



ANNUAL PERFORMANCE REPORT

2021

MINISTRY OF TRADE

DEPARTMENT OF COMMERCE

HEAD 295

Contents

	Page No.
Chapter 01 – Institutional Profile	01
Chapter 02- Progress and the Future Outlook	42
Chapter 03- Overall Financial Performance for the Year	45
Chapter 04- Performance indicators	61
Chapter 05- Performance of the achieving Sustainable Development Goals (SDG) ..	62
Chapter 06- Human Resource Profile	64
Chapter 07- Compliance Report	67

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 overseas.

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

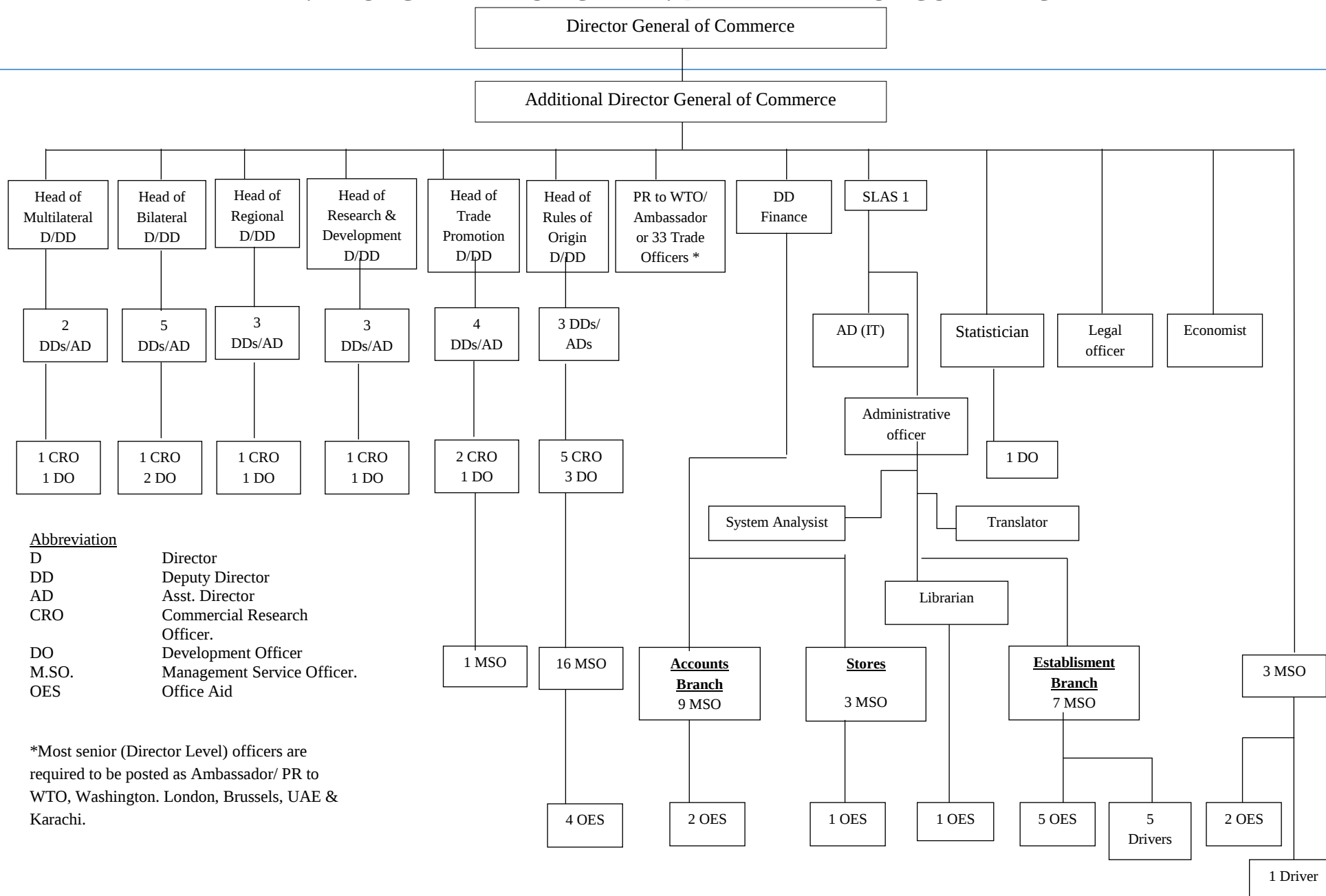
1. Safeguarding and promoting Sri Lanka's economic, trade & commercial interests at multilateral fora through effective representation and participation at discussions and negotiations at all levels (i.e. decision making and technical) at the World Trade Organization (WTO) and liaising & cooperating 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 33 DoC officers serving in 31 Sri Lanka Missions abroad in 28 countries, who are engaged in promoting and safeguarding Sri Lanka's commercial and economic interests in the host countries.
16. Conducting research on market access for existing and potential Sri Lankan products
17. Recommendation for Residence Visas
18. Approval of Credit Agencies
19. Organizing/coordinating Joint Commissions/Committees and Trade & Investment Framework Agreements (TIFAs).

1.4 ORGANIZATION CHART: DEPARTMENT OF COMMERCE



1.5 Main Divisions of the Department and their Performance

1.5.1 Multilateral Affairs Division

The Multilateral Affairs are primarily 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

- a. Written applications for initiating investigations on imposition of Antidumping and Countervailing Measures have been amended according to the recommendations made by the Attorney General's Department and reviewed by the Department of Legal Draftsman. Both forms are being prepared to publish in the Gazette in three languages.
- b. Completed the drafting of operating manual for the trade remedy investigation procedure and waiting to include the written applications in the manual.
- c. Completed the drafting of internal regulations for the use of Trade Remedy Unit of DOC in investigation process.

