Annual Performance Report

2020

Department of Commerce

Expenditure Head No. 295

Contents

Chapter 01 – Institutional Profile

1.1 Introduction

The Department of Commerce (DOC), the international trade policy arm of the Ministry of Trade, plays a pivotal role in the overall conduct of Sri Lanka's foreign trade relations at bilateral, regional and multilateral levels. Functions carried out in this context by the DOC include activities relating to both trade policy and trade promotion.

1.2 Vision and Mission of the Department

Vision of the Department

"Raising living standards of the people through International Trade Relations"

Mission of the Department

"To develop and promote Sri Lanka's foreign trade relations at bilateral, regional and multilateral levels by effective implementation of government trade policy, with a view to raising the standards of living and realizing a higher quality of life through the increase of total production, income and employment levels, thereby actively contributing to the overall economic growth of Sri Lanka."

1.3 Main Functions of the Department

1. Safeguarding and promoting Sri Lanka's economic, trade & commercial interests at multilateral fora through effective representation and participation at discussions and negotiations at all levels (i.e. decision making and technical) at the World Trade Organization (WTO) and liaising & cooperating with likeminded WTO member countries to form common positions on issues of significant interest to Sri Lanka.

2. Conducting negotiations to secure market access by gaining tariff concessions under non-reciprocal preferential trade agreements i.e. Generalized Systems of Preferences (GSPs) for Sri Lanka's exports.

3. Conducting negotiations to secure preferential market access for Sri Lanka's exports under reciprocal trade agreements, such as, Free Trade Agreements (FTAs) and Regional Trading Arrangements (RTAs).

   Agreements under negotiation are as follows;

   i. Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). Countries involved: Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, Thailand
   ii. China Sri Lanka Free Trade Agreement (CSFTA)
   iii. Economic and Technology Cooperation Agreement with India (ETCA)

iv. Sri Lanka Thailand Free Trade Agreement (SLTFTA)

4. Monitor market access related developments, both tariff and non-tariff measures in main foreign export markets and take coordinated actions by making effective & adequate representations at bilateral & multilateral levels for mitigating or eliminating the negative impact of such measures on Sri Lanka's exports.

5. Initiate coordinated actions to address specific market entry barriers in the import markets by formulating requisite standards/procedures at national level and obtaining approval/endorsement from the Regional /International Standard setting bodies.

6. Conducting awareness seminars/workshops on market access opportunities available under FTAs, RTAs and GSPs, in Colombo and regional cities.

7. Dissemination of information on market access related developments, both tariff and non-tariff measures in nature in the overseas markets and analyzing the impact of such measures on Sri Lanka's exports, including advocacy for addressing supply side constraints.

8. Advising and guiding exporters on becoming eligible for COOs under FTA, including consultations on rules of origin, production, procedural requirements, etc.

9. Expeditious issuance of Certificates of Origin to facilitate exports under the following preferential schemes and regional, bilateral and free trade agreements;

    i. Generalized System of Preference (GSP)
    ii. Global system of Trade Preference (GSTP)
    iii. SAARC Preferential Trading Agreement (SAPTA)
    iv. South-Asian Free Trade Area (SAFTA)
    v. Indo-Sri Lanka Free Trade Agreement (ISFTA)
    vi. Pakistan-Sri Lanka Free Trade Agreement (PSFTA)
    vii. Asia-Pacific Trade Agreement (APTA)
    viii. Singapore-Sri Lanka Free Trade Agreement(SSLFTA)

10. Organizing training programs/ workshops with foreign resource personnel in Colombo and in regional cities on the topics related to new developments in international trade and WTO agreements.

11. Hosting of "Sri Lanka Trade Information Portal" with up to date information related to export and import procedures of 41 organizations, which disseminates all the requirements they need to comply with to import or export a specific good from and into Sri Lanka, in response to a single query.

12. Assistance to resolve trade disputes between a foreign party and a Sri Lankan party through amicable means.

13. Guiding and assisting the exporters to compile their responses of defense when their products are subject to anti-dumping investigations initiated by the importing countries.

14. Analyzing & compiling responses of defense when Sri Lanka's exports are subject to countervailing duty & safeguard investigations initiated by the importing countries.

15. Overseas Commercial Representation: The Commercial Representation comprises of 31DoC officers serving in 30 Sri Lanka Missions aboard, who are engaged in promoting and safeguarding Sri Lanka's commercial and economic interests in the host countries.

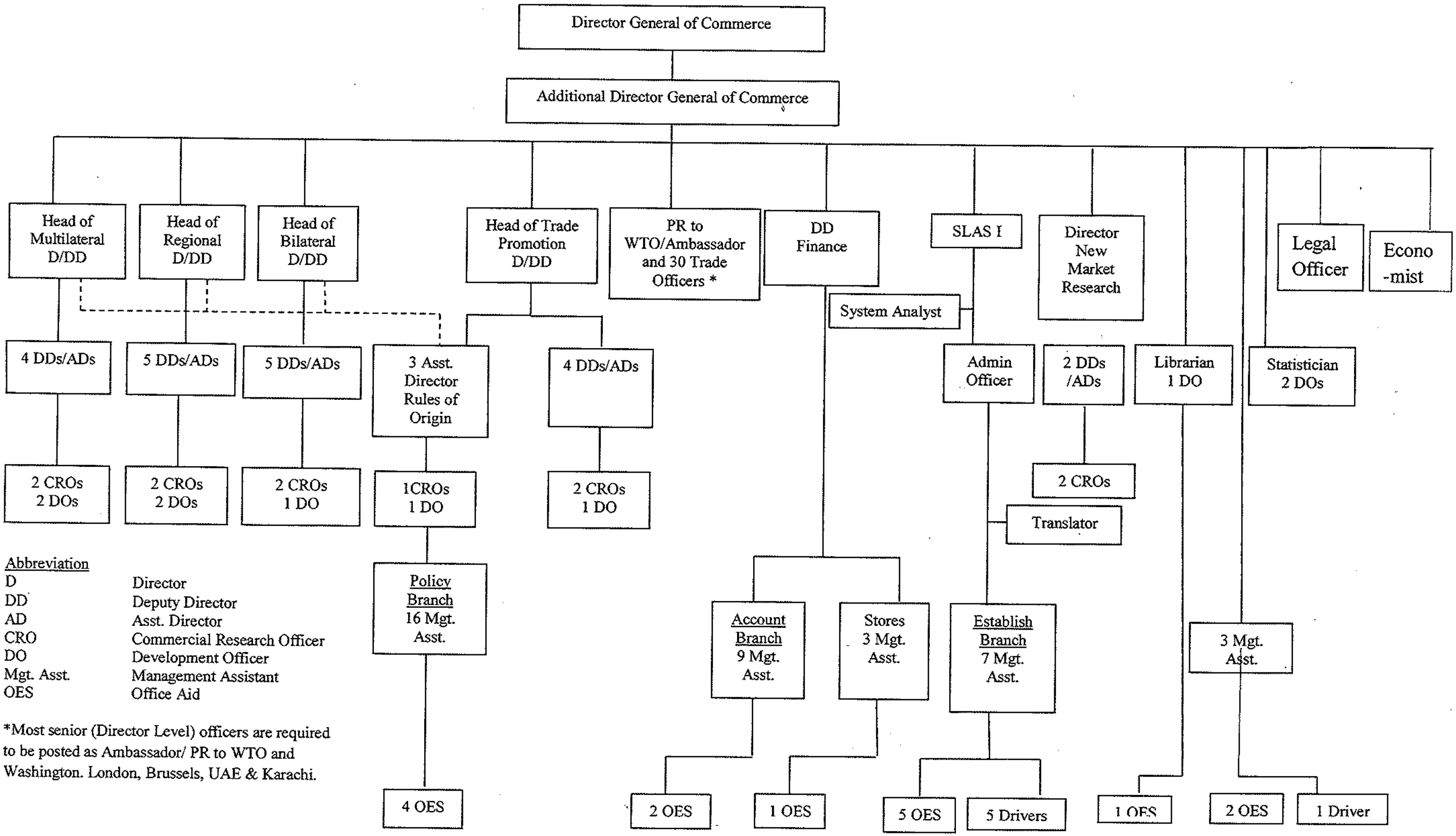
15. Conducting research on market access for existing and potential Sri Lankan products

16. Recommendation for Residence Visas

17. Approval of Credit Agencies:

18. Organizing/coordinating Joint Commissions/Committees and Trade & Investment Framework Agreements (TIFAs).

1.4 *ORGANIZATION CHART: DEPARTMENT OF COMMERCE*



Abbreviation

D	Director
DD	Deputy Director
AD	Asst. Director
CRO	Commercial Research Officer
DO	Development Officer
Mgt. Asst.	Management Assistant
OES	Office Aid

*Most senior (Director Level) officers are required to be posted as Ambassador/ PR to WTO and Washington. London, Brussels, UAE & Karachi.

1.5 Main Divisions of the Department and their Performance

1.5.1 Multilateral Affairs Division

The Multilateral Affairs Division handles Sri Lanka's multilateral trade relations, which areprimarily focused on the World Trade Organization (WTO) Agreements. Sri Lanka also maintains a closer interaction with several other multilateral bodies including, the United Nations Conference on Trade and Development (UNCTAD), the World Intellectual Property Organization (WIPO), the International Trade Center (ITC) and the Advisory Center for WTO Law (ACWL).

I. Implementation of the Anti- Dumping and Countervailing Duties Act No 2 of 2018 and the Safeguard Measures Act No 03 of 2018 passed in the Parliament in May 2018.

The 02 Gazette notifications were published to enforce the two Acts w.e.f.19.10.2020 and, two set of Regulations were sent to the Legal Draftsman for review. Internal circulars & guidelines are being drafted. The following key activities were carried out on this subject.

a. Create awareness through press/media on trade remedies

A note on the implementation of the trade remedies Acts was sent to the Cabinet. Ministry of Industries has published a news item. A note on the same was circulated among trade chambers and product associations.

b. Training of other government institutions and private sector on trade remedies

It was not possible to obtain the services of a resource person from WTO-Geneva due to covid-19 pandemic situation.

c. Recruitment of an Economist to the unit

Approval from the Public Service Commission to recruit an economist to the trade remedy unit was obtained. The matter is being pursued.

II. Submission of Notifications to WTO

Without submitting notifications, the Permanent Representative of Sri Lanka to the WTO provided clarifications regarding the basis for enforcing temporary suspension and credit restriction on imports to Sri Lanka. If submission is made it has to under the balance of payment article, which may cause serious repercussions on country's credit rating.

III. Fulfilling the requirements of WTO Trade Facilitation Agreement

a. Publication of enquiry points of each subject area on DOC website

Publication of enquiry points of each subject area on the website of the Department of Commerce was duly completed.

b. Awareness raising programmes on the services provided by DOC, Sri Lanka Trade Information Portal (SLTIP) and Step- By-Step functionality

Five awareness raising programmes were held during the year for exporters in collaboration with the International Trade Centre (ITC). First programme of the year was held on 12th February in Kandy and the second programme was held on 13th February in Kurunegala. Third programme was held on 18th February in Galle. Fourth programme was held on 20th February in Jaffna and a wrap-up session was held on 28th February in Colombo.

c. Making regular updates to Sri Lanka Trade Information Portal (SLTIP)

Sri Lanka Trade Information Portal was kept up to date throughout the year by contacting and obtaining information of 40 government institutions regularly(monthly).

d. Making arrangements to host the SLTIP in Sri Lanka

World Bank, the current host of SLTIP, agreed to bear the hosting cost for one more year until June 2021. The department is in the process of selecting a suitable company to host and maintain the portal from June 2021 onwards. Technical details are being discussed with the Information and Communication Technology Agency of Sri Lanka (ICTA).

e. Introduce step-by-step functionality to the export procedures

Department of Commerce is in the process of introducing step-by-step functionality to the export procedures of selected products. Accordingly, 19 products have been mapped and validation of mapped procedures is being done. Validation process was complete up to 90% as at the end of the year.

f. Proposal on simplification of export procedures of organic fruits and vegetables, organic cinnamon, cinnamon oil and virgin coconut oil

Simplified steps were listed out and sent to the relevant organizations for approval. The simplification process was completed up to 90% as at the end of the year.

IV. WTO Information Technology Agreement

a. Consultation with stakeholders to explore the advisability of signing the WTO Information Technology Agreement (ITA)

A stakeholder meeting was conducted on 05th March 2020. Position of the Department of Commerce regarding is not to become a party to the WTO Information Technology Agreement by undertaking binding commitments ,and consider to remove duties o ITC products n on case by case.

b. Workshop on WTO Information Technology Agreement ITA

It was not possible to obtain the services of a resource person from the WTO-Geneva to conduct a workshop due to covid-19 pandemic situation.

V. Sri Lanka's position on extension of WTO Moratorium on Customs Duties on Electronic Transmission beyond June 2020

At a meeting held on 13th February 2020, it was unanimously agreed to the extension of the moratorium y one year.

