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**STRATEGIC PLANS FOR THE DEVELOPMENT OF
SMALL AND MEDIUM SCALE ENTERPRISES (SMEs)
IN SRI LANKA
(Special Reference to Batticaloa District)**

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ABSTRACT

The Small and Medium scale Enterprises (SMEs) are seen as the growth of engines in a country. They are contributing major portions for the overall economic development in Sri Lanka (Central Bank report-2003).

Eventhough the Government attempts to improve the Small and Medium scale Enterprises, they have shown a poor growth rate in Batticaloa District during the last ten years (Industrial Journal -2003).

It has been proved that the main reasons for this problem is that the on going war situation, Changing Government policy, Lack of finance & other resources, Lack of knowledge, Education & Training of Entrepreneurs, Poor infrastructure, Failure of Market, Lack of Information technology and inadequate research & development etc.

Data were collected from 100 SMEs as sample through questinnaire in order to carry out this research. The Cluster sampling techniqe was applied since it was important to take in consideration the SMEs located at the urban parts in each Divisional Secretariat.

It was proved that educational level of SMEs, finance, training, research & development, technology, resources, infrastructure, market and the government policy etc, has had greater effects on SMEs' development.

And also, the researcher has suggested number of strategies as remedy for the barriers faced by the SMEs in order to accelerate their development.

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