II. Responding to the trade remedy investigations(anti-dumping) initiated against Sri Lanka

Under the following investigations, DoC's role was to facilitate Sri Lankan exporters on their responses and linking investigators and Sri Lankan exporters.

- a. Anti-circumvention investigation by EU on imports of Aluminium Foil from Sri Lanka – Exporter and the trade chamber which issued Origin Certificates were linked with the Polish customs.
- b. Anti-circumvention investigation on Anti-dumping measure imposed by EU on imports of bicycle from Sri Lanka – Re- investigation by EU was concluded upholding the previous decision.
- c. Anti-circumvention investigation by Germany on imports of Artificial Sweeteners from Sri Lanka – Exporter, the trade chamber which issued Origin Certificates were linked with the German customs.
- d. Anti-dumping Investigation by India on imports of copper and copper alloy flat rolled products - Exporter was guided to respond, investigation concluded.
- e. Second sunset review on anti-dumping measures by India on Plain Medium Density Fibre boards - Exporter was guided to respond, review concluded.

- f. Anti-dumping Investigation by Argentina on imports of gloves - Exporter was guided to respond, but the Exporter did not respond and investigation concluded.
- g. Countervailing duty investigation by India on Medium density fibre boards: Exporter was guided to respond, investigation concluded.

III. 12th Ministerial Conference of the WTO (MC12)

- a. MC12 scheduled to be held from 30th November to 3rd December 2021 was postponed at the very last moment owing to the new developments of the pandemic. All necessary coordination, both logistical and substantive matters, had been completed at the time of its postponement.
- b. Formulation of country's position on agenda items were completed with Sri Lanka Permanent Mission in Geneva, in cooperation with relevant line Ministries. Geneva Mission participated in negotiations on various outcome documents of MC12, namely, MC12 Political Declaration, Agriculture, Fisheries Subsidies, WTO Response to the Covid-19 Pandemic and e-commerce Work Program and Extension of Moratorium.
- c. Briefing sessions were organized on important subject matters such as fisheries subsidies and agriculture negotiations ahead the MC12 for the delegates who were supposed to participate at MC12.

IV. Continue negotiations on disciplining Fisheries Subsidies

- a. Text based negotiations are continuing at the WTO. Permanent Mission of Sri Lanka to the WTO in Geneva is providing inputs for the negotiations from Sri Lanka's side in consultation with the Ministry of Fisheries, State Ministry of Fisheries and the Department of Fisheries. Geneva Mission has been able to defend country's interests substantially at negotiations through special and differential treatment for developing countries.
- b. Virtual Ministerial TNC meeting on Fisheries Subsidies
A virtual Ministerial meeting was held on 15th July 2021 in order to get the political backup/mandate for concluding the negotiations by MC12. Hon. Minister of Trade and the Hon. State Minister of Fisheries participated representing Sri Lanka along with officials from the line Ministries, DoC and Sri Lanka Mission in Geneva. Hon. Minister of Trade made the country statement outlining the country's priorities and how Sri Lanka perceive the negotiations to be continued in lead up to MC12.
- c. Briefing session for Fisheries officials
A briefing session was organized prior to the virtual Ministerial meeting targeting the officials of the Ministry of Fisheries, State Ministry of Fisheries and the Department of Fisheries with the participation of Geneva Mission. The session provided the state of play of the fisheries subsidy negotiations and clarified a number of issues the relevant officials had. It was able to make the authorities aware of strategic policy decisions to be taken in the event of concluding a WTO Fisheries Subsidy Agreement.

V. Continue negotiations on disciplines on Agriculture trade

- a. A slow progress reported in the WTO Agriculture negotiations due to other priorities emerged as a result of the pandemic. However, Sri Lanka's position on key issues (Domestic Support, Public Stock Holding & Special Safeguard Mechanism) were registered through number of interventions.
- b. G-33 Ministerial Meeting
The Group of 33 countries (G-33) called a virtual Ministerial meeting of the G-33 member states in lead up to MC12, with a view to establishing the group position on 10 September 2021. The Group issued the G-33 Ministerial Declaration for MC12 following this meeting. Hon. Minister of Trade and the Hon. Minister of Agriculture attended the meeting together with relevant officials. Hon. Minister of Trade made the country statement. Prior to the meeting, Hon. Minister of Trade had a virtual bilateral meeting with the present Chair of the Group (Indonesian Trade Minister) to clarify country's position on Agriculture negotiations.
- c. Briefing session for Agriculture officials
A briefing session was organized to provide a background to the G-33 Ministerial meeting and on the state of play of all agriculture negotiations taking place at the WTO. Officials from the Ministry of Agriculture and the Department of Agriculture attended the briefing session. The session clarified a number of issues the relevant officials had.

VI. Fulfilling the requirements of WTO Trade Facilitation Agreement

- a. Establishment of the Procedures for Appeal or Review at DoC
Established a reasonable standard time period on the procedures for appeal or review of CoO related activities and published them on DoC website and issued Office Instructions to the staff for compliance.
- b. Attendance at NTFC and related meetings
Attended at 3 NTFC meetings and 2 other TFA related meetings and collectively evaluated the implementation progress of the TFA provisions as a whole for the country. Further DoC participated at the 2 meetings with the World Bank and ITC (donors).
- c. Extension of deadlines for implementation of TFA
DoC, together with the Permanent Mission in Geneva, guided the NTFC Secretariat for requesting an extension for implementation of the category-C commitments which are falling due on 31st December 2021. Accordingly, at the WTO-TFA Committee meeting held on 19th October, Sri Lanka was granted approval for extension until 30th June 2023.
- d. 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 (04 sessions) of the year was held from 02-03 November in Hambantota and the second programme (04 sessions) was held from 09-10 November in Ampara. Third programme (4 sessions) was

held from 11-12 November in Batticaloa. Fourth programme was held from 09-10 December in Kegalle and the fifth programme (3 sessions) was held from 16-17 December in Monaragala.

