Gold-getters, all!

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Euro-Scan Exports (Pvt) Ltd., a leading manufacturer and exporter of gourmet tea products bagged the ‘Gold Export Award’ for 1995 in the Agriculture Sector Large Category, when the National Chamber of Exporters of Sri Lanka held their fourth Annual Export Awards Ceremony at the Colombo Hilton on the 3rd of September.

Marketed under the brand name ‘Mlesna’, this 100% locally owned product was launched in 1983 and has been successfully marketed in 36 countries within a period of 12 years. The major markets being Japan, Canada, U.S.A., Russia, U.K., Singapore, Czech Republic, Germany, Switzerland, Taiwan and New Zealand.

On winning the Gold Export. Award, Anslem B Perera, Managing Director of Euro-Scan Exports (Pvt) Ltd., said, “It encourages the whole aspect of export and gives us more energy and drive to go ahead with new innovations”.

Mlesna has created a wide range of fruit and other exotic flavoured teas exceeding 65 different blends in the last 12 years. The range of products offered under the ‘Mlesna’ brand name exceed 1600 items, thereby becoming the single brand tea which has the greatest array of products in the world.

Mlesna’s exotic teas are presented in the most exclusive and creative packages ranging from standard consumer packs to cloth sachets, wooden boxes, metal cans, reed baskets, leather packs, ceramic and high quality porcelainitems including those that are in 22 carat gold-plated porcelain containers and tea pots.

The Mlesna range of gift products vary from standard gifts to those that are suitable for Royalty in their exclusive gold wrappings.

Mlesna products have won many national and international awards for their exclusivity and presentation in both product concept and quality. It was also the first Sri Lankan product to win a “World Star Award’ in 1990. Their collection of World Stars now total seven.

Presidential Export Awards, NEA Export Awards, Lanka Start Packaging Awards and Asia Star Packaging Awards received by Mlesna in a decade of operation has now exceeded thirty-nine.

At the Export Awards Ceremony organised by the National Chamber of Exporters of Sri Lanka on 3rd September, Nandadasa Narayana, Chairman & Managing Director of Flexport (Pvt) Ltd., won the ‘Gold Award’ for 1995 in the Services Sector Small Category. In addition, Nandadasa who was also the Guest of Honour on the occasion, received a special award in recognition of his outstanding achievement in bringing honour to Sri Lanka by winning the coveted ‘Gold Cup of the President of the International Federation of Inventors Associations’, for his bio-friendly packaging system ‘Coir-pack’ made with ‘Kohubath’ (Coir Dust) at the International Inventors Exhibition held in Geneva, Switzerland in April this year, under the patronage of the Swiss Federal Government.

This was a significant achievement for Nandadasa, who had to compete with 665 inventors from 42 countries around the world who presented over 1000 inventions. Furthermore, this coveted Gold Cup had been held for the past two consecutive years by the Netherlands before it was placed in Nandadasa's hands.

Coirpack is a biodegradable and totally environmental-friendly packaging product made with nothing but coconut fibre dust, machine-pressed and moulded into any particular shape. According to Nandadasa, it can be made to accommodate any product that requires strong and safe packaging be it a television set or a milk bottle. A unique feature of this system is that once the packaging is discarded, it has 18 other uses among which it is an excellent growing medium in place of peat or as fuel for heating and cooking. Above all, it is the only answer so far to replacing the much hated Styrofoam (expanded
Polystyrene) and plastics.

This process and 37 allied products have been patented worldwide. "Few years ago, I was treated like a crazy person trying to make something out of Kohubath (coir dust). Although it took six long years to develop 37 product lines for the world market with over 20 million expenditure on research and development, it was a hectic task for me to explain, until I received world recognition and opened new markets", says Nandadasa.

When Coirpack was first presented for a competition organised by the Sri Lanka Institute of Packaging, it won a 'Lanka Star' which qualified it to be sent up to the International Competition conducted by the Paris-based World Packaging Organisation, where it won two 'World Star' Awards.

Nandadasa has not yet got down to marketing this product as he wants to get off on

a large scale simply to avoid others copying his concept. A leading Polystyrene (Styrofoam) manufacturer in Germany has already entered into an agreement with Coirpack to pur chase licensing rights. 53 more are in the pipe-line. Nandadasa is confident of earning USS 300,000 per franchise, as his concept has been accepted worldwide. His aim is to target his concept at coconut producing countries around the world of which there are about 85, where they could process and briquette the raw material and export it to countries which hold the franchise.

According to Nandadasa, The World Packaging Organisation and the World Trade Centre are keen to draw the attention of the international media to this product, especially because most developing countries suffer enormous losses due to goods perishing in transit caused by bad packaging.

In November 1992, Nandadasa had the privilege of being featured on the CNN World Report when Coirpack was still in its infancy. The response was tremendous. “There were 47 countries asking. me for the franchise and licence for Coirpack, but unfortunately the product was not developed enough. I was also advised against marketing it at that time because my patent would have been in danger and someone could have picked up the idea and done it”, says Nandadasa. “Now I have got a market and with 53 franchising and licensing requests, I would bring lots of foreign exchange into the country”, he adds.