VI. Ex-officio participation at regular meetings and sessions on TBT related matters

No meetings were held due to health instructions related to Covid-19 pandemic.

VII. Sri Lanka's position on the WTO Investment Facilitation Agreement proposed by China

The Board of Investment (BOI) and the Department of Commerce (DoC) are studying the implications of the WTO Investment Facilitation Agreement proposed by China and 45% of the study was complete as at the end of the year.

VIII. Representation of Sri Lanka's interest at the Governing Council meetings of the Common Fund for Commodities (CFC)

Even though it was planned to obtain and submit a proposal with recommendations for funding assistance for a party in Sri Lanka from project financing facility offered by CFC, no proposal was received from the business community in Sri Lanka.

IX. Participate in a committee to be set up by the Cabinet to explore possibility of acceding to theGovernment Procurement Agreement (GPA)

The Department of Commerce sent its observations on GPA. No meetings were held during the year.

X. Representation of Sri Lanka delegation at the 12th Ministerial Conference of the WTO (MC12)

The 12th Ministerial Conference was postponed until mid-2021 due to prevailing Covid-19 pandemic. Preparations of the DOC for the meeting are continuing in consultations with the relevant organizations.

XI. Continue negotiations on disciplining Fisheries Subsidies

Text based negotiations are continuing at the WTO. Permanent Representative of Sri Lanka to the WTO is providing inputs for the negotiations from Sri Lanka's side in consultation with the Department of Fisheries.

XII. Continue negotiations on disciplines on Agriculture- Special Safeguard Mechanism for Agricultural products since Sri Lanka's tariff binding (50%) for the same is lower compared to those of the developing countries

The Department of Commerce in consultation with Agriculture Ministry determined Sri Lanka's position on the special safeguard mechanism as acceptable. However, no progress has been made at WTO negotiations as expected at the beginning of the year.

XIII. **Securing Special & Differential Treatment for Sri Lanka as a Small and Vulnerable Economy (SVE) and a Net Food Importing Developing Country (NFIDC), by collectively taking up the proposals for S&DT with members of SVEs and NIFDCs at the WTO**

Permanent Representative of Sri Lanka to the WTO actively have been engaged in securing special and differential treatment with like-mined countries in Geneva.

XIV. **Securing funding for WTO short term Training Programmes under Small Delegation concept to enhance analytical capability.**

Due to covid-19 pandemic situation, training programmes organized by the WTO were cancelled.

1.5.2 Bilateral Affairs Division

I. India-Sri Lanka Free Trade Agreement

The India- Sri Lanka Free Trade Agreement (ISFTA), which came to force on 01st March 2000, continued to make a significant contribution in enhancing Sri Lanka's exports in to the vast Indian market. Total value of Sri Lanka's exports to India has recorded as US$ 604.5 million in 2020, while it was US$ 759.4 million in 2019. It is pertinent to mention that more than 60% of Sri Lanka's exports to India have been under ISFTA duty concessions. Sri Lanka has exported US$ 358.54 million worth of goods to India under ISFTA in 2020 as against US$ 489.69million in 2019.

Animal feed, areca nuts, animal or vegetable fats and oils and their fractions, insulated copper wires & cables, waste and scrap paper and paperboard, furniture, essential oils, mineral water and aerated water, bicycles, apparel, etc feature among the main items of export from Sri Lanka to India under ISFTA. Under annual apparel quota of 8 million pieces of the IFFTA, Sri Lankan exporters have exported 3,487,608 pieces of apparel (items under HS 61 and 62 Chapters) to India during 2020, having a 44 % utilization rate compared to 96% in 2019. This rate in 2020 was relatively low due to the drop in exports owing to Covid 19 pandemic.

The Department of Commerce (DOC) has continuously engaged with relevant stakeholders in resolving ISFTA-implementation related issues though some of them are still occurring. These included issues of quantitative restrictions on black pepper, minimum import prices imposed on black pepper and desiccated coconut and allocation of quota for Vanaspati products. During 2020, the DOC has also taken concrete steps to stop re-routing of third country origin spices and allied products under FTA concessions.

II. Pakistan- Sri Lanka Free Trade Agreement

Pakistan- Sri Lanka Free Trade Agreement (PSFTA), which entered into force in 2005, has also contributed to the enhancement of bilateral trade between the two countries. The value of exports to Pakistan in 2020 recorded at US $ 74.27 million and out of which US $ 53.01 million worth of exports has taken place under the PSFTA. The major products exported by Sri Lanka under the PSFTA during the period under review include coconuts, betel leaves, natural rubber in smoked form, coconut in the inner shell, MDF boards, copra, surgical gloves, crepe rubber, refined rubber etc.

Under the PSFTA, Sri Lanka has agreed to import an annual quota of 6,000 MT of basmati rice from Pakistan. With regard to the quota of 2020, the Cabinet of Ministers has granted the approval through its Cabinet decision dated 2020-11-18 on CP No. 20/1878/313/020-I, to import the quota by Sri Lanka State Trading Corporation Ltd.Approval was also granted to import 2020 and 2021 quotaas together in 2021.

Measures also were undertaken by the DOC to stop the export of third country tamarind to Pakistan along with the Department of Customs . The preparations to hold the 12th Session of the Pakistan-Sri Lanka Joint Economic Commission were also underway during the year by developing a work plan to conduct the JEC in the 01st quarter of the year 2021.

III. Sri Lanka– Singapore Free Trade Agreement

Sri Lanka– Singapore Free Trade Agreement (SLSFTA) was signed on 23.01.2018 and came into effect on 01.05.2018. The SLSFTA covers goods, services, investment, intellectual properties, telecommunications, e-commerce, trade facilitation, government procurement, competition and economic and technical co-operation.

After, the implementation of the SLSFTA, concerns were expressed by the various segments of the civil society and in view of the concerns on 10.08.2018 then H.E the President appointed a Committee of Experts (CoE) to evaluate SLSFTA. Based on the recommendations of the report of CoE, submitted on 30.11.2018, a Cabinet Subcommittee was appointed, to monitor the SLSFTA and to initiate actions to make necessary amendments, with the prior approval of the Cabinet of Ministers.

Thereafter, the then Ministry of Development Strategies and International Trade (MODSIT), has received 31 proposals for amendments from 25 relevant government organizations. Subsequently, at the 02nd meeting of the 05- Member Cabinet Sub–Committee, held on 15.10.2019, 18 proposals were approved for discussion at the Joint Committee of the SLSFTA.

As the SLSFTA is now coming under the Ministry of Trade, the DOC prepared a draft cabinet paper and submitted to the Ministry on 21.12.2020, seeking the approval of the Cabinet of Ministers for these 18 proposed amendments and to conduct negotiations with Singapore with a view to arriving at an agreement on the above amendments.

At the same time, nine (09) separate Fundamental Right Violation applications for SLSFTA which have been filed in the Supreme Court and as per the Attorney General's Department the cases were fixed for support by the Supreme Court on 3rd of November, 2020. However, due to Covid-19 lock-down situation in Colombo municipal area, the case was not taken and will be fixed for 2021.

IV. Developments with regard to other proposed FTAs

During the period under review, the DOC prepared status reports on following Sri Lanka's proposed FTAs, which are currently on hold, and submitted to the Hon. Ministers of Trade, Finance and Foreign, Hon. State Minister of Regional Cooperation, Presidential Secretariat and the secretaries of the respective ministries.

- China-Sri Lanka Free Trade Agreement (CSFTA) of which the negotiations launched on 16th September 2014 and 06 Rounds of Negotiations concluded.
- The Economic and Technology Cooperation Agreement between Sri Lanka and India (ETCA) of which negotiations launched in August 2016 and 11 rounds of negotiations conducted.
- Sri Lanka- Thailand Free Trade Agreement (SLTFTA) of which was proposed on 02-06-2017 and 02 rounds of negotiation concluded.

V. Sri Lanka's Trade Relations with the European Union

a. Bilateral Trade

Sri Lanka and the European Union (EU) countries, including the UK, have been long standing trading and economic partners. The total trade turnover between Sri Lanka and EU has been in a positive pattern from 2015 to 2019. Total trade turnover between Sri Lanka and the EU which stood at US$ 5524 Mn in 2018, has slightly decreased to US$ 5503 Mn in 2019 by 0.40% mainly due to the decrease in importation of Motor Vehicles

Sri Lanka's export to the EU has been gradually increasing while Sri Lanka's imports from the EU have been fluctuating. Balance of trade has always been in favour of Sri Lanka. However, mainly due to Covid-19 global pandemic and possibly by UK's BREXIT, Sri Lanka's year on year exports for January- November of 2019 to 2020 has been decreased by 11.7%. Apparel has been the dominant export item accounting for 61 % of the value of Sri Lanka's exports to EU in 2020. Other export items to EU in 2020 were Pneumatic Tyres(4.2%), Tea (3.7%), Tobacco (2.5%), etc. Motor cars was the major import item accounting for 9.5% of Sri Lanka's total imports from the EU in 2020 and Iron and Steel (7.4%), Optical Surgical Instrument (5.8%) are the other major import items from the EU to Sri Lanka.

b. EU GSP+ Concessions and its Utilization

Sri Lanka had been utilizing standard GSP scheme of the EU since 1971 till 2005. In 2005 Sri Lanka became a beneficiary the GSP+ facility of the EU which is given to support the economically vulnerable developing countries, upon effective implementation of the 27 UN conventions on core human rights, labour rights and other sustainable development and undertaking to extend cooperation for regular monitoring. In August 2010 Sri Lanka lost EU GSP+ and since then, till May 2017 Sri Lankan exports to EU were benefited under Standard GSP scheme. Sri Lanka re-gained the GSP+ on 19th May 2017.

Since its inception, the EU GSP scheme has significantly contributed to enhance Sri Lanka's overall exports to the EU by enhancing the price competitiveness of GSP eligible and utilized products. GSP concessions were instrumental in diversifying the export basket of Sri Lanka over the years.

In 2018 Sri Lanka became an Upper Middle Income country as per the World Bank's Gross National Income (GNI) calculations, but Sri Lanka became a Lower- Middle Income country again in 2019, as per the GNI data published in July, 2020.

Sri Lanka's GSP+ utilization rate in 2010 was at 73%, which was the highest percentage recorded in a year. From August 2010 to 2017 Sri Lanka's exports to the EU, which was under the GSP Standard has increased from Euro 2.1 Bn to Euro 2.6 Bn, The GSP utilization rate went down from 66% in 2011 to 55% in 2017, but it was increased from 58% in 2018 to 63% in 2019.

During 2011 to 2017 exports, on average, except in 2013, had been on the increase whereas the utilization rate had been on the decline. However, it has generally been observed that as far as Sri Lanka is concerned, there has been a positive correlation between enhanced GSP concessions and growth of Sri Lanka's exports to EU during 1990s up to 2010. This positive correlation is continuing after the regaining GSP+ in 2017.

In terms of the recent sector-wise utilization of GSP+, as given in table below, even though over 7,000 product lines have been at zero duty under GSP+, Sri Lanka's exports under GSP+ are concentrated on a few product sectors. The reason for low utilization in the apparel sector is that the cost of compliance with the stringent Rules of Origin criteria (ROOs) far outweighs the benefit of the tariff concessions.

Product Sector	**Utilization Rate (2019)**	**Remarks**
Chap 61 & 62- Apparel	51.75%	Stringent ROO as it is required double transformation from yarn to fabric and, fabric to apparel
Rubber Products	96.38%	Mostly "Wholly Obtained" ROO with "value added ROO"
Fish Products	99.48%	"Wholly Obtained" ROO
Edible Preparations	96.92%	"Wholly Obtained" ROO
Bicycles	96.32%	Mostly "value added" ROO
Apparel Accessories	77.58%	Relatively less stringent ROO than apparel in Chap 61 & 62
Apparatus & Parts	41.28%	Mostly "value added" ROO
Toys	86.94%	Both "Wholly Obtained" ROO and "value added ROO"
Headgear parts	87.04%	Mostly "value added" ROO
Tea and Spices	73.99%	Mostly "Wholly Obtained" ROO
Average Utilization	63%	Increased from 58% in 2018

Purpose of availing of GSP+ concession is to enhance Sri Lanka's overall exports to the member countries of the EU. In a scenario where a country's exports to the EU are growing and at the same time, the utilization of the GSP is declining. It suggests that a country's exports are not heavily dependent upon GSP+.It is a salutary development where Sri Lanka's exports can compete without tariff concessions of GSP plus.

c. EU's Sanitary and Phytosanitary (SPS) & Technical Barriers to Trade (TBT)

- **Rapid Alert System for Food and Feed (RASFF):**

The RASFF is a system for reporting food safety issues within the EU. Several government institutions in Sri Lanka have been identified as responsible agencies to receive and respond RASFF alerts, received from the EU. 24 non-compliance alerts from the EU were reported in the year 2020 on risks identified in food, feed or food contact materials of items such as sweet biscuits, rice, betel leaves, chili, chilled fish, herbs etc. that are placed on the market in the notifying country or detained at an EU point of entry at the border with an EU neighboring country. There is a slight increase in the number of alerts of RASFF compared tothe 15 alerts last year.