- e. 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 which are related to the border trade monthly.
- f. Making arrangements to host the SLTIP in Sri Lanka
World Bank, the current host of SLTIP, agreed to extend the hosting cost until December 2021. The department completed the procurement process and selected M/S Arimac Lanka Pvt. Ltd. to host and maintain the portal from November 2021 onwards for a period of one year.
- g. Step by Step Functionality
The Step-by-Step functionality (SBSF) is an additional functionality to enhance the user friendliness of the current Sri Lanka Trade Information Portal. SBSF was launched on 9th February 2021 at the Shangri-La Hotel, Colombo by the Hon. Bandula Gunawardena, Minister of Trade. The functionality was completed with 23 export product categories and 6 import product categories. DOC got involved in collecting information gaps and validating the mapped information and was able to ensure 98% accuracy of information through validation.

VII. Import Restrictions maintained by Sri Lanka

- a. Sri Lanka's import policy measures introduced to curb the impact of the Covid-19 Pandemic, were raised at different WTO Committees/Councils by the WTO Members. Sri Lanka's Permanent Mission to the WTO has so far been able to defend these measures despite the pressure came from different parties.

VIII. Securing Special & Differential Treatment for Sri Lanka

- a. Permanent Representative of Sri Lanka to the WTO has been actively engaged in securing special and 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 with like-minded countries in Geneva.

IX. 15th Session of the Ministerial Conference of UNCTAD (UNCTAD-15)

- a. Organized Sri Lanka's participation at UNCTAD-15 held virtually from 03-07 October 2021. Hon. Minister of Trade led Sri Lanka delegation to the Ministerial sessions while the Secretary/Trade led Senior Officials' meetings. Representatives from the Ministry of Finance, Ministry of Environment, Foreign Ministry, Central Bank of Sri Lanka, DoC and Permanent Mission in Geneva were members of Sri Lanka delegation to the UNCTAD-15.

- b. Sri Lanka's national statement delivered by the Hon. Minister of Trade covered the pressing need of International Support Measures for countries like Sri Lanka and the common challenges experienced by the global south, such as the debt crisis, commodity dependence, natural and man-made disasters, food insecurity etc.
- c. DoC arranged to provide comments on the UNCTAD-15 Declaration and the G-77 Declaration ahead the Conference in collaboration with relevant line Ministries.
- d. Group of 77 and China (G-77) Ministerial Meeting
G-77 had its Ministerial meeting in the sidelines of the UNCTAD-15 preceded by the Senior Officials' meeting. Hon. Minister of Trade led the Sri Lanka delegation to this meeting. The meeting adopted the "Bridgetown Ministerial Declaration of the Group of 77 and China on the occasion of UNCTAD-15". Most of the country's priorities were able to be incorporated to this Declaration.

X. Common Fund for Commodities (CFC)

- a. Representation at the 33rd Governing Council meeting of the CFC held virtually on 14-15 December 2021.
- b. Dissemination of information on the call for project proposals by CFC among business community and coordinate with them to forward project proposals to CFC. However, no project proposals were received from the business community.

XI. Other activities performed under the Multilateral Affairs Division

- a. Public consultation on introducing regulatory measures/ introducing a guideline for online business/traders
DoC provided comments on draft guidelines being prepared by the Consumer Affairs Authority for online business/traders and on introducing regulatory measures on online business.
- b. Revisions to the Consumer Affairs Authority Act No. 9 of 2003
DoC arranged to provide information on Consumer Protection measures being practiced in other countries through Commercial Officers.
- c. UNCTAD World Investment Forum 2021
Organized Sri Lanka's participation at World Investment Forum 2021 held virtually on 18-22nd October 2021. Hon. Minister of Trade delivered a statement at a Ministerial Round Table on Investment for Sustainable Development held on 21st October, at a special invitation received from the Secretary General of UNCTAD.
- d. TRIPS waiver for prevention, containment and treatment of COVID-19
Sri Lanka, through the Geneva Mission, supported a proposal from like-minded countries on a TRIPS waiver which attempts to address inequities in access to critical commodities for controlling COVID-19.

e. Trade Policy Review (TPR) of WTO Members

Geneva Mission made interventions at TPRs of India, Thailand, Vietnam, Saudi Arabia, Qatar, Mongolia, Russia, Singapore, Korea, Argentina, Oman, Mauritius and China during the year. Necessary inputs were provided by the DoC and Commercial Officers. Interventions, *inter alia*, covered Sri Lanka's trade concerns that hinder Sri Lanka exports to respective countries.

f. Provision of trade policy advocacy

14 comprehensive reports/notes were prepared and submitted by the Geneva Mission at the request of different institutions in Colombo.

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 into the vast Indian market. Total value of Sri Lanka's exports to India has recorded at US\$ 815.8 Mn in 2021 which was at US\$ 602.3 Mn in 2020. Sri Lanka has exported US\$ 525.8 Mn worth of goods to India under ISFTA in 2021 as against US\$ 358.4 Mn in 2020, with an increase of 47%, showing a strong signal of recovery from the impact of Covid 19 pandemic. It is pertinent to mention that a 65% of Sri Lanka's exports to India in 2021 have been under the ISFTA duty concessions.

In terms of Sri Lanka's imports from India, total value stood at US\$ 4,421.4 MN in 2021, as against US\$ 3,002.1 Mn in 2020. Sri Lanka's imports from India under the ISFTA in 2021, was at US\$ 208.9 Mn while the ISFTA import value for the year 2020 reported at US\$ 158.6 Mn. Accordingly, only nearly a 5% of Sri Lanka's imports from India in 2021 have been under ISFTA duty concessions.