It appears that the days of Styrofoam manufacturers are numbered. Twenty states in the USA have already banned it with EC countries soon to follow suit. *So the question is what is to take its place?* The answer obviously has to be Coirpack. Of the eighteen green features Styrofoam has none, pulp packaging has eight and Coirpack has it all.

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Collecting the National Chamber of Exporters, Gold Award for Agriculture (small category), was a very debonair young man, Sathiyendra Wijepura, Director of Ocean and Tropical Fish Export Co. (Pvt.) Ltd.

On winning the award his reaction was, “It’s a great encouragement, especially because the Chamber of Exporters has recognised our contribution towards the country in terms of earning foreign exchange. Also, for future plans it is a great encouragement.”

Ocean & Tropical has won the Certificate of Merit at the Presidential Export Awards for five years, and last year they won the Silver Award for ‘Entrepreneur of the Year’. But this is the first time they have hit gold and they are proud of the achievement.

Sathiyendra explained how the company was started by Siri Vanniarachchi (now his father-in-law), whose hobby was collecting and breeding fish. He was able to develop this pleasurable pastime into a business, as a result of team work by family members and relations. Initially, Siri did not need much capital investment, given the relatively simple nature of fish breeding but when expansion became a necessity, the Bank of Ceylon was there to back him.

Siri’s first export shipment was to the United Kingdom in 1969, consequently spreading to other European countries and the USA.

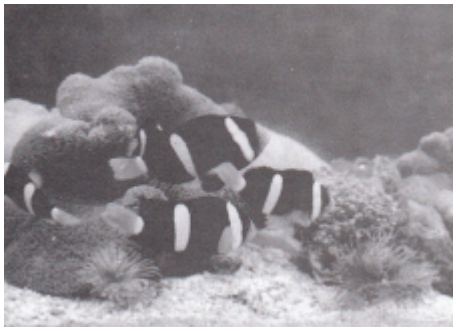
Ocean & Tropical have been regular participants at the Interzoo Trade Exhibition held every two years in Germany. This is an extremely important event because those interested in the fish industry do business here. Says Sathiyendra, “our presence is very important so we can meet new clients there and discuss problems with existing clients.”

One may question the environmental effects of such an industry which regularly harvests the oceans and lagoons of its fish. As Sathiyendra points out, the government has rightly banned items such as hard coral but for those who are worried about the fish export trade exploiting our natural resources, he says, “even if you eat seer fish every day it does not mean you are going to deplete the fish

population. Small fish especially, grow very fast.”

Ocean & Tropical concentrate on three categories of fish for export marine fish from the oceans around the island, fresh water fish bred at their stations and brackish water-lagoon fish. Depending on the prevailing monsoon, they have different sources for their tropical ocean fish. Trincomalee and Batticaloa used to be important sourcing centres but now it is not possible to access these sites.

They now rely heavily on their Maldives base which is a joint venture and has been functioning since 1989. This is an extensive operation with their own divers, supervisors, packers and officials based there.



In Sri Lanka, Ocean & Tropical have two fish breeding centres, one at Mount Lavinia and the other at Panadura on 6 acres of land. “We concentrate on guppies and angels as there is a very big market for them”, says Sathiyendra. “Its easy to compete in the market with these two varieties at the moment, because the giants like Singapore and Thailand have a problem with a kind of viral disease affecting their fish. So customers want the Sri Lankan fish right now and we have the advantage.”

According to Sathiyendra, a lot of people have got into this business now and so it is very competitive and the Export Development Board wants to promote it further as there is great potential in this area. In 1995, Sri Lanka’s aquarium fish exports stood at Rs 280 million shared between fourteen exporters.

Speaking of problematic areas in this line of business, he says one of them used to be that they could never get enough air freight space from the airlines. Now however there are more flights coming to Colombo like KLM and British Airways and so there are more options for exporters. One of the strong points of Sri Lanka’s closest competitor Singapore, is the availability of cargo space and frequent flights

from that country to numerous worldwide destinations. Ocean & Tropical have recently found at new market in South Africa, and the fact that Airlanka now flies there is a boon to this company.

The devalued rupee and the current credit squeeze is having its repercussions on this company as every other. Suppliers' prices and production costs such as packing are going up. The company finds itself having to advance payments to suppliers and freight forwarders, but in return, encounter difficulty in collecting monies from the customer. The resulting delays inevitably cause problems.

When asked what further concessions the government could offer exporters, Sathiyendra's view is that, "in terms of promotion and marketing, the government should place more emphasis and give assistance, like participation in trade fairs and organising trade fairs in other countries."

Exporting tropical fish is big business today and has proved to be a money spinner for Sri Lanka. For those around the world who indulge in the pleasure of owning and exhibiting these dazzling creations of nature, it is an expensive hobby.

Says Sathiyendra, "our customers have been with us since 1969 and they are happy with our service, the varieties we offer and our packing system which is considered one of the best. I think the main reason for our success is family team work."

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