- **Non-compliance alerts on plant-based consignments (European Phytosanitary Rapid Alert System for Plant Health- EUROHYT):**

The National Plant Quarantine Service of Sri Lanka (NPQS) has been identified as the relevant government authority to receive and respond for EUROPHYT alerts, received from the EU. Number of 85 of non-compliance alerts on plant-based consignments under EUROPHYT were received in 2020. The DOC has also maintained separate databases for RASFF and EUROPHYT alerts to follow up with the relevant government institutions when necessary.

- **EU's New Regulation on Organic Production and Labeling of Organic Products**

Regulation on Organic Production and Labeling of Organic Products by the EU come into effective from 01st January 2021. The DOC disseminated the information among the key stakeholder agencies i.e. Department of Agriculture, Sri Lanka Export Development Board, Sri Lanka Tea Board and Control Union – Sri Lanka, to analyzed the impact of this new regulation to Sri Lanka. Along with the Sri Lanka Export Development Board and Small Organic Farmers' Association of Sri Lanka, the DOC made a submission to the EU, regarding the impact of the regulation to Sri Lanka exporters.

- **The New EU Regulation on High Risk Plants, Plant Products and Other Objects**

These regulations came into force in December 2019. The NPQS has submitted a technical dossier regarding the Sri Lankan context in consultation of stakeholders including private sector exporters.

d. EU- Sri Lanka Investor Dialogue

The 10th Session of the EU- Sri Lanka Investment Dialogue was due to be held in early 2020 organized by then the Ministry of Industrial Export &Investment Promotion. 11 investment related issues in the fields of taxation, registration of foreign companies, shipping & freight forwarding, construction, land acquisition, share ownership, non-payment of dues, visa matters, food regulations faced by EU investors in Sri Lankahave been identified to be taken up at the next session.

When the DOC was under the purview of the Foreign Ministry the former was directed in November 2020 to re-commence the EU- Sri Lanka Investor Dialogue and serve as the focal point for co-ordination. Accordingly, the DOC wrote to the 14 stakeholder institutions identified for the 11 issues to receive the latest updates on the matters concerned. The DOC received updates from only 05 institutions. The DOC was reassigned to the Ministry of Trade with effect from 09th of December 2020 and has sought instructions from the Ministry of Trade whether the DOC should continue coordination on the subject matter or to be handed over to the relevant line ministry or the Board of Investment (BOI) as the dialogue covers directly the investment related issues of the EU. The BOI has shown their interest to organize the event in future by themselves.

e. Framework of Cooperation on Fair Trade Development

During 2019, the DOC has conducted stakeholder consultations on proposed Framework of Cooperation (FoC) with relevant government and private sector institutions in Sri Lanka for the purpose of finalizing a suitable draft for the proposed FoC as the DOC was suggested to sign an MOU on FoC representing the Sri Lanka government. However, after revisiting the terms of the draft FoC, having a deeper study of the Fair-Trade Charter and the certification process etc, the DOC has observed that the activities associated with Fair Trade which pertain to development of a sub-sector similar to organic sub-sector in Sri Lanka for export market, are not falling within the scope of the functions of the DOC.

Hence the DOC informed Sri Lanka Mission in Brussels its inability to be a signatory to the proposed FoC. Accordingly, DOC is of the view that any public or private sector organization which operates at ground level dealing with the small and medium exporters and especially farmers/ manufactures etc, with a view to develop the Fair Trade products to the international markets and required labeling etc, must be the signatory to the proposed FoC.

f. The EU– SL Trade Related Assistance Project

The project was initially planned for 4 years from 01.11.2016 to 31.10. 2020. However, it has been extended by another 4 months till 28.02.2021. Periodic review meetings of the project are conducted through National Project Office (NPO) and the bi-annual Project Steering Committee (PSC) meetings are chaired by the Secretary to the Treasury.The EU has funded 8 Million Euros for this project and International Trade Centre (ITC) and the UNIDO act as the implementing agency while the DOC is the national coordinator of the project.

Some of the key developments undertaken by the project are;

- Launching of National Export Strategy (NES),
- Publication of GSP+ guidebook in Sinhala, Tamil and English,
- Conducting various seminars/trainings/workshops related to Trade Policy, Trade Negotiations, FTAs, Trade Remedies, SPS issues etc,
- Setting up the National Quality Infrastructure Strategy & the National Packaging testing center and
- Supports to obtain the GI for Ceylon Cinnamon, etc.

g. European Anti-fraud Office's investigation on Imports of Aluminum Foil from Sri Lanka

The European Anti-fraud Office (OLAF) has initiated an investigation against the imports of Aluminum Foil (HS Code 760711) from Sri Lanka to the EU, declared as Sri Lankan origin, but suspected to be of Chinese Origin. Given the above context, the OLAF has identified a company as the main exporter of Aluminum Foil from Sri Lanka. The OLAF had then requested Ministry of Industry and Commerce, the DOC and Sri Lanka Customs to facilitate and cooperate on this investigation process in coordination with the exporter.in response, the DOC liaised with the company concerned and the trade chamber in Sri Lanka who has issued certificate of origin to the said company and communicated the information requested by the OLAF.

VI. Online Public Consultation on UK's Global Tariffs (UKGT) and matters related to UK Enhanced Framework on new GSP Scheme

Following UK's BREXIT,in the month of March, 2020, an online survey on new the UKGT was held and the DOC consulted the government sector institutions, trade chambers and the export sectors in that regard. The Sri Lankan export sector feedback was mainly received on Apparel, Tea, Rubber, Spices, Coconut, Fisheries products, Ceramic, Food & Beverages and submitted to the UK. In the month of May, 2020, two reports, covering many of Sri Lanka's interests as well, were released by the UK. In the second half of 2020, as per the information received from the High Commission of Sri Lanka in London, the UK authorities have assured that under its Enhance Framework facility on UK GSP that Sri Lanka will continue to receive the same preferential treatments of the EU GSP+ in the UK market from 1 January 2021.

The DOC, whilst giving special technical guidelines for the Sri Lankan exporters to the UK under UK's UK GSP Scheme, the DOC made rounds of emails campaign, both among the public and private entities, including the leading trade chambers and the product association. These were included on the specific practical aspect of the UK's new GSP, included the main technical clarifications on the rules of origin, regional and bilateral cumulations, providing proof for country of origin as using GSP Form A or as a self- declaring statement of origin, keeping records and how to coordinate with the DOC etc.

VII. Proposal for Extended EU Cumulation of Origin between Sri Lanka and Vietnam

As a follow up action of the 02nd Meeting of the Sub-Committee on Trade between Sri Lanka and Vietnam, a proposal submitted by the Joint Apparel Association Forum (JAAF), seeking support of Vietnam Textile and Apparel Association (VITAS) for applying to the EU for its Extended Cumulation facility, to source Vietnam made fabric by Sri Lanka and manufacture garments for the EU markets, was sent to the Vietnam side and has been followed up. The JAAF is optimistic that an Extended Cumulation between Sri Lanka and Vietnam will significantly contribute to enhance the value of apparel exports through increasing the rate of utilization of EU GPS+ concession with the Vietnam origin fabrics.

VIII. Submission by Sri Lanka under new Japan GSP- Scheme

The DOC on 25th August 2020 made a written proposal to Japanese authorities in line with the new Japan GSP Scheme which will be implemented in March 2021. The DOC consulted the public- private stakeholders and proposals were mainly received for 04 sectors of textile and apparel, tea, fisheries and food processing. The proposal has been being followed up through the Embassy of Sri Lanka in Japan.

IX. Sri Lanka-Australia Trade and Investment Framework Arrangement

With the objective of enhancing the bilateral economic relations on the basis of mutual benefits from increased trade and investment, Australia and Sri Lanka signed a Trade and Investment Framework agreement (TIFA) in 2017. The second meeting of TIFA was held in Colombo in 2019 and a plan of action was prepared for 2020- 2021 incorporating the both sides' proposals. However, implementation of the Plan of Action has not taken place due to change of Sri Lanka's focal point of TIFA, among different Ministries. The DOC as the new focal point of this TIFA has obtained a few new proposals from the Sri Lankan line ministries. The composite proposals were submitted to the Ministry of Trade for approval.

1.5.3 Regional Affairs Division

I. SAARC Preferential Trading Arrangement (SAPTA)

The member states of SAPTA are Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. SAPTA was signed on 11 April 1993 and entered into force on 7 December 1995. SAPTA was superseded with the implementation of the South Asian Free Trade Area (SAFTA). Thus, the usage of tariff preference under the SAPTA is gradually decreasing.

Value of Sri Lanka's exports under SAPTA recorded US$ 0.78 million during 2020, a decrease from US$ 1.75 million in 2019. The main exported items under SAPTA in 2020 were articles of vulcanized rubber, natural rubber in primary forms, knit fabrics, and glues based on starches. Value of imports of Sri Lanka under SAPTA recorded US$ 0.12 million during 2020 a slight increase from US$ 0.11 million in 2019.

II. Agreement on South Asian Free Trade Area (SAFTA)

The member states of SAFTA are Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. The SAFTA was signed in January 2004 during the 12thSAARC Summit held in Islamabad and it entered in to force on 1stJanuary 2006.

Negotiations including on reduction of Sensitive Lists under SAFTA Phase-III are currently going on.

The 10th SAFTA Committee of Experts (COE) meeting which was scheduled to be held from 19th to 20th February 2020 in Kathmandu, Nepal has been postponed. Prior to cancelation, a preparatory meeting was convened by the Department on 07th February 2020 to formulate Sri Lanka's positions at the 10th SAFTA Committee of Experts (COE). DoC also updated participants on matters related to SAFTA at two intergovernmental meetings arranged by the Ministry of Foreign on 13th and 26th February 2020.

Trade officials of the SAARC countries conducted a video conference on Wednesday, 8th April, to discuss the ways and means to facilitate inter-regional trade under the prevailing circumstances. Some of the specific issues addressed at the video conference included provisional clearance of preferential imports on submission of scanned copies / digitally signed certificates of origins (COOs) along with a bank guarantee; provisional clearance of imports at preferential duty subject to retrospective submission of COOs with suitable conditions such as bank guarantee, provisional acceptance of scanned copies of documents for release of payments by banks.

Sri Lanka's trade under SAFTA has been minimal; given the fact that trade is mostly conducted under the two FTAs with the main trading partners in the SAARC region namely, India and Pakistan.

Value of Sri Lanka's exports under SAFTA recorded US$ 42.25 million 2020, a decrease from US$ 55.93 million in 2019. The main exported items under SAFTA in 2020 were Pepper (neither crushed nor ground) desiccated coconut, Aluminum containers, nutmeg, mace, tea, textile articles, glass bottles, paper board labels, cloves etc. Value of imports of Sri Lanka under SAFTA recorded US$ 4.13 million in 2020, a decrease from US$ 6.39 million in 2019.

III. Asia Pacific Trade Agreement (APTA)

The Asia Pacific Trade Agreement (APTA), previously named as the Bangkok Agreement, was signed in 1975 as an initiative of United Nations Economic and Social Commission for Asia and the Pacific (UN-ESCAP). The current Participating States of the Agreement are Bangladesh, China, India, Republic of Korea, Lao PDR, Mongolia and Sri Lanka.

Under the APTA, 04 round of negotiations have been concluded so far and concessions were granted on 10,461 tariff lines by the Participating States. The DoC together with other Gov. entities is currently engaged in the Standing Committee (SC) Sessions (Including negotiations on Trade in goods) and meetings of Working Groups on Investment, Trade Facilitation, Services and Rules of Origin under the 05th round of APTA negotiation.

The 57th Standing Committee Meeting and 06th Working Group Meetings of APTA which were scheduled to be held from in Bangkok, Thailand from 03rd to 05th February 2020 were postponed indefinitely.

Mongolia officially became the seventh member of the Asia Pacific Trade Agreement (APTA) on 29.09.2020 at a Ceremony held at the United Nations Conference Centre in Bangkok, Thailand. Sri Lankan exporters will be able to make use the initial concessions to be offered by Mongolia consisting of 386 tariff lines including fisheries, fruits, spices, minerals, wooden items, tableware, yarn, fabrics, and pearls. In return, Sri Lanka is in the process of extending Mongolia tariff concessions already granted to other least developed countries of APTA such as Bangladesh and Lao PDR.

Value of Sri Lanka's exports under APTA recorded US$ 205.29 million in 2020 an increase from US$ 179.70 million in 2019. The main exported items under APTA in 2020 were tea, Coconut, abaca, activated carbon, coconut fiber, apparel, rubber gloves, natural rubber, instant tea, used pneumatic rubber tires, wood charcoal, articles of textiles, fisheries products etc. Value of imports of Sri Lanka under APTA recorded US$ 20.51 million in 2020, a slightly increase from US$ 19.88 million in 2019.