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 export items from Sri Lanka to India under ISFTA.

Further, Sri Lankan Apparel products receive the duty-free benefit under ISFTA for 8 million pieces per year through tariff rate quota. During the period under review, utilization ratio stood at 92.64% of 8 million pieces with a value of US \$ 33.63 Mn.

The Working Group on the Operational Certification Procedure (OCP) as referred to under the Annex- C (Rules of Origin Text) of the ISFTA with India was held on 24.08.2021 to finalize the OCP under the ISFTA. Officials from the DOC, Sri Lanka Customs and the Commercial Officers stationed in India participated in the meeting from the Sri Lanka side and the officials from the Central Board of Indirect Taxes and Customs in New Delhi, Department of Commerce and High Commission of India in Colombo were from the India side. As agreed at this meeting the Sri Lanka side shared the draft text of the OCP with the Central Board of Indirect Taxes and Customs in India through the Sri Lanka Foreign Ministry and waiting for their response.

II. Pakistan- Sri Lanka Free Trade Agreement

The 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. Total value of Sri Lanka's exports to Pakistan has been recorded as US\$ 91.9 million in 2021, while it was US\$ 74.3 million in 2020. Sri Lanka's exports to Pakistan under the PSFTA in 2021 was recorded at US\$ 62.2 million while it was recorded the value at USD\$ 53.0 million in 2020. Accordingly, Sri Lanka's exports under PSFTA has accounted for a 68% in 2021 of total exports to Pakistan. Total value of Sri Lanka's imports from Pakistan has been recorded as US\$ 394.3 million in 2021 against US\$ 324.3 million in 2020. Sri Lanka's imports from Pakistan under the PSFTA in 2021 was recorded at US\$ 62.2 million while it was recorded the value at USD\$ 53.0 million in 2020.

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 PSFTA, Sri Lanka grants duty-free benefit for the 6,000 MT Basmati imports from Pakistan per year. During the period under review, Sri Lanka imported 296 MT under PSFTA.

Joint Economic Commission between Pakistan and Sri Lanka

The 12th Session of the Pakistan-Sri Lanka Joint Economic Commission (JEC) at Commerce Secretaries' level was held on 3rd February 2021 on via virtual mode Discussions were held on trade, investment, ITC and industry collaborations. The discussions were held with the objective of further strengthening trade relations and resolving long standing trade and investment related issues under PSFTA faced by the companies of both the countries. Several positive outcomes transpired during the session and both sides agreed that further discussions at technical level be held during the Working Group meeting on Trade.

Joint Working Group Meeting on Trade, Investment and Auto Sector between Pakistan and Sri Lanka

The 2nd Joint Working Group on Trade Investment, Customs Cooperation & Auto Sector between Pakistan and Sri Lanka (JWG) was held virtually on the 21st May 2021. The Sri Lanka delegation was led by the Acting Director General of Commerce, Department of Commerce and the Pakistan delegation was led by Joint Secretary, FT-I Wing, Ministry of Commerce of Pakistan.

The key matters discussed at the above three forums were:

- i. Matters on the unilateral change of the Negative List by the Pakistani side (auto sector and non-auto sector products)
- ii. The imposition of Rs.400/kg Regulatory Duty on Betel Leaves exported from Sri Lanka
- iii. Matter pertaining to the held-up Basmati consignments from Pakistan by the Sri Lanka Customs
- iv. Import of Basmati rice from Pakistan under the quota of 6,000 MT per year

Joint Working Group Meeting on Customs Cooperation between Pakistan and Sri Lanka

The 2nd Working Group Meeting on Customs Cooperation between Pakistan and Sri Lanka, organized by the Customs Authorities of the two countries to discuss customs related matters of mutual benefit, was held on 04th August 2021 at virtual mode. The agenda included Training of Custom officials, Electronic Data Interchange, Intelligence sharing related to Customs matters, Knowledge sharing on Customs matters and the Authenticity verification of Certificates of the Origins issued under PSFTA by the respective Customs Authorities. The Department of Commerce also participated at this discussion.

III. Sri Lanka– Singapore Free Trade Agreement

Singapore- Sri Lanka Free Trade Agreement (SSLFTA) was signed on 23.01.2018 and came into effect on 01.05.2018. The SSLFTA 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 SSLFTA, concerns were expressed by the various segments of the civil society and in view of the concerns, a Committee of Experts (CoE) was appointed by then H.E the President on 10.08.2018 to evaluate SSLFTA. Based on the recommendations of CoE, a report was submitted on 30.11.2018 to the Cabinet. A Cabinet Subcommittee was appointed, to monitor the SSLFTA and to initiate actions to make necessary amendments, with the prior approval of the Cabinet of Ministers.

Thereafter, then the 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 consideration for the review process at the first round.

The DoC was entrusted to take the lead role of the review process. DoC submitted a draft cabinet paper to the Ministry of Trade seeking the approval of the Cabinet of Ministers for these 18 proposed amendments. Accordingly, the Ministry of Trade submitted a Cabinet Memorandum dated 05.01.2021 and the approval of the Cabinet of Ministers was obtained on 18.01.2021 to formulate the Technical Supporting Committee and to conduct negotiations with Singapore with a view to arriving at an agreement on the above amendments. Under the preparation of the review process, amendments relating to the Attorney General's Department, Department of Trade and Investment Policy, Sri Lanka Customs and Central Bank of Sri Lanka are still being under reviewed. A follow up virtual call was organized with Attorney General's Department on 24th December, 2021 to discuss to expedite their response to the amendments.

At the same time, nine (9) separate Fundamental Right Violation applications for SSLFTA which have been filed in the Supreme Court are still being heard. The notification of the SSLFTA to the WTO is also pending, completion of the review process.

