the current administration of the Tea Board and chairman for whom I have the greatest respect for, the funds are being allocated for the purpose it was established for.

People may try to take political mileage out of the depressed tea market saying that because the government has changed the prices have come down. There is no truth in that. One of the reasons why the prices have gone down is because money has not been pumped into marketing. That responsibility lies in the delayed marketing process. Another aspect is that 70 percent of Sri Lankan tea is exported to countries of conflict or under sanctions. Ukraine is under civil commotion, Russia and Iran are under indirect sanctions, Libya, Syria and Iraq are in turmoil. There is great instability around the world. We are taking a huge risk in marketing and dealing in these countries where you export and the funds come not from banking channels but from other channels. We have a huge exposure.

We are continuously talking with the US Embassy and we have had several meetings with them. Following the agreement reached between Iran and the US on July 14, there are gradual improvements in their relationships and some of the sanctions will be gradually lifted. As tea is a non-sanctioned item we are looking at how to work out these issues and get into direct financial interactions. The western world is not obstructive towards Sri Lanka and with talk of GSP + coming back to Sri Lanka we will have new avenues opening up even for tea in these countries. After the visit by the US Secretary of State John Kerry, he has given specific instructions to see how the tea industry can be further assisted in terms of the US segment. The US is a very large consumer of tea, iced tea as well as tea extracts. We are working

on all these aspects and that is why our AGM topic is 'Teconomics looking towards a five billion dollar tea economy by 2020'. We are hopeful that the tea industry will reach its potential.

**What We Want From A Government Is Non-Interference In Business; What We Want From A Government Is Good Governance And Not Business. In The Modern World Businessmen Do The Business And The Government Sets The Policy To Facilitate Business.**

### **What can we expect from Heladiv in the future?**

Our idea is to make this a global local company. In other words we took a bold step in 2011 to go public from being a closed 100 percent family owned company. We divested close to 40 percent of our shareholding. We are looking at synergies between companies, industries and diversifying into the global network. We are already working with a US company to do a non tea, non beverage product. It is a product that will go into making a green tea smoke. Initial experiments have been successful. Hopefully we will form a separate organisation to take on this very big market. We would say it is a multi billion-dollar market in the US and the world and we are working towards that. By 2016 we will hopefully have a separate modern factory manufacturing these new products and by 2020 our target is that HVA will be listed in a foreign stock exchange. That is our vision as we reach our 25th Anniversary this month.

### **Final thoughts**

What we want from a government is non-interference in business; what we want from a government is good governance and not business. In the modern world businessmen do business and the government sets policies to facilitate business. If that equation is achieved, Sri Lanka will become a powerful nation and can look to the 50 billion dollar economy that we are talking about. If the government starts doing business and the business people get involved in politics there again it will be a total mess. That will result in wheeler-dealer trading and entrepreneurship will not be encouraged. That is my perception about the country if we want to go forward.