IV. The Global System of Trade Preferences (GSTP)

The Global System of Trade Preferences (GSTP) initiated by the UNCTAD to develop trading opportunities among the developing countries, came into force on 19 April 1989. GSTP comprises with 42 Member States.

So far, three rounds of trade negotiations have been conducted among the participating members of GSTP.

Value of Sri Lanka's exports under GSTP recorded USD 89.54 million in 2020. Cinnamon was the main export item, accounting to 86.35% of the total exports under GSTP, followed by Aluminum casks, drums, cans, boxes & similar containers and coconut based products. Value of imports of Sri Lanka under GSTP recorded USD 0.17 Mn. in 2020, an increase from US$ 0.03 million in 2019.

V. The Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation (BIMSTEC)

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is a regional organization, comprising 07 Member States: Bangladesh, Bhutan, India, Nepal, Sri Lanka, Myanmar and Thailand. BIMSTEC Free Trade Area (FTA) negotiations which started since the signing of the Framework Agreement on 8th February 2004 in Thailand are still going on.

Observations on the Draft Text of the "Rules for Determination of Origin of Goods and Draft Text of the "Operational Certification Procedures for the Rules of Origin" under the BIMSTEC FTA were provided to the Secretariat.

Virtual meetings planned for the 22nd Trade Negotiating Committee (TNC) on 20th May 2020 and 12th Meeting of the BIMSTEC Working Group on ROO on 08th June 2020 were not held.

VI. Indian Ocean Rim Association (IORA)

The Indian Ocean Rim Association is an intergovernmental organization aimed at strengthening regional cooperation and ensuring sustainable development within the Indian region. IORA comprises of 21 Member States.

A senior officer from the Department of Commerce participated in the IORA Expert's Meeting to enhance Intra – Regional Trade and Investment, from 30th to 31st January 2020 in Mauritius. Matters relating to Work Plan: Working Group on Trade and Investment (WGTI) were mainly discussed during the meeting.

VII. The Commonwealth Connectivity Agenda for Trade and Investment (CCA)

In April 2018, leaders at the Commonwealth Heads of Government Meeting (CHOGM) adopted the Commonwealth Connectivity Agenda for Trade and Investment (CCA). The CCA provides a new approach for Commonwealth members to engage on trade and investment with a view to boosting trade and investment across the Commonwealth, in the process growing intra-Commonwealth trade to US$2 trillion by 2030, and expanding investment. Commonwealth comprises with 53-member states.

Sri Lanka actively participated in the activities under CCA during 2020. DOC make arrangements for two senior officers from Sri Lanka High Commission in London to participate in the Connectivity Cluster Week 2 under the Commonwealth Connectivity Agenda held from 17th to 19th February 2020 in London.

This Department also completed online surveys on;

- 'SMART Fisheries" with the information provided by the Department of Fisheries and Aquatic Resources of Sri Lanka.

- 'SMART Agriculture" with the information provided by the Department of Agriculture of Sri Lanka.
- 'Good Regulatory Practice in the Commonwealth' with the assistance of the Attorney General's Department of Sri Lanka.

- 'Private Sector Survey', which aimed at enhancing networking and interactions between Commonwealth businesses was shared among the private sector including trade chambers and product associations in Sri Lanka by this Department requesting them to complete the survey.

1.5.4 Trade Promotion Division

I. Overseas Commercial Representation

The Commercial Representation comprises of 32 DOC officers serving in 30 Sri Lanka Missions aboard, who are engaged in promoting and safeguarding Sri Lanka's commercial and economic interests in the host countries.

Main duties performed by the commercial officers abroad are as follows:

- Compilation of market surveys/ intelligence for identification of export opportunities for Sri Lankan products.

- Monitoring & reporting of host-country trade policy changes, especially tariff and non-tariff measures, including recommendations for remedial action, while keeping in view of bilateral, regional & international legal obligations of the host-country.

- Making adequate representation to the host-country for mitigating negative impact of tariff & non-tariff measures imposed on Sri Lanka's exports.

- Organizing Sri Lanka's participation in international trade exhibitions/events and one to one meetings.

- Arranging inward business delegations to attend B2B meetings, visit exhibitions/events held in Sri Lanka.

- Staging Sri Lanka-specific (single-country) promotional campaigns in host countries.

- Organizing trade, investment and tourism delegations to visit Sri Lanka and vise-versa to explore business & Investment (Joint Venture) opportunities.

- Organizing individual business visits from and to Sri Lanka to explore business & Investment (Joint Venture) opportunities.

- Networking with trade, investment and tourism related government officials in the host countries and representing Sri Lanka at different governmental and international organizations on issues/ matters relating to Sri Lanka's commercial and economic interests.

- Serving trade, investment and tourism related inquiries, visiting/meeting with foreign businesses, providing technical assistance to Sri Lankan exporters, assistance to resolve trade disputes etc.

- Assist exporters/ manufacturers to register their products/ brand names in overseas markets.

- Intervention with Customs/ Food Safety Authorities of the importing country to facilitate clearance of export consignments from Sri Lanka.

- Secure opportunities aboard for the Sri Lankan manufactures/ growers to attend capacity building/ training programs to acquire/ enhance knowledge on product development, technology, packaging, marketing etc.

- Preparation of briefs/inputs on policy matters affecting trade at bilateral, regional & multilateral levels for enhancing market access for Sri Lanka's exports of goods & services.

- Providing tailor-made and specific guidance and advice to individual exporters for addressing their supply side constraints and for compiling the responses of defense when their products are subject to anti-dumping investigations initiated by the importing countries.

- Implementation of promotional programmes under "Economic Diplomacy" initiative of the Ministry of External Relations.

- Implementation of export, investment and tourism promotional programmes initiated by the relevant government institutions, Trade Chambers & Business Councils in coordination with relevant stake holders.

- Handling, channeling of Official Development Assistance(ODAs) related work and Projects in coordination with the Department of External Resources and other Governmental Organizations (in -China/Beijing).

- Assisting GOSL in procurement of its essential goods and services.

Commercial Posts currently represented by DOC officers;

Category I Posts		Category II Posts		Category III Posts	
I.	Belgium/ Brussels	I.	Australia/ Sydney	I.	Brazil/ Brasilia
II.	India/ New Delhi	II.	Canada/ Toronto	II.	Egypt/ Cairo
III.	Italy/Rome	III.	China/ Beijing	III.	India/ Chennai
IV.	Pakistan/ Karachi	IV.	France/ Paris	IV.	India/ Mumbai
V.	Singapore	V.	Germany/ Frankfurt	V.	Kingdom of Saudi Arabia/ Riyadh
VI.	Switzerland/ Geneva (Senior)	VI.	Japan/ Tokyo	VI.	Malaysia/ Kuala Lumpur
VII.	United Kingdom/ London (Senior)	VII.	South Korea/ Seoul	VII.	Moscow/ Russia
VIII.	United Arab Emirates/ Dubai	VIII.	Switzerland/ Geneva (Junior)	VIII.	South Africa/ Pretoria
IX.	United States of America/ Washington	IX.	United States of America/ Los Angeles	IX.	Sweden/ Stockholm
				X.	Thailand/ Bangkok
				XI.	Turkey/Ankara
				XII.	United Kingdom/ London (Junior)
				XIII.	Viet Nam/ Hanoi
				XIV.	Indonesia/Jakarta

Summary of activities undertaken by Commercial Officers stationed abroad during the period is listed in the below table;

	Activity	No. of activities in total
1	Conducting business matchmaking	1310
2	Conducting business networking sessions	114
3	Organize Sri Lankan trade promotional programs overseas	115
4	Organizing Sri Lanka's participation at overseas trade exhibitions/ trade fairs	38
5	Organizing inward buying missions to attend exhibitions/trade fairs in Sri Lanka	10
6	Attending to trade complaints	121
7	Attending to trade inquiries	2181
8	Promoting of Sri Lankan exhibitions in host/accredited countries	22
9	Meetings with potential business partners and trade chambers	1415
10	Involving in trade policy related matters	212
11	Conducting investment seminars	68
12	Attending to investment proposals	106
13	Organizing investment promotional programmes	41
14	Organizing Tourism Promotional Activities	140
15	Organizing Sri Lanka's participation at overseas tourism exhibitions	15
16	Providing market intelligence reports	490

a. Promotion of Trade

Selected key trade promotional activities performed by the commercial officers in selected countries in the year are listed below;

Australia

1. Networking meeting to engage Australian business community with SME sectors in Sri Lanka was conducted in March 2020 in Brisbane
2. Business networking meeting to establish the Australia- Sri Lanka Business Council was held in December 2020 in Sydney
3. A webinar on Market Enhancement for Sri Lankan products and services in Australia was organized together with Sri Lanka Export Development Board (SLEDB) on 7th October 2020.
4. A webinar on Business Environment and Opportunities for Joint Collaboration with Australia was organized in association with the Ceylon Chamber of Commerce and few business chambers in Australia.

Belgium

1. Virtual B2B meetings were organized for Sri Lankan companies coordinating with SLEDB and Ceylon Chamber of Commerce in promotion of exports from Sri Lanka.
2. Coordinated Sri Lanka's participation for the virtual conference hosted by the Federation of the Belgian Food Industry and Wagralim, a leading partner in technological, business and managerial innovation in the agri-food sector.
3. Coordinated Sri Lanka's participation for Digital ICT week held in Luxembourg.
4. Launched Sri Lanka's Fair Trade Brand at Chez Yuman super market in Belgium.

Brazil

1. Seventy nine (79) Virtual B2B meetings between Sri Lankan exporters and prospective importers in Brazil and Chile were conducted.
2. Four (04) Business Networking sessions were organized with Sao Paulo Chamber of Commerce, Bogota Chamber of Commerce, Uruguay Chamber of Commerce and Industry and the Chamber of Commerce of BRICS-PED
3. Four (04) Business Networking Sessions were conducted with the Honorary Consuls of Sri Lanka in Sao Paulo, Chile, Colombia and Surinam.
4. Organized a virtual market awareness webinar for Sri Lankan exporters on accessing to Brazilian market.
5. Virtual Business Matchmaking event was conducted for 26 Sri Lankan companies with the assistance of Sao Paulo Chamber of Commerce and the Ceylon Chamber of Commerce.

China

1. Three (03) Strategic cooperation agreements between M/s Prestige International Ltd and M/s Silver Mills Ltd, M/s Stuarts Tea SL Ltd, M/s Saraketha Organic Ltd were signed.
2. Sri Lanka's participation at Shanghai Expo was organized in coordinating with

representatives of 07 Sri Lankan companies in China

3. Organized B2B meetings for 27 Sri Lankan companies in coordination with SLEDB and Bank of China

France

1. A visit of a team of M/s Colombo Dockyard PLC to sign a contract to construct a 100-meter cable repair ship worth of US$ 50 Mn. with M/s Orange Marine, a major submarine and ship building company in France was facilitated.
2. Virtual meetings for 10 Sri Lankan companies with French renowned brand "Lacoste" was organized in coordination with SLEDB.
3. Participation of 6 Sri Lankan companies in the online B2B Platform of " Global Apparel Sourcing Expo" was organized in collaboration with SLEDB.
4. Online training programme on "How to approach and deal with the French buyers in the food sector" for Sri Lankan SMEs/ new companies was organized in collaboration of the Department of Commerce and the CCI- Paris.

Germany

1. Virtual meetings with IHK in Colombo and a market consulting company in Germany was organized for promotion of Public and Private Partnership.
2. Sri Lanka's participation at International Boat Show in Dusseldorf and Biofach 2020 in Nuremburg was coordinated.

India

1. Virtual B2B meetings with trade and industry associations in the Northern and Eastern States of India for 49 Sri Lankan companies were organized.
2. 07 business networking sessions were organized in association with trade and industry chambers in Sri Lanka and India.
3. Sri Lanka's participation was organized at Indusfood - Tech 2020" Trade Fair, SurajKundMela(International Handicraft exhibition) and FICCI LEADS 2020: "Reimagine the World"in association with National Craft Council and Trade Chambers in Sri Lanka.
4. Participation of a three member delegation from the Indian Institute of Technology at EDEX Expo 2020 was coordinated.
5. Participation of a delegation from Federation of Indian Chamber of Commerce and Industry at the Medicare Colombo 2020 was coordinated.
6. Sri Lanka's participation at the "e-connect" virtual B2B event organized for global electronic and electrical sector manufacturers and exporters was coordinated.
7. Virtual B2B meetings were arranged between M/s Sanvic Global India Ltd, an Indian Company, and M/S Adventis Lanka PLC and M/S Export Freight Lanka Ltd.
8. A webinar on "India - Sri Lanka current business environment and opportunities for joint collaborations for Agri and Processed Food Sector" to promote Sri Lanka's Agri products and Processed Foods to Indian market was organized with participation of 82 Sri Lankan exporters and IMC Chamber of Commerce and Industry in Mumbai.
9. Sri Lanka's participation at BIMSTEC Expo 2020, Virtual FMCG supply expo, Specialty Chem2020, Virtual Pune book fair, Ind-Texpo 2020 and FICCI Annual Expo 2020 were coordinated.