IV. Proposed China-Sri Lanka Free Trade Agreement

The negotiations of China- Sri Lanka Free Trade Agreement (CSFTA) have been launched on 16th September 2014 at the Heads of States level. 06 Rounds of Negotiations have been concluded.

An initiative of the DOC, a Cabinet Memorandum dated 01.07.2021 with the title of “Formulating Positions on Sri Lanka’s Tariff Liberalization Programme under Free Trade Agreements (FTAs) submitted by the Ministry of Trade was considered by the Cabinet of Ministers in the decisions taken on 19.07.2021 seeking directives on the Tariffs Liberalization Programme of CSFTA. The Cabinet directed to appoint a Chief Negotiator in the capacity of a State Minister to conduct negotiations and to resume negotiations based on a few selected products including Agricultural and Fisheries products and Minor Export Crops such as Cinnamon and Pepper, under a Preferential Trading Arrangement (PTA).

In accordance with the above directive, on 03.08.2021, Hon. Minister of Trade requested H.E the Ambassador of China in Colombo, to consider to conclude a PTA with Sri Lanka for a limited number of tariff lines (150-200 items) at 6-digit level due to the economic challenges that Sri Lanka faces at present. However, in response, the Chinese side on 10.09.2021 conveyed that they are not in favour of a PTA and proposed to resume the comprehensive bilateral FTA negotiations.

V. Status of the other proposed Bilateral FTAs and the PTAs

During the period under review, the DoC prepared status reports on the following proposed bilateral 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.

- i. The Economic and Technology Cooperation Agreement between Sri Lanka and India (ETCA) Negotiations were launched in August 2016 and 11 rounds of negotiations conducted. No progress was reported in the year 2021.
- ii. Sri Lanka- Thailand Free Trade Agreement (SLTFTA)
Negotiations were launched on 02.06.2017 and 2 rounds of negotiation concluded. Considering recent Cabinet Decisions of Sri Lanka on RTAs, FTAs and PTAs, a FTA with Thailand is not feasible at this stage. H E the Ambassador of Sri Lanka to Thailand was informed on 27.10.2021 accordingly.
- iii. PTA with Bangladesh
Negotiations are ongoing. During the visit of Hon. Prime Minister of Sri Lanka to Bangladesh on 19 – 20 March 2021, the leaders of two countries reiterated their commitment for an early conclusion of a bilateral Free Trade Agreement (FTA), which was on the discussion table since 2014. As the first step towards the FTA, the leaders agreed to explore the possibility of signing a bilateral Preferential Trade Agreement (PTA) beginning with a short list of products.

As a follow up to this leaders' commitment, discussions commenced between the two countries at Commerce Director General level in April 2021 relating to FTA and PTA between Bangladesh and Sri Lanka. During this meeting, both sides agreed on a work plan for finalizing the PTA. The Cabinet of Ministers, at its meeting held on 14th June 2021, granted approval to commence negotiations on a PTA with Bangladesh.

Both sides agreed that the PTA would covers only trade in Goods and eliminates or reduces only basic Customs Duties. Product coverage is 100 tariff lines at 8-digit level. Since Sri Lanka and Bangladesh are parties to five Regional Trade Agreements at present namely SAFTA, SAPTA, APTA, GSTP, and BIMSTEC, the products for exchange of tariff concessions under BSPTA are basically those products which are in the negative list of the above 5 Agreements.

Three negotiation rounds were held during 2021 (on 30th June, 02nd November and 22nd December). Sri Lanka side was led by the Acting Director General of Commerce with the participation of the members of the National Trade Negotiation Committee (NTNC). Main elements of the Framework Agreement of the BSPTA was negotiated at these meetings and the majority were agreed except 2 Articles i.e. on Rules of Origin and Balance of Payment Measures. The modality for tariff reduction was also discussed at these meetings.

The NTNC appointed a small group comprising DoC, Ministry of Finance, SL Customs, EDB and BOI and assigned the task of preparing Sri Lanka's request list. After intense stakeholder consultations, the Group prepared the request a list with 112 products. Sri Lanka received a request list of 131 products from the Bangladesh side. Both parties are now in the process of evaluating the respective lists and preparing the Offer Lists for tariff concessions to be granted under the BSPTA. In this regard, 2 meetings with the line Ministries were held so far.

v. PTA with Japan

On 15.11.2021 requested the Foreign Ministry to get a feedback from the Embassy of Sri Lanka in Tokyo on the thinking of the Japanese side on a PTA with Sri Lanka as discussed during the Meetings of Hon. Minister of Finance with Heads of Mission/ Post of Sri Lanka, held on 12.10.2021. On 01.12.2021, Sri Lanka Foreign Ministry informed that the Embassy of Sri Lanka in Japan has requested Meeting with the Director General, Economic Affairs of the Ministry of Foreign Affairs of Japan and that will be held in early January 2022 to discuss in this regard.

vi. PTA with Indonesia

On 16.11.2021 informed the Foreign Ministry to ascertain whether the Indonesian side is in agreement with a tariff liberalization programme only on Customs Import Duty (CID) as Sri Lanka undertakes commitments to reduce or eliminate only CID and not other 2 levies namely Ports & Aviation Levy (PAL) and Commodity Exports Subsidy Scheme (CESS) which are considered para-tariffs. It is also highlighted that if Indonesia requests Sri Lanka to eliminate or phase out all the 3 levies applied on imports, Sri Lanka is not in a position at this juncture to agree to it and we may have to revisit the PTA proposal at a later stage. Sri

Lanka Foreign Ministry informed that the Embassy of Sri Lanka in Jakarta to inform the Ministry of Trade in Indonesia.

vii. PTA with Kenya

On 16.11.2021 DoC informed the Foreign Ministry to ascertain whether the Kenyan Government is desirous of concluding a PTA with Sri Lanka.

