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The National Strategy for small and medium enterprise sectors development in Sri Lanka

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Small and Medium Enterprises (SMEs) generate large number of of employment, contributing to the evolution of GDP, begin on inventions and inspiring of other economic event. When analyzing the current contribution of this sector in the national economy, one sees limited success in the region. One needs to know as to what are the specific factors/reasons to engage in Entrepreneurship/self-employment activity? Is it poverty or the government policy through its welfare or subsidy that facilitate small scale Industry activity. Are there personal characteristics of individuals such as personal traits, skills and risk bearing ability for engaging in small business to achieve their economic development goals. The Objective of this study is to examine the factors determining the success of Small and Medium Enterprises (SMEs) in Sri Lanka, and to develop possible policy choices on how to enhance the success of SMEs in Sri Lanka.in our attempt to find the suitable methods for collecting the much needed information for our research one method is used. A qualitative analysis on previous researchers' methodology (Secondary data) is applied and then the experience gained from SMEs economics related research projects undertaken in Sri Lanka is used. It is important for the researcher to consider various research paradigms while deciding on the methods to be used in the study.

Having understood the positive impact of SMEs development on economic growth, and many countries are putting a lot of efforts to develop this vital sector. But the contribution of SMEs to the national economy in Sri Lanka is still low when compared with the other developed and developing countries in the region. Therefore, there is an urgent need to further improve the inherent capacities and capabilities of these industries to be efficient suppliers.

Key words: *Small and Medium Enterprises in Sri Lanka, SME Policies in Sri Lanka, Economic Development, Entrepreneurship, Small Scale Industry.*

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