Japan

1. Connected several Japanese companies with Sri Lankan exporters in the product areas

of coir products, lemon grass oil, biscuits, tea and gem.

2. Seven (07) Sri Lankan IT start-ups were facilitated to meet around 50 attendees at IT Start-up WEBINAR.
3. Two (02) Ayurveda and Herbal Products Webinar was held with EDB and 07 Sri Lankan suppliers to make better presentation material to approach Japanese potential buyers.
4. A Webinar was organized with Spice Council in Sri Lanka and SLEDB to discuss Ceylon Cinnamon Promotional Programme in Japan.
5. A Webinar was organized on the subject of Opportunities and Prospects of Japan GSP Scheme to making better awareness of Japan GSP Scheme among Sri Lankan Exporters.
6. 1st Webinar on Adaptation of Sri Lankan Gift to Japanese market was held with participation of 60 SL Companies. 2nd Webinar will be held 1Q of 2021.

United Kingdom

1. Organized virtual B2B meetings for M/s John Mower & Co, a UK company supplying raw materials and other food items to leading restaurants/hotels, with 05 exporters/producers of coconut milk, growers of vanilla and essences in Sri Lanka in collaboration with SLEDB.
2. Introduced 38 Sri Lankan apparel companies interested in supplying PPE products to the NHS UK, importers, distributors, pharmacies, healthcare shops, and to the membership of Trade Chambers and Associations related to medical devices.
3. A meeting with the Trading Director of major UK retailer Holland & Barrett was organized and introduced 8 Sri Lankan companies (Nature's Beauty Creations Ltd, Link Natural Products Ltd, Bio Extracts (Pvt) Ltd, Siddhalepa Exports (Pvt) Ltd, Food & Nature (Pvt) Ltd and HDDES Extracts), Basillur Teas and English Tea Shop manufacturing herbal and Ayurvedic products.
4. Introduced 10 SL companies that have the manufacturing potential to complete orders (Lingerie and Hosiery products) for M/s Prime Trims London.
5. Introduced the "Impra" brand to three main supermarkets in the UK, namely Sainsburys, Waitrose and Tesco.
6. Successfully re-launched the UK - Sri Lanka Business Chamber after 8 years of it being dysfunctional and organised a virtual event for representatives of UK registered companies and potential founding members representing key export / investment sectors in Sri Lanka.
7. Organized "Launch of the SLASSCOM Global Referral Program" webinar in collaboration with SLASSCOM and APSL to promote SLASSCOM referral program and promote IT/BPM investment opportunities in Sri Lanka.

Malaysia

1. A B2B session was arranged for 16 delegates from Malaysia in line with Jaffna International Trade Fair in collaboration with Yalpanam Chamber of Commerce.
2. Introduced Malaysian companies in Logistic Sector to the Sri Lankan company in cooperation with Federation of Malaysia Manufacturers.
3. Organized a Trade Talk with the objective of strengthening trade and investment partnership with Malaysia in collaboration with Asian Strategy and Leadership

Institute (ASLI) and the Malaysia Sri Lanka Business Chamber (MSLBC).

Russia

1. Coordinated participation of 05 Sri Lankan tea companies at PRODEXPO 2020.
2. Organized an online Round table discussion to increase the awareness of Russian business community on Investment and trade opportunities in Sri Lanka together with Sri Lanka Export Development Board, Board of Investment of Sri Lanka and Chamber of Commerce and Industry of Saint-Petersburg.
3. Organized an awareness webinar on Pure Ceylon Cinnamon on 15th December, collaboration with SLEDB for the Russia importers and general public.
4. Succeeded in obtaining registration of Ceylon Tea Symbol as quality trade mark in Ukraine.

Singapore

1. A matchmaking virtual event was held with the participation of 10 Sri Lankan companies and 06 merchandisers of Q0010, an E commerce platform for kid's stationery and toys.
2. A virtual Business matchmaking session was conducted for Electrical and Electronics sector with Gantner instruments and IMS Asia with the participation of 5 Sri Lankan companies.
3. Organized participation of 16 Sri Lankan companies at Print Pack virtual Trade fair in coordination with SLEDB.
4. Facilitated a media interview for the Chairman of SLEDB to talk to CNBC on how Sri Lanka's export-reliant businesses have adapted to the pandemic by shifting the focus and product range, particularly in apparel sector producing personal protective equipment that supported their business.
5. Facilitated for introducing 2 e-commerce platforms called "APE KADE" for ethnic products and "SingCeylon" platform for branded products and establishing a mini Sri Lankan food city.
6. Facilitated "lion" beer distributor in connecting with Singapore clubs and restaurants to introduce lion beer.

South Korea

1. Organized a B2B session with the participation of Korean and Sri Lankan companies in power and energy sector in collaboration with UNIDO-ITPO (Investment and Technology Promotion Office) in Seoul and Federation of Chamber of Commerce and Industry of Sri Lanka (FCCISL).
2. A virtual networking event was organized between the International Contractors Association of Korea (ICAK) and the National Construction Association of Sri Lanka (NCASL) during the Global Infrastructure Cooperation Conference (GICC) 2020 held in Korea.
3. A networking session with the "D-CAMP and Front one", the largest Korean start-up organization, was organized to have discussions with Korean start-ups and to link them with the potential Sri Lankan start-up companies, especially in the ICT sector in Sri Lanka.
4. Conducted online sessions with the representatives of Hanshin Shoes company, Beauty Factory and Firson pharmaceuticals of Korea during the Global Public Procurement

Marketplace (GPPM) 2020 networking event.

Turkey

1. Organized a constructive "Interconnected Business Matchmaking Session" on 18th November 2020 in collaboration with the Turkish Economic Relations Board (DEIK) where 20 Sri Lankan companies were in attendance.
2. Organized an introductory business networking session for more than 80 Sri Lankan and Turkish companies with the aim of enhancing bilateral trade between Sri Lanka & Turkey in collaboration with Eskisehir Chamber of Industry and Ceylon Chamber of Commerce.
3. Organized a virtual meeting on "Prospects for cooperation" with Sri Lankan and Ukrainian business community with the assistance of Ukrainian Chamber of Commerce & Industry and the Ceylon Chamber of Commerce with the participation of 75 Sri Lankan and Ukrainian companies.
4. Organized virtual networking meeting for Turkish importers / super market chains of Spices with the assistance of SLEDB. 17 Turkish prominent companies and the President and the higher officials of Turkish Packaged Spice Producers Association (ABUDER) participated.

United Arab Emirates

1. Organized a Webinar on "Winning and Succeeding in Dubai" in collaboration with Dubai Business Breakfast and Ceylon Chamber of Commerce and around 75 Sri Lankan companies were in attendance.
2. Organized Sri Lanka's participation at Gulfood 2020, the world's largest annual food and beverage trade exhibition.

United States of America

1. Organized a virtual B2B networking session with two spice importers in USA in collaboration with SLEDB.
2. Organized and coordinated Sri Lanka's participation at the 9th annual Winternational – virtual marketplace organized by the Ronald Regan Building and the International Trade Center in Washington DC, USA.
3. Seven (07) Virtual Meetings between US buyers and Sri Lankan exporters were organized to promote Tea, Gems &J ewllery, Coconut Kernel Products, Processed Food Products and Spices with the assistance of SLEDB

b. **Promotion of Foreign Direct Investments**

The Commercial Officers stationed abroad continued to play a vital role in attracting foreign direct investments (FDI) into the country. In this regard, they engage in establishing strong network of contacts with the major investors and investment promotion agencies overseas. Further, they also arrange one-to-one business meetings for outward business delegations from

Sri Lanka for identification of potential Joint Venture partners for the expansion of manufacturing industries in Sri Lanka. Also the commercial officers meet potential investors in their respective markets, and briefed them on the investment opportunities available in the island.

Some selected investment promotional activities, facilitated by the commercial officers in their respective countries;

Brazil

Online Investment promotional programme was conducted to the Union of Pharmaceutical Industries in the State of Goiás (SINDIFARGO), Brazil, inviting them to consider available joint venture opportunities in Sri Lanka in the pharmaceutical sector.

France

1. Organized a webinar on "Investment Opportunities in Sri Lanka"for French investors in collaboration with Board of Investment Sri Lanka and MEDEF International with the participation of over 20 French companies and over 15 Sri Lankan companies
2. Facilitated the French technical team of BOCARD to visit to Sri Lanka to install the machineries for the project of Mini Dairy project funded by the French Treasury. The 6 mini dairy projects will be installed in Sri Lanka with the technical assistance of French experts.

India

1. Organized a Webinar on Investment climate in Sri Lanka in collaboration with Indo Sri Lanka Chamber of Commerce & Industry, Delhi Chapter and BOI with the participation 73 representatives from Indian manufacturing sector and business consultants.
2. Organized an investment promotional event in October 2020 at park elanza hotel Chennai in collaboration with BDIE for MSME sector.

Japan

1. Sri Lanka promotion seminar was held with the support of Deloitte Japan and Tokyo metropolitan Government with the participation of 60 small and medium size companies.
2. A webinar under the title of "POST COVID ECONOMIC RECOVERY: CHALLENGES AND OPPORTUNITIES -TIPS FOR SRI LANKA- EXPERTS VIEWS FROM JAPAN " was held with the support of EDB and Foreign Ministry.
3. FDI Promotion webinar was held with the support of BOI with 235 Japanese Participants.
4. A meeting was held with the second largest Energy Company in Japan (Idametsu) exploring the business opportunities in Sri Lanka. A team of the company visited Sri Lanka.

United Kingdom

1. Conducted "Launch of the SLASSCOM Global Referral Program" webinaro promote investment opportunities in Sri Lanka among the British Sri Lankan professionals in collaboration with Sri Lanka Association of Software & Services Companies

(SLASSCOM) and Association of Professionals Sri Lankans (APSL).

2. Organized a virtual matchmaking meeting among 03 parties to introduce a potential United Kingdom investor to a local business party in Sri Lanka to invest in a care home/ Wellness Centre in Sri Lanka for foreigners and tourists.

Pakistan

1. Conducted a seminar on investment promotion in association with Pakistan-Sri Lanka Business Forum for a Group of businessmen in Pakistan.
2. Two investor meetings were held with the assistance of High Commissioner in Islamabad in sugar manufacturing industry in Sri Lanka and Chicken farm investments from leading industries experts in Pakistan.

Russia

Organized an online Round table discussion to increase the awareness of Russian business community on Investment and trade opportunities in Sri Lanka together with Sri Lanka Export Development Board, Board of Investment of Sri Lanka and Chamber of Commerce and Industry of Saint-Petersburg.

Singapore

Investor outreached programmes were held with 15 companies and shared government priorities and identified areas for FDIs. Two proposals are in progress and to be implemented in 2021.

South Korea

1. Conducted a webinar to promote potential investors, business houses and corporate leaders with regard to the investment opportunities and vistas in Sri Lankain close association and coordination with the Board of Investments (BOI) of Sri Lanka and Korea Trade-Investment Promotion Agency (KOTRA). The webinar which was attended and viewed by well over 500 participants through the "KOTRA TV" Youtube Channel.
2. Made a presentation on "Investment Opportunities in Sri Lanka with a special focus on Aquaculture Sector" at the annual workshop of "Korea Overseas Fisheries Cooperation Center" (KOFCC). The pre-recorded presentation was broadcasted in the "Naver" on-line platform in Korea.
3. Organized a virtual meeting between the International Contractors Association of Korea (ICAK) and the National Construction Association of Sri Lanka (NCASL) during the Global Infrastructure Cooperation Conference (GICC) 2020 held in Korea.

Switzerland

Organized a webinar on "Sri Lanka's Business and Investment Potential in 2021"targeting Swiss investors interested in investing in Sri Lanka. This was complemented by two presentations of eminent CEOs of two foreign establishments who shared their successful doing business in Sri Lanka for the benefit of potential investors.

Thailand

Connected Toyota Daihatsu Engineering and Manufacturing Co Ltd, Panasonic Automotive Systems Asia Pacific Co.Ltd in Thailand and the SLINTEC, the SLEDB, and Electronic Manufactures and Exporters Association (SLEMEA) in Sri Lanka to explore opportunities to link Sri Lankan automobile products with the value chain of Toyota company.

Dubai

Coordinated an investment proposal by M/S Phanes Group of the UAE on Solar and Wind Power project in Sri Lanka with the presidential Secretariat, the Ministry of Power and Energy and the BOI.