viii. PTA with Egypt

On 03.09.2021 DoC informed the Foreign Ministry to obtain a list of Egyptian fruits with the HS codes for which preferential market access is expected from Sri Lanka in order to ascertain whether the such fruits are under quarantine prohibitions in Sri Lanka, to assess the applicable import duties and to estimate the expected revenue loss.

ix. PTA with Iran

Sri Lanka agreed to grant partial tariff concessions for 123 products of Iran (initially 211 items) while Iran agreed to grant partial tariff concessions for 150 products of Sri Lanka (initially 288 items. At the 11th Bilateral Joint Commission held in February, 2016, both sides agreed to review their offer lists in order to include a few more products of export interest to both sides and resubmit new offer lists at the earliest. However, no progress on the PTA has been made thereafter possibly due to US sanction on Iran.

x. FTA with Maldives

H.E the High Commissioner of Maldives to Sri Lanka proposed an FTA with Sri Lanka during his curtesy call on Hon. Minister of Trade. In response, on 12.11.2021, H.E the High Commissioner of Maldives to Sri Lanka, was informed that Sri Lanka is pleased to receive the consent of the Government of Maldives through diplomatic channels to conclude an FTA with Sri Lanka in order to initiate a scoping session between the two sides. On 23.11.2021, H.E the High Commissioner of Maldives to Sri Lanka has informed that he will communicate with the relevant authorities in the Maldives on the scoping sessions with regard to the possible FTA.

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

a. Bilateral Trade

Sri Lanka has been having trade ties with the EU over decades. In 2019, the EU with US\$ 3.5 Bn, was the largest export destination for Sri Lanka's exports which has amounted closer to a 1/3 of country's total export earnings. However, due to UK's exist from the EU under BREXIT with effect from 01.02.2020, Sri Lanka's total exports in 2020 to the EU has dropped to US\$ 2.3 Bn. and the EU has become the second biggest export market for Sri Lanka, preceded by the USA (US\$ 2.5 Bn), with a share of 23%.

Apparel has been the dominant export item of Sri Lanka's exports to EU. Other main export products to EU are Pneumatic Tyres, Tea, Tobacco, coconut products, fish products, etc. Pharmaceutical products, machinery, fabric & fibers, paper products are the main products imported to Sri Lanka from the EU. Motor cars were one of the major import items from EU before 2020. However, due to the temporary restrictions on importing vehicle to Sri Lanka, the imports have dropped.

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+ concessions. 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)

Non- compliance alerts on food safety (Rapid Alert System for Food and Feed -RASFF) and plant-based consignments (European Phytosanitary Rapid Alert System for Plant Health- EUROPHYT):

The RASFF is a system for reporting food safety issues within the EU. Several government institutions in Sri Lanka were identified as responsible agencies to receive and respond RASFF alerts, received from the EU. More than 40 non-compliance alerts from the EU were reported in the year 2021 on risks identified in food, feed or food contact materials of items such as 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.

The National Plant Quarantine Service of Sri Lanka (NPQS) has been identified as the relevant government authority to receive and respond to EUROPHYT alerts, received from the EU. The number of non-compliance alerts on plant-based consignments under EUROPHYT were received in 2021.

The DoC is as the national focal point for the WTO which implements inter alia multilateral rules in food safety, receives alerts and notifications on the above-mentioned non-compliances in Sri Lanka’s food exports, mainly from the EU member states, Canada, Japan, the US, Middle East, etc. This occurrence has been an impediment to promote food exports from Sri Lanka. Therefore, DoC is following up with relevant institutions on the above, in order to ensure that the number of rejections and alerts are minimized for the export consignments to EU. Further, the DoC has time to time shared with the stakeholder institutions in Sri Lanka and the businesses, information on EU standards and regulations relevant to food and plant-based product exports received through Sri Lanka Mission in Brussels.

In February 2021, the DoC, in coordination with the Institute of Food Science and Technology Sri Lanka (IFSTSL), which works in close collaboration with the Sri Lanka Food Processors Association (SLFPA) has organized a webinar on awareness creation on Avoiding Non-Compliances in Sri Lankan Food Exports to the World. Emeritus Professor Upali Samarajeewa, an International Expert in Food Safety and a former Professor at University of Peradeniya, has gone through all alerts and notifications on non-compliances in Sri Lanka’s food exports and has prepared a comprehensive presentation by identifying root causes of non-compliances in Sri Lankan food exports.

Further, the DoC has assisted the Sri Lanka Embassy in Brussels to organize a Video Conference Call between Sri Lankan Stakeholders and the Officials of DG SANTE (Food inspection authority of EU) followed by a Webinar on EU Import Regulations for non- animal origin food.

BOI was making arrangements to hold the next Session of the EU- Sri Lanka investor Dialogue and most probably the Session will be held in January 2022.

d. *Framework of Cooperation (FoC) on Fair Trade Development*

The subject was initially handled by the DoC. 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, and informed Sri Lanka Mission in Brussels its inability to be a signatory to the proposed FoC.

Thereafter Export Development Board (EDB) agreed to lead the process. The DoC remains as a supporting agency for the FoC.

e. *The EU– SL Trade Related Assistance Project*

The EU- Sri Lanka Trade Related Assistance project was initiated according to the proposal made to the EU-Sri Lanka Working Group on trade and Economic Relations which was held on 2nd December 2013 in Brussels parallel to the 18th Session of the EU-Sri Lanka Joint Commission. The project focused on enhancing the overall performance of the export sector of Sri Lanka especially on food, spices and IT & BPO sectors by giving the support to develop through the following areas.

- Business and Trade Policy
- Trade facilitation
- Compliance with quality standards and Sanitary and Phytosanitary (SPS) measures
- Sector specific value chain development and SME's integration into regional and global value chains.