Viet Nam

Held an International Conference on trade and investment opportunities between Sri Lanka and Viet Nam as a webinar to mark celebrations of 50 years of formal Diplomatic Relations.

c. Promotion of Tourism

Recognizing the enormous potential in the tourism sector, the commercial officers have organized various promotional programs in foreign countries with the support of the Sri Lanka Tourism Promotion Bureau to promote Sri Lanka as an attractive tourist destination. The main strategies, adopted by the commercial officers to promote Sri Lanka as a tourist destination include; arranging special forums and conferences, organizing Sri Lanka promotion events, facilitating participation at international tourism fairs, arranging media delegations and familiarization tours to Sri Lanka, setting up tourism promotion councils, and providing publicity through electronic, print and social media in the host country etc.

Some of the key events organized by commercial officers in collaboration with Sri Lanka Tourism Promotion Bureau, Sri Lanka Convention Bureau and other responsible tourism promotion institutions are given below;

Belgium

1. Coordinated Sri Lanka's participation at Vakanz Expo Luxembourg held from 17 to 19 January 2020.
2. Coordinated Sri Lanka's participation at Brussels Holiday Fair held from 6 to 9 February 2020.

Brazil

1. A destination awareness webinar was organized attracting over 600 Brazilian travel trade participants.
2. Thirty three (33) online meetings were conducted with travel trade companies in Brazil to make awareness of Sri Lanka and requested their assistance to promote the country, once the travel restrictions are removed.

Canada

A month-long advertising campaign was conducted in Toronto metro trains in January 2020 in collaboration with the Foreign Ministry and Tourism Promotion Bureau.

China

1. A virtual meeting was conducted in collaboration with SLAITO to promote Tourism with the participation of over 4800 attendees.

2. Organized an online pavilion for Sri Lanka at CITM Shanghai Travel Fair.

France

1. Facilitated the visit of four Journalists from Production Company named "The French accent" visited Sri Lanka from 20th to 25th January 2020 to film of sandalwood farming in the area of Bandarawela.
2. Facilitated the visit of two Journalists from Production Company named "Elephant DOC" visited Sri Lanka from 27th February to 17th March 2020 to produce a Magazine for "Invitation au Voyage" which is airing on ARTE TV.
3. Organized an awareness programme in collaboration with "Zen & Go", who is promoting Ayurveda, with the participation of bloggers and Ayurveda instructors.
4. Coordinated Sri Lanka's participation at FITUR International Travel Fair held in Spain.

India

1. Coordinated participation of 63 Sri Lankan travel and tour companies and Sri Lankan Airlines at SATTE 2020.
2. Coordinated the participation of 18 Sri Lankan travel companies at BLTM (Business Mice and Luxury Travel Mart).
3. Coordinated Sri Lanka's participation at TTF Banglore tourism fair in collaboration with Sri Lanka Tourism Promotion Bureau.
4. Coordinated the participation of 35 travel agents and 8 hotels including Sri Lankan Airlines at the Outbound Travel Mart 2020 (OTM) in collaboration with SLTPB.
5. Organized a Sri Lankan pavilion at the India International Film Tourism Conclave (IIFTC) 2020 in collaboration with SLTPB.

Italy

Coordinated the participation of 12 Sri Lankan travel agents at BIT Milan tourism fair in collaboration with SLTPB.

United Kingdom

1. Facilitated the visit of a TV production team from "This Morning Show" of ITV UK which is viewed daily by 2 mn, to shoot a week-long campaign capturing destination and Sri Lankan cuisine. The team telecasted 03 live food shows subsequently.
2. Coordinated the participation of 04 Sri Lankan companies at "Destinations: The Holiday and Travel Show- London".

Malaysia

Organized a virtual promotion programme on Wildlife streaming with the participation of stakeholders in Malaysia

Russia

1. Organized an information seminar for travel agents in Russia with the assistance of SLTPB, Rossiya Airline and Aeroflot.
2. Organized a webinar on "Sri Lanka tourism in the post-covid 19 period" with the participation of 80 Russian tour operators.

Singapore

Organized a road show and a cultural show in collaboration with Sri Lankan Airlines with the participation of 50 outbound travel agents in Singapore.

South Africa

Introduced a Sri Lankan tour operator to South African tour operators for collaborative tour package offerings.

South Korea

1. Organized a familiarization tour for two media journalists from "Travie" magazine to Sri Lanka. An article was published in June 2020 edition with most eye-catching pictures & information in over 10 pages subsequently.
2. Organized a virtual tourism promotion booth at the "3rd Public Diplomacy Week" organized by the "Korea Foundation"
3. Coordinated with the Korea Culture Ambassador Friendship Association to publish a video on Sri Lanka's tourist attractions in the website and other electronic media of the Seoul City Magazine.

Thailand

Coordinated the participation of 12 Sri Lankan companies at Thai International Travel Fair (TITF).

Turkey

Networking session for travel trade contacts in Istanbul & Ankara arranged parallel to the Independence day Celebrations.

United Arab Emirates

1. Two newspaper supplements and a news article were published in leading two newspapers in the UAE promoting Sri Lanka's trade, tourism and investment and culture.
2. Coordinated a FAM Tour by a group of tour operators from Dubai to Sri Lanka in collaboration with Sri Lankan Airlines and SLTB.

United States of America

Coordinated the participation of 7 Sri Lankan travel/tourism companies at New York Times Travel Show.

Viet Nam

Published CNN Travel selection of Sri Lanka as one of the 20 vest destinations to travel in 2020, in social media in Vietnamese language.

II. Serving Trade Inquiries

During the period under review, the commercial officers have received 2181 such inquiries and duly attended by providing necessary information/guidance with a view to promoting Sri Lanka's products in the foreign markets. The inquiries received by DOCfrom prospective exporters in Sri Lanka and other trade related agencies were directed to the commercial officers for their immediate follow ups.

III. Assistance to Resolve Trade Disputes

The Department of Commerce acts as a mediator/facilitator for resolving export and import related trade disputes in a way to reach an amicable settlement between the disputed parties. During the period under review 121 such complaints were dealt with the assistance of the commercial officers based in overseas Missions.

IV. Recommendation for Residence Visas

As required by the Department of Immigration and Emigration and as delegated by the Secretary of Ministry of Trade, the DOC issues recommendation letters for residence visa only for competent expatriates, consultants, specialists and their dependents employed at liaison offices, branch offices or foreign companies, other trade and commercial ventures, taking into account the direct benefits of such employments accrued for export trade, technology transfer and productivity improvement to the National Economy etc.

Residence visa recommendation letters were issued for 96 expatriates in trading and services sectors and 92 dependents in 2020.

V. The European Union (EU) Funded Trade-Related Capacity Building Project

The "EU- Sri Lanka Trade Related Assistance: Increasing SME's Trade Competitiveness in Regional and EU Markets" project was initiated based on a proposal made to the EU-Sri Lanka Working Group on Trade and Economic Relations meeting held on 2nd December 2013 in Brussels in parallel to the 18th EU-Sri Lanka Joint Commission.

The Overall Objective of the project is to contribute to Sri Lanka's inclusive trade-led growth and regional integration, thereby contributing to poverty Alleviation. The International Trade Centre (ITC) and UNIDO are the implementing agencies while Department of Commerce is the government focal point of the project.

A summary of selected activities of the project during the year 2020 is given below;

- Organized a training course on STATA for DOC officers working in the trade policy area of the Research and Development Division to enhance the analytical capacities.
- Organized a webinar on, 'GSP+ for Enhanced Market Access' for stake holders in order to provide an update of the current status of GSP+, create further awareness of GSP+ benefits and to discuss how to maximize the utilization of GSP+ concessions addressing the rules of origin issues.
- Improved the-user-friendliness of the SLTIP by mapping 29 products including 23 export products and 6 import products. The launch to take place on 09th February 2021.
- Organized an online 'Coaching on Project Proposal Development for TFA Category C Measures.

- 'Guidelines on Online Trading' report was developed and shared with the Consumer Affairs Authority to support its efforts to regulate online businesses (particularly in view of the impact of COVID-19).

- At the request of the Sri Lanka Tourism Development Authority (SLTDA), ITC reviewed the new draft Act of the SLTDA to bring it on par with global best practices.

- Conducted an Investment law gap analysis for the Board of Investments.

- Seventy-seven (76) SMEs completed the coaching programme on how to improve their export management practices.

- Two hundred and twenty-eight (228) SMEs and university students trained on Sri Lanka export procedures through ITC-NIOE e-learning facility.

- Hosted a business-to-business matchmaking event between seven Sri Lankan Information Technology (IT) services and outsourcing companies and 15 Finnish companies, where over 60 virtual meetings were conducted with a focus on IT services outsourcing to Sri Lanka.

- Assisted SLASSCOM, to improve its performance to better represent the interests of its SME clients.

- Fifteen (15) training/awareness sessions conducted by SLSI for producers/processors and extension.

- Three (3) conformity assessment schemes for SLS Product Certification Mark ("SLS Mark") submitted to SLAB for accreditation against ISO 17065, namely on biscuits, PET bottles, bottled drinking water.

- Application for registration of for Ceylon Cinnamon GI in the Official Journal of the EU published.

1.5.5 Research and Development Division

I. Research Activities:

a. Research related to Free Trade Agreements

Following research activities were conducted on Free Trade Agreements:

- Impact of Regional Comprehensive Economic Partnership(RCEP) on Sri Lanka Exports
- Impact of the European Union-Vietnam Free Trade Agreement (EVFTA) on Sri Lanka's Exports to the European Union
- Product diversification to Indian market after implementation of the India Sri Lanka Free Trade Agreements
- Non-tariff measures that Sri Lankan exporters need to face in Indian market
- New potential products to selected partner countries under Free Trade Agreements

b. Research related to Sri Lanka's trade with the world

Following research activities were conducted on Sri Lanka's trade with the world:

- Sri Lanka Exports to Countries where Commercial Officers serve
- Tariff Commitments under the WTO by Sri Lanka
- Sri Lanka's Asia Centric Imports and West Centric Export
- Comparison of Sri Lanka Exports to the Word in 1977 and 2019
- Sri Lanka's import tariffs and other duties
- Assessment of the performance of the Indo Sri Lanka Free Trade Agreement
- Chapter wise trade balance, import concentration and export concentration
- Impact of import restrictions imposed by Sri Lanka on foreign exchange reserves
- Uneven market access to Sri Lanka export products to the countries where commercial officials serve.

II. Creating awareness on market access opportunities:

a. Awareness Programmes for Business Community

Following awareness programmes were conducted:

- 'Opportunities under Sri Lanka's Free Trade Agreements' at the Ceylon Chamber of Commerce;
- 'Services offered by the DoC and Trade Officers' at the Sri Lanka Chamber of Small and Medium Industries;

- 'Sri Lanka's Free Trade Agreements and Sri Lanka Trade Information Portal' at the Export Development Board

III. Training and workshops

a. Training and workshops for public sector officials

Following training programmes were organized for public sector officials:

- Training programme on trade information sources and Sri Lanka's Free Trade Agreements for the Staff of the Business Service Center (BSC) of the Monaragala District Secretariat.
- Awareness session "on legal procedures in enacting acts" for the officials of the Department of Commerce.
- Orientation programme for the officials appointed to Sri Lanka Missions abroad.

b. Participation in International Training Programmes

Arrangements were made for the officials of the Department of Commerce to participant in the following international training programmes:

- Advance Trade Policy Course
- Trade Remedies.
- Online courses on trade policy measures adopted by countries during Covid-19 pandemic.

1.5.6 Rules of Origin Division

The DOC issues Certificate of Origin (COOs) for Sri Lankan origin products exported under the following preferential schemes and regional, bilateral and free trade agreements under this division.

- Generalized System of Preference (GSP)
- Global system of Trade Preference (GSTP)
- SAARC Preferential Trading Agreement (SAPTA)
- South-Asian Free Trade Area (SAFTA)
- Indo-Sri Lanka Free Trade Agreement (ISFTA)
- Pakistan-Sri Lanka Free Trade Agreement (PSFTA)
- Asia-Pacific Trade Agreement (APTA)

On an average working day, over 200 COOs are normally processed during the day by the DoC, though this number was affected this year because of the COVID-19 pandemic. A team of highly specialized and experienced officers, who are assigned fulltime to the Certificate of Origin Division, are available for consultation and further clarification at any time during office hours without prior appointments. The responsibilities of the DOC in this regard include;

a. Assessment of eligibility of a product for tariff concessions
b. Registration and maintenance of exporters' profiles,
c. Evaluation of cost statements and other supporting documents submitted by the exporters to access the eligibility,
d. Conducting post-COO issuance audits at the request of preference giving countries,
e. Compilation of COO related data and analytical reports.

I. Continued COO Service during COVID-19 pandemic

The Rules of Origin Division continued to work uninterrupted through 2020, despite regulated closure of institutions and public places because of the ongoing COVID-19 pandemic. During the first lockdown period from March to May, the Division worked with a skeleton staff on roster basis to ensure that the issuance of COOs continued uninterrupted.

During the first total lockdown period, the DoC processed and issued on average 50-75 COOs per day. With the gradual opening of businesses and improvement of exports, this figure increased to 100-150 per day, and has since returned almost to the normal level.

The DoC has also introduced flexible procedures with respect to the submission of documents by exporters, allowing them to submit the necessary applications through email, which are then processed and approved by officers within a day. Exporters were only required to physically visit the DoC to submit the final form and obtain physically signed document, which is required for submission to the authorities of trading partners. This flexible procedure is expected to remain into 2021 as well.

<u>Details of issuance of COOs by DoC (2015- 2020)</u>

Agreements	2015	2016	2017	2018	2019	2020
EU GSP*	72,675	74,003	80,867	43,680	4328	REX
GSP Other Countries*	12,465	12,495	12,468	10,884	8775	6,775
Sub Total 1	***85,140***	***86,498***	***93,335***	***54,564***	***13,103***	***6,775***

ISFTA	11,494	12,621	12,864	12,882	13,743	9,972
PSFTA	7,320	6,673	6,703	5,265	6,669	5,608
APTA	4,025	4,508	6,038	4,290	5,515	5,806
SAFTA	231	149	679	557	1,323	671
SAPTA	304	288	277	239	220	117
GSTP	150	143	100	143	137	187
Sub Total 2	***23,524***	***24,382***	***26,661***	***23,376***	***27,607***	***22,361***
Grand Total	**108,664**	**110,880**	**119,996**	**77,940**	**40,710**	**29,136**

*Due to the full implementation of REX system(Exporter's Decleration) effective from 01.07.2019, number of Certificates of Origin issued by the Department reduced.

II. EU GSP REX System

Registered Exporter system (the REX system) is the system of certification for origin of goods that applies in the Generalized System of Preference (GSP) of the European Union since 1 January 2017. Under the REX system, instead of certificate of origin, only a declaration is needed from the Exporter for the certification.

Sri Lanka started the implementation of REX system with effect from 01.01.2018 and fully implemented from 01.07.2019. A total of 146 companies registered under REX in 2020, and a total of 924 companies are now using the REX system to export to the EU.

III. Establishment of Electronic Queue Management System (EQMS)

The Department of Commerce with Information & Communication Technology Agency (ICTA) installed an Electronic Queue Management System at the end of 2019 with a view to further streamlining and expediting the provision of DOC's services to the public. The EQMS introduces a token system, which allows users to obtain a numbered token from an electronic kiosk, which will reduce queues and waiting times, and will allow exporters to be notified via SMS at key stages of the process, eliminating the need to wait at DoC.

The system was tested and implemented for the main service of issuing COOs at the beginning of 2020. Because of the COVID-19 pandemic, the trial and implementation of the system for other services could not be completed. However, DoC had discussions with the developer to create a web app for the system, allowing users to apply for tokens online.

IV. Development of an E-COO System

The DoC, with the technical and financial support of ITC and GIZ, initiated a project to further develop the currently existing system for the electronic issuance of COOs, with a view to addressing current gaps in the system and addition of new features. The project was launched in the context of the COVID-19 pandemic, with a view to addressing challenges faced by exporters as a result of mobility restrictions, intermittent lockdowns and minimization of face-to-face interactions due to current safety concerns. At the same time, the system is expedited to generally streamline and expedite the issuance of COOs and other support services.

At the end of 2020, the DOC had begun initial assessments of the current system, and established initial connections with LankaClear and ICTA.

Chapter 02- Progress and the Future Outlook

The world economy, according to the IMF, is climbing out from the depths to which it had plummeted during the Great Lockdown in April. But with the COVID-19 pandemic continuing to spread, many countries have slowed reopening and some are reinstating partial lockdowns to protect susceptible populations. As per the World Economic Outlook(WEO) Update; the Global growth is projected at −4.4 percent in 2020, a less severe contraction than forecast in the June 2020.

Sri Lanka's external trade performance was disrupted significantly in the first half of 2020, with the outbreak of the COVID-19 pandemic. Merchandise exports, which declined due to the weakened global demand and disruptions to domestic and global logistical arrangements during the lockdown period in March - May 2020, recovered steadily to pre pandemic levels thereafter. Merchandise imports declined considerably, with regulatory restrictions on most non essential imports.

As reflected in Central Bank Reports for 2020, trade deficit for the eight months ending August 2020 in comparison to the corresponding period of 2019, contracted by over US dollars 1 billion. The decline in the trade deficit was a result of the contraction in imports outpacing the contraction in exports. The decline in expenditure on imports was US dollars 2,628 million while the decline in earnings from exports was US dollars 1,585 million between the said periods. Accordingly, the trade deficit contracted to US dollars 3,812 million during the period under review from US dollars 4,855 million recorded in the corresponding period of 2019

Further as per the Central Bank Reports, cumulative earnings from exports during the period from January to August 2020 recorded a decline of 19.7 per cent to US dollars 6,445 million compared to US dollars 8,030 million of the corresponding period of 2019. This decline happened from the disruptions to domestic production of goods and trade related services during the lockdown period and disturbances to domestic and global demand and supply chains due to the COVID-19 pandemic. The decline in exports emanated from all major export categories, but was mainly resulted by textiles and garments, tea and rubber products. However, two subsectors, namely, personal protective equipment (PPE) and minor agricultural products showed substantial increases during the period under consideration.

Sri Lanka's foreign trade policy continued to focus on bilateral, regional and multilateral trade agreements aimed at promoting trade and attracting investment. Sri Lanka further pursued to maximize utilization of preferences and expand market access through Free Trade Agreements (FTAs) and Preferential Trade Agreements (PTAs) with its trading partners.

Sri Lanka being a WTO member supporting the rules based multilateral trading system, actively engaged in the implementation of Trade Facilitation Agreement (TFA), Fulfilling Sri Lanka's commitments under the TFA, the Government of Sri Lanka initiated the "Sri Lanka Trade Portal (SLTIP)" with the cooperation of the World Bank (WB). SLTIP contains trade related regulatory information on a single web portal. This is a major step in facilitating cross border trade by providing timely updated trade related information in an easily accessible way. It is envisaged reduction of trade costs and improvement of export competitiveness through eliminating cross border impediments would ensure smooth flow of trade. SLTIP is supported by 41 stakeholders and managed by the Department of Commerce.

Both, the Anti-dumping and Countervailing Duties Act, No. 2 of 2018 and the Safeguard Measure Act, No. 3 of 2018 were enacted with the objective of protecting the local industries both from unfair competition in the local market and import surges. The Department of Commerce is in the process of implementing the two Acts.

During 2020, the Department of Commerce conducted awareness programmes on export promotion opportunities under Free Trade Agreements and on SLTIP with the support of trade chambers and Sri Lanka Export Development Board for the benefit of business community.

Enhancing foreign trade is instrumental in positioning Sri Lanka as an export oriented economic hub in the Indian Ocean. Current challenges relating to low share of exports as a share of global exports and as a share of GDP and stagnating FDIs needs have to be addressed. Improving competitiveness of export commodities, diversifying the narrow composition of exports, broadening export destinations, exploring services exports, developing the SMEs to penetrate global markets, enhancing production and productivity, diversifying the manufacturing and industry sector into high value added and technologically intensive goods in order to integrate into global value chains, and attracting FDIs in the knowledge based industries are identified as key areas necessary to ensure such development, a sustainable economic growth in the country and to achieve the set targets and visions.
Further, in doing so, necessary concomitants such as domestic supply and capacity constraints, export competitiveness, including standards related issues, Mutual Recognition Agreements for goods and services; non-tariff factors affecting Sri Lanka's exports abroad, gaining a higher ranking in international investment indices/standards as Ease of Doing Business (WB) and Global Competitiveness (WEF) remain to be addressed. In relation to FDI, investment in infrastructure has not stimulated the industry sector yet. Investment in manufacturing industries, agribusiness and tradable services is very low compared to other economies in Asia. Therefore, much attention is needed to attract the most useful investment projects for Sri Lanka.

With the objective of promoting economic diplomacy, the Government has continued its efforts in developing and solidifying economic ties with trading partners, furthering market share in existing and new international markets, improving investor confidence through proposed simplification of tariff regime and tax reforms, developing the SMEs sector and facilitating business operations.

Sri Lanka's Total Imports, Exports and Balance of Trade statistics for the period of 2011 – 2020 is as follows.

(Value: US $ Mn.)

Year	Exports	Growth %	Imports	Growth %	Total Trade	Balance of Trade
2011	10,018	20.8	19,703	59.7	29,721	-9,685
2012	9,181	-8.4	17,889	-9.2	27,069	-8,708
2013	10,009	9.0	17,098	-4.4	27,107	-7,088
2014	11,044	10.3	19,246	12.6	30,290	-8,202
2015	10,212	-7.5	18,989	-1.3	29,201	-8,777
2016	10,217	0.1	19,515	2.7	29,732	-9,298
2017	11,411	11.69	21,324	9.2	32,735	-9,913
2018	11,687	2.42	22,069	3.5	33,756	-10,382
2019	11,769	0.7	19,486	-11.7	31,255	-7717
2020	9,912	-15.7	15,606	-19.9	25,518	-5,694

Source: *Sri Lanka Customs*

....

Accounting Officer
Name:
Designation:
Date: 28.06.2021

D.G.A.P. Dharmapriya
Actg. Director General of Commerce

Chapter 03 –Overall Financial Performance for the Year ended 31st December 2020

3.1. Statement of Financial Performance

ACA -F

Statement of Financial Performance
for the period ended 31st December 2020

Rs.

Budget 2020		Note	Actual 2020	Actual 2019	
-	**Revenue Receipts**		-	-	
-	Income Tax	1	-	-	ACA-1
-	Taxes on Domestic Goods & Services	2	-	-	ACA-1
-	Taxes on International Trade	3	-	-	ACA-1
-	Non Tax Revenue & Others	4	-	-	
-	**Total Revenue Receipts (A)**		-	-	
-	**Non Revenue Receipts**		-	-	
-	Treasury Imprests		88,880,000	92,099,000	ACA-3
-	Deposits		384,350	2,434,710	ACA-4
-	Advance Accounts		4,681,883	6,197,239	ACA-5
-	Other Receipts		38,340,766	52,580,666	
-	**Total Non Revenue Receipts (B)**		**132,286,999**	153,311,615	
-	**Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)**		**132,286,999**	153,311,615	

	Less: Expenditure				
-	**Recurrent Expenditure**		-	-	
60,030,000.00	Wages, Salaries & Other Employment Benefits	5	57,796,266	58,717,545	ACA-2(ii)
34,660,000.00	Other Goods & Services	6	27,208,816	41,968,761	
42,460,000.00	Subsidies, Grants and Transfers	7	40,852,360	32,841,907	
-	Interest Payments	8	-	-	
-	Other Recurrent Expenditure	9	-	-	
137,150,000.00	**Total Recurrent Expenditure (D)**		**125,857,442**	133,528,213	
	Capital Expenditure				
50,000.00	Rehabilitation & Improvement of Capital Assets	10	27,000	143,163	ACA-2(ii)
1,300,000.00	Acquisition of Capital Assets	11	1,181,127	411,142	
5,130,000.00	Capital Transfers	12	4,003,501	8,903,466	
-	Acquisition of Financial Assets	13	-	-	
780,000.00	Capacity Building	14	328,209	2,895,579	
-	Other Capital Expenditure	15	-	-	
7,260,000.00	**Total Capital Expenditure (E)**		**5,539,837**	12,353,350	
	Main Ledger Expenditure (F)		**3,524,440**	9,138,060	
	Deposit Payments		384,350	2,434,710	ACA-4
	Advance Payments		3,140,090	6,703,350	ACA-5
	Total Expenditure G = (D+E+F)		134,921,719	155,019,623	
-	**Impress Balance as at 31st December 2020 H = (C-G)**		(2,634,720)	(1,708,008)	

3.2. Statement of Financial Position

ACA-P

Statement of Financial Position

As at 31st December 2020

	Note	Actual 2020 Rs	2019 Rs
Non Financial Assets			
Property, Plant & Equipment	ACA-6	77,328,929	78,238,297
Financial Assets			
Advance Accounts	ACA-5/5(a)	12,816,977	14,358,770
Cash & Cash Equivalents	ACA-3	-	294,833
Total Assets		**90,145,906**	**92,891,900**
Net Assets / Equity			
Net Worth to Treasury		12,816,977	14,358,770
Property, Plant & Equipment Reserve		77,328,929	78,238,297
Rent and Work Advance Reserve	ACA-5(b)	-	-
Current Liabilities			
Deposits Accounts	ACA-4	-	-
Imprest Balance	ACA-3	-	294,833
Total Liabilities		**90,145,906**	**92,891,900**

Detail Accounting Statements in ACA format Nos. 1 to 6 presented in pages from 01 to 53 and Notes to accounts presented in pages from 54 to 61 form and integral parts of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found to in agreement.