The EU funded 8 Million Euros for this project and International Trade Centre (ITC) act as the implementing agent while the Department of Commerce being the national coordinator of the project. This project expanding 4 years was launched on 15th November 2016 with the participation of then Minister of Industry and Commerce and H.E. the Ambassador and Head of Delegation, Delegation of the European Union to Sri Lanka and Maldives. The project completed in February 2021.

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.

f. The next Session of the EU- Sri Lanka Working Group on Trade and Economic Relations Cooperation (WGTEC)

The previous Session of the EU- Sri Lanka WGTEC was held on 24th October 2019 in Brussels. The next Session of the EU- Sri Lanka WGTEC is scheduled to be held on 26th January 2022 via virtual mode. The DoC, as the focal point for organizing the meeting made follow- up action and prepared the proposal for the agenda of the next session in consultation with the Sri Lanka stakeholder institutions.

- i. Cross- Regional Cumulation facility for Sri Lanka's textile products exporting under the EU GSP utilizing material originating from Indonesia: A joint request signed by competent authorities of the Governments of Sri Lanka and Indonesia was submitted to the EC. The Co- Chair of the EU side at the 23rd Session of the EU- Sri Lanka Joint Commission held in January 2022, stated that the EU decision on the joint request would be communicated soon.
- ii. Extended Cumulation facility for the raw material sourced from the United Kingdom for products manufactured to export to the EU: With UK leaving the EU (BREXIT) on 01.01.2020 and after the transition period, the EU with effect from 01.01.2021, does not recognize the value of the UK raw materials under the Cumulation facility used by the EU GSP+ beneficiaries for the products manufactured to export to the EU. Sri Lankan apparel exporters who import fabric from UK to manufacture apparel products aiming at the EU markets are adversely affected due to the above decision. The Joint Apparel Association Forum (JAAF) and the DoC are in the process of drafting a proposal for Extended Cumulation facility from the EU for the fabrics imported from the UK. The UK side has verbally assured their support to extend administrative cooperation. The DoC through diplomatic channels to requested administrative support from the UK side for the said proposal and with the consent of the UK, the DoC will submit the request to the EU side for their consideration.

VII. The BREXIT, UK GSP Scheme and Public Consultations

The UK officially left from the European Union (EU) with effect from 01.02.2020, the process called BREXIT, and since then until 31.12.2020 the GSP beneficiaries' countries of the EU, including Sri Lanka, were entitled to claim the same benefits of the EU GSP+ from the UK. Meantime, the Department for International Trade of the UK (DIT) opened an online public consultation during the period of 06.02.2020 to 05.03.2020 for stake holders and general public to submit their views on their proposed new tariff regime called UK Global Tariff (UKGT).

The Department of Commerce of Sri Lanka (DoC) made submissions after consulting the government and private sectors including sector consultations on apparel, tea, rubber, spices, and coconut, fisheries products, ceramic, food processing, beverages and miscellaneous products. After reviewing responses received from these online public consultations, the DIT has published its revised- UKGT on 19.05.2020, which was implemented from 01.01.2021 by replacing the EU's Common External Tariff Scheme. Sri Lanka as a beneficiary of EU GSP+ Scheme, will continue to receive the same preferential treatments of the EU GSP+ in the UK market from 1st January 2021. Accordingly, the DoC provided information and technical

guidelines for the Sri Lankan exporters to the UK to utilize the zero duty concessions available under UK's EF.

While implementing UKGT, its interim GSP Scheme and the EF, the UK Government has decided to implement its new GSP scheme from year 2022. To introduce such a new GSP Scheme, the UK launched another 8-week online stakeholder consultation in August/September 2021. The DoC led the local consultation process and facilitated to complete 14 sector online submissions represented apparel, rubber, tea, coconut, fisheries, spices, ceramic & glass, light engineering, bicycles, footwear, gem & jewellery, plastics, electrical, products and processed food by the deadline of 12.09.2021. Further, a separate submission by the DoC was made looking at the overall outcome of the individual consultations. On two occasions, Sri Lanka took part in the UK's Public Consultations held with a view to getting inputs from beneficiaries to determine form and the contents of their new GSP Scheme. These consultations are not to be considered as Sri Lanka's applications for the UK's GSP Scheme.

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

As a follow up action of the 2nd 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.

IX. Sri Lanka-Australia Trade and Investment Framework Arrangement

Sri Lanka and Australia signed the Trade and Investment Framework Arrangement (TIFA) in November 2017 with the perspective of enhancing and facilitating bilateral trade and investment relations between the two countries. The Sri Lanka-Australia Joint Commission (JC) on Trade and Investment was established under the arrangement and the 1st Session of the JC was held in Australia in April 2018 and the 2nd Session of the JC was held in September 2019 in Sri Lanka.

Prior to the 3rd Session of the JC, an Interim Meeting of the TIFA was held on 17th November 2021 virtually, which was organized by the DOC together with the Department of Foreign Affairs and Trade of Australia and the Australian High Commission in Sri Lanka, to review and endorse its Action Plan for the period of 2020-2021. Action Plan comprises main four categories of activities relevant to the government-to-government engagements, development partnerships, market access and commercial interests. Both countries reviewed the new proposals and set the expected dates for the next follow up meetings and for the 3rd Session of Sri Lanka-Australia Joint Commission (JC) which will be expected to be held in Australia in the mid of 2022.