Chief Accounting Officer	Accounting Officer	Chief Financial Officer/ Chief Accountant/ Director (Finance)/ Commissioner (Finance)
Name :	Name :	Name :
Designation :	Designation :	
Date : 28/06/2021.	Date : 28.06.2021	Date : 28.06.2021
		K.H Wijesinghe Accountant For Director General of Commerce
J.M.B. Jayawardhana **Secretary** **Ministry of Trade** **No. 492, R. A. De Mel Mawatha,** **Colombo 03.**	**D.G.A.P. Dharmapriya** Actg. Director General of Commerce	

3.3. Statement of Cash Flows

ACA-C

Statement of Cash Flows
for the Period ended 31st December 2020

	Actual 2020 Rs.	2019 Rs.
Cash Flows from Operating Activities		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	35,251,116	49,993,413
Profit	-	-
Non Revenue Receipts	-	-
Revenue Collected for the Other Heads	-	-
Imprest Received	88,880,000	92,099,000
Total Cash generated from Operations (a)	**124,131,116**	**142,092,413**
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	116,967,772	127,237,541
Subsidies & Transfer Payments	952,094	933,174
Expenditure on Other Heads	1,526,653	533,333
Imprest Settlement to Treasury	490,303	3,549,033
Total Cash disbursed for Operations (b)	**119,936,822**	**132,253,081**
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(a)-(b)	**4,194,294**	**9,839,332**
Cash Flows from Investing Activities		
Interest	-	79
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	22,265	4,075
Recoveries from On Lending	-	-

Recoveries from Advance	192,242	43,870
Total Cash generated from Investing Activities (d)	**214,507**	**48,024**
Less - Cash disbursed for:		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	1,536,211	3,449,758
Advance Payments	2,846,740	6,410,148
Total Cash disbursed for Investing Activities (e)	**4,382,951**	**9,859,906**
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(d)-(e)	**(4,168,444)**	**(9,811,882)**
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (g)=(c) + (f)	**25,850**	**27,450**
Cash Flows from Fianacing Activities		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Deposit Received	358,500	2,407,260
Total Cash generated from Financing Activities (h)	**358,500**	**2,407,260**
Less - Cash disbursed for:		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Deposit Payments	384,350	2,434,710
Total Cash disbursed for Financing Activities (i)	**384,350**	**2,434,710**
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(h)-(i)	**(25,850)**	**(27,450)**
Net Movement in Cash (k) = (g) -(j)	**0**	**0**
Opening Cash Balance as at 01st January	**0**	**0**
Closing Cash Balance as at 31st December	**0**	**0**

3.4 Performance of the Utilization of Allocation

Rs. 000

Type of Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
	Original	Final		
Recurrent	137,150	137,150	125,857	92
Capital	7,260	7,260	5,540	76

3.5 Performance of the Reporting of Non- Financial Assets

Rs.000

Assets Code	Code Description	Balance as per Board of Survey Reports as at 31.12.2020	Balance as per financial position Report as at 31.12.2020	Yet to Accounted	Reporting progress as a %
9152	Machinery and Equipment	77,329	77,329	No	100

3.6 Auditor General's Report

The Auditor General's Report for the Department is attached as an Annexure to this report.

Chapter 04- Performance Indicators

4.1 Performance Indicators of the Department

#	Performance Indicators	Target Achievement as a %
1	Negotiations to secure tariff concessions under non-reciprocal trade agreements	On going
2	Negotiations to secure tariff concessions under reciprocal trade agreements	On going
3	No of Joint Commissions held	Not held due to Covid-19. Follow up actions were done
4	Defending Sri Lanka's interests at Multilateral Fora	On going
5	Intervention and resolution of market access issues reported	On going
6	Issuance of duly perfected COOs within 2 hrs	100%
7	Number of business matchmaking (One-to-One)	185%
8	Number of business networking sessions organized	139%
9	Number of Investment Seminars organized	124%
10	Number of Sri Lankan promotional programs held overseas	169%
11	Organizing exhibitions/ trade fairs in selected foreign countries	34%
12	Organizing inward buying missions to attend trade fairs/exhibitions held in Sri Lanka	23%
13	Awareness sessions conducted on opportunities available under FTAs and PTAs	75%
14	Organizing training programs/ workshops with foreign resource personnel on topics related to new developments in international trade and WTO agreements	Not held due to Covid-19 pandemic

Chapter 05- Performance of the achieving Sustainable Development Goals (SDG)

5.1 The Identified respective Sustainable Development Goals

Goal/Objective	Targets	Indicators of the achievement	Progress of the Achievement to date
Goal 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	Target 17.10: promote a universal, rules-based, open, nondiscriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda.	Active participation in the WTO negotiations, Liaise with likeminded countries at Multilateral fora to form common positions, Negotiations to secure tariff concessions under non reciprocal trade agreements and reciprocal trade agreements.	On going
	Target 17.11: Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020	Organizing business matchmaking (one to one), Organizing business networking sessions in selected foreign countries, Organizing investment seminars in selected foreign countries to promote export oriented investments, Hosting Sri Lanka Trade Information Portal, Organizing exhibitions/trade fairs in selected foreign countries, Organizing inward buying missions to attend trade fairs/exhibitions held in Sri Lanka. Awareness sessions on	On going

		opportunities available under FTAs and PTAs, Expeditious issuance of Certificate of Origin to facilitate duty concessions under trade agreements/arrangements, Organizing/Participating in Joint Commissions, Intervention and resolution of market access issues reported.	

5.2 The achievements and challenges of the Sustainable Development Goals

Challenges

i. Progress of the Regional level negotiations is being hindered due to lack of convergence on pivotal issues and conflicting interests of key members.

ii. On the bilateral fronts, the forward move of negotiations is held back due to diverse ideologies.

iii. In the post Uruguay round period, dominance of the large countries in the negotiation process has substantially diminished. As a result, striking a deal by consensus at WTO negotiations has become a near impossibility. Plurilateral level negotiations are moving in the areas of investment facilitation, information technology, government procurement etc, instead.

iv. Supply-side constraints among host of other constraints stand in the way of promoting Sri Lanka's exports.

Chapter 06- Human Resource Profile

6.1 Cadre Management

Description	Approved Cadre	Existing Cadre	Vacancies
Senior	67	57	10
Tertiary	02	01	01
Secondary	62	44	16
Primary	21	16	05

6.2 Brief statement on how the shortage in human resources has been affected to the performance of the Department

The Department has taken actions to make recruitment to the 10 posts of Assistant Directors of Commerce. In order to strengthen the activities of the Trade Remedy Division of the Department, recruitment of Economist will be made soon. The shortage of Drivers has affected individual officers of the Department.

There was hardly any debilitating impact on the performance. However, under certain circumstances, existing officials had to handle multiple functions under two or more supervising officers at a time.

5.3 Staff Training in 2020

Name of the Programme	No. of staff Trained	Duration of the Program	Total Investment (Rs '000)		Nature of the Program (Abroad/ Local)	Output/ Knowledge Gained
			Local	Foreign		
WTO Advanced Trade Policy Course	01	54 days	-	345.6	Abroad	International trade related matters.
WTO Law on Anti-Dumping and Safeguard Measures and WTO Law on Subsidies and Countervailing Measures by	01	12 days	-	76.8	Abroad	International trade related matters.

WTI						
Thematic Course On Trade in Value Added Statistics	02	05 days	-	-	Abroad	Has been cancelled due to Covid 19
Advanced Course on the Economic Analysis of Trade Policy	01	09 days	-	-	Abroad	Has been postponed due to Covid 19
WTO RTPC for the Asia and Pacific Members and Observers of the WTO	02	51 days	-	-	Abroad	Has been postponed due to Covid 19
Online introductory course on non-tariff measures (NTMs) and their relevance during the pandemic, Second Edition	-	25 days	-	-	Abroad via virtual platform	International trade related matters.
Orientation Programme for Newly appointed Commercial Officers	10	16 days	-	-	Local via virtual platform	International trade related matters
Orientation Programme for Newly appointed Commercial Officers	10	03 days			Local	International trade related matters

6.4 Contribution of training program to the performance of Department

The Department of Commerce plays a pivotal role in advancing Sri Lanka's trade policy agenda at three different level, viz. multilateral, regional and bilateral. Representing Sri Lanka's interests at WTO and other multilateral forums, negotiation and implementation of regional and bilateral free /preferential trade agreements, spearheading of Joint commissions for Trade and Economic Cooperation and similar arrangements with other governments etc. are some of the main responsibilities the DOC shoulders in this context. Through its trade representative service abroad, the DOC also makes a vital contribution to the Sri Lankan economy as a promoter and facilitator of trade, investment and tourism.

The strict meritocratic recruitment scheme of the DOC with island – wide competitive examination and appointment by Public Service Commission of Sri Lanka ensures that candidates with sound specialized qualifications only could join the Department. Since their recruitment, the DOC officers are provided with appropriate training and exposure in local and international fora. This, inter-alia, includes participation in local and overseas training programmes in both trade policy and promotion, workshop and seminars, post-graduate studies and on the job training under senior officers. The Department of Commerce officials comprise the Diplomatic services (Commercial and Economic) under the contract with the Foreign Ministry. Due to the continuous service engagement of DOC officials from the time of their recruitment to retirement, the technical training and experience obtained is sustained throughout their career in the DOC.

Chapter 07- Compliance Report

No	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
1.	**The following Financial statements/accounts have been submitted on due date**			
1.1	Annual financial statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Not Applicable		
1.4	Stores Advance Accounts	Not Applicable		
1.5	Special Advance Accounts	Not Applicable		
1.6	Others	Not Applicable		
2.	**Maintenance of books and registers (FR445)**			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register/ Personal emoluments cards has been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit reports has been maintained and update	Complied		
2.5	All the monthly account summaries	Complied		

	(CIGAS) are prepared and submitted to the Treasury on due date			
2.6	Register for cheques and money orders has been maintained and update	Complied		
2.7	Inventory register has been maintained and update	Complied		
2.8	Stocks Register has been maintained and update	Complied		
2.9	Register of Losses has been maintained and update	Complied		
2.10	Commitment Register has been maintained and update	Complied		
2.11	Register of Counterfoil Books (GA – N20) has been maintained and update	Complied		
03	**Delegation of functions for financial control (FR 135)**			
3.1	The financial authority has been delegated within the institute	Complied		
3.2	The delegation of financial authority has been communicated within the institute	Complied		
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied		
3.4	The controls has been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied		
4	**Preparation of Annual Plans**			
4.1	The annual action plan has been prepared	Complied		

4.2	The annual procurement plan has been prepared	Complied		
4.3	The annual Internal Audit plan has been prepared	Not Applicable		
4.4	The annual estimate has been prepared and submitted to the NBD on due date	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied		
5	**Audit queries**			
5.1	All the audit queries has been replied within the specified time by the Auditor General	Complied		
6	**Internal Audit**			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2) DMA/1-2019	Not Applicable		
6.2	All the internal audit reports has been replied within one month	Complied		
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018	Not Applicable		
6.4	All the copies of internal audit reports has been submitted to the Auditor General in terms of Financial Regulation 134(3)	Not Applicable		
7	**Audit and Management Committee**			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019	Complied		

8.	**Asset Management**			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied		
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular	Complied		
8.5	The disposal of condemn articles had been carried out in terms of FR 772	Complied		
9	**Vehicle Management**			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Complied		

9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	Complied		
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	Complied		
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	Complied		
10	**Management of Bank Accounts**			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	Complied		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	Complied		
11	**Utilization of Provisions**			
11.1	The provisions allocated had been spent without exceeding the limit	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	Complied		

12	**Advances to Public Officers Account**			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	Complied		
12.3	The loan balances in arrears for over one year had been settled	Complied		
13	**General Deposit Account**			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits	Complied		
13.2	The control register for general deposits had been updated and maintained	Complied		
14	**Imprest Account**			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied		
14.2	The ad-hoc sub imprest issued as per F.R. 371 settled within one month from the completion of the task	Complied		
14.3	The ad-hoc sub imprest had been issued exceeding the limit approved as per F.R. 371	Complied		
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied		
15	**Revenue Account**			
15.1	The refunds from the revenue had been made in terms of the regulations	Not Applicable		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Not Applicable		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176	Not Applicable		

16	**Human Resource Management**			
16.1	The staff had been paid within the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		
16.3	All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017	Complied		
17	**Provision of information to the public**			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right To Information Act and Regulation	Complied		
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures	Complied		
17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Not complied		In the process of implementation
18	**Implementing citizens charter**			
18.1	A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	Complied		
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of	Complied		

	Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular			
19	**Preparation of the HumanResource Plan**			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018	Not complied		In the process of implementation
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Not complied		In the process of implementation
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Not complied		In the process of implementation
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	Not complied		In the process of implementation
20	**Responses Audit Paras**			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		