Several new proposals were also included in the action plan. The Australian side elaborated potential for Sri Lanka to set up an education hub and potential for investment in Sri Lanka by Australian education institutions, commodity hub, National Single Window for trade supported

by World Bank, progress of investor applications, shipping connectivity etc, The Sri Lankan side highlighted four priority areas such as Mutual Recognition Agreement (MRA) on conformity assessment, faster processing of quarantine clearance for the identified products, technical assistance for the development of field certification system targeting floriculture sector and assistance required by the Kahatagaha graphite mine for an air born survey. As agreed at the 1st Interim Meeting, the 1st Review Meeting with the AHC was held on 07th December 2021, to follow up the Action Plan endorsed by both sides.

X. The 7th Session of the China- Sri Lanka Joint Committee on Economic and Trade Cooperation (JETC)

The Sri Lanka-China Joint Committee for Economic and Trade Cooperation (JETC) was formed in 1991 following amalgamation of two agreements namely Trade & Payment Agreement and Agreement on Economic and Technical Cooperation which were signed in 1982 with a view to further strengthening the bilateral trade and economic cooperation between the two countries.

The 7th Session of the China Sri Lanka JETC was held virtually on 24th September 2021 and the Sri Lanka delegation was led by Secretary, Ministry of Trade and the Chinese delegation was led by Vice Minister, Ministry of Commerce of China. Several new proposals were brought from both countries for the 7th Session of which four Memorandum of Understandings (MOU) namely, MOU with Sri Lanka on jointly promoting the 21st Century Maritime Silk Road of China and the Vistas of Prosperity and Splendour of Sri Lanka, MoU on the Establishment of the Investment Promotion Working Group, MoU on Strengthening Investment Cooperation in Digital Economy and MoU on Promoting Investment Cooperation in Green Development were proposed by China for consideration by the Sri Lankan side.

The Sri Lankan side highlighted priority proposals covering the areas on issues on market access, investment promotion, economic cooperation and technical assistance. The proposals including expedite the process of registering the new eligible fish suppliers, new edible fish varieties, Sanitary and Phytosanitary clearance for Sri Lanka's fresh Mango and Pineapple, priority products for which market access is expected, assistance from the Chinese side to attract investors to "Dedicated Textile Manufacturing Zone" established in Eravur in the Eastern Province, facilitation for "Exit Processing Scheme" for fabric imported from China and to establish a platform for a Trusted Trader Certification System were discussed.

A follow up meeting was also held on 15th December 2021 on the matters arising at the 7th Session of the China Sri Lanka JETC enabling both parties to expedite the implementation of agreed proposals.

XI. The 2nd Session of the Sri Lanka- Turkey Joint Commission on Economic and Technical Cooperation (JCETC)

The 2nd Session of the Agreement on Economic and Technical Cooperation between Sri Lanka and Turkey (JCETC) was held on 10th June 2021, via virtual mode due to Covid 19. The Sri Lankan side hosted the meeting. The Sri Lankan delegation was headed by Dr. Bandula Gunewardhane, Minister of Trade and the Turkish delegation was headed by Prof. Dr. ZiyaSelçuk, Minister of National Education. The Technical Session of the meeting was co-

chaired by Mr. Ananda Dharmapriya, Acting Director General of Commerce of the Department of Commerce, Sri Lanka and Mr. Atilla Bastirmaci, Deputy Director General of Directorate of International Agreements and the European Affairs of the Ministry of Trade, Turkey.

The both sides expressed their desire to further strengthen and the enhancement of bilateral trade, economic and technical cooperation in a mutually beneficial and the sustainable manner. Substantive matters discussed at this Session were mainly included the Legal Framework of the JCETC, Bilateral Trade Relations, Economic and Technical Cooperation (of the fields of construction services, IT, tourism, transportation, medical devices, financial sector, food processing, textile, rubber products, health, automobile, electrical and electronic, metal and mineral sectors), Contracting and Engineering Consultancy Services, Education, Science, Technology and Metrology, Micro, Small and Medium-sized Enterprises, Standardization, Civil Aviation, Maritime Transportation, Health, Culture and Tourism, Energy, Agriculture and Water Safety and Water Quality etc.

The DoC is following-up with the stakeholder institutions in Sri Lanka and the Turkish authorities via the Sri Lanka Mission in Ankara on the progress of the matters discussed at the JCETC.

XII. Establishment of a Working Group on Trade and Investment (WGTI) between Sri Lanka and Indonesia

A MoU on the establishment of a Joint Commission for Bilateral Cooperation (JCBC) between Sri Lanka and Indonesia was signed on 01st October 2007 and its 01st Meeting was held in Colombo on 26th January 2012. At the 02nd Meeting of the JCBC held in Jakarta on 13th October 2014, it was agreed to establish a Working Group on Trade and Investment (WGTI) between the two countries under the JCBC. After several rounds of discussions, both parties are in agreement of the draft text of the Terms of Reference (ToR) of the WGTI.

The Ministry of Trade and the Department of Commerce are in the process of making arrangements to sign the ToR of the WGTI as early as possible. Required clearance from the AG's Department was received and the suggested changes were communicated to the Indonesian side for their consideration. Once Indonesia agrees to the draft TOR, it will be submitted for approval of the Cabinet of Ministers.

XIII. Sri Lanka- Russian Intergovernmental Joint Commission on Trade, Economic, Science and Technical Cooperation

The Co-Chairs' Meeting of the 3rd Session of Sri Lanka- Russia Inter Governmental Commission on Trade, Economic, Scientific and Technical Cooperation (IGC) - the Co-Chairs' Meeting, was held on the 15.06.2021 via virtual mode. The Russian delegation was led by the Head of the Federal Agency for Fisheries of Russia and the Sri Lanka delegation was led by the Secretary, Ministry of Trade.

Sri Lanka's proposals discussed at the IGC included the issues of gem and jewellery sector Carnet Certificates, promotion of Ceylon tea, inclusion of new seafood exporting companies

and new product range of fisheries from Sri Lanka, in to the eligible lists and seeking technical assistance in the fields of agriculture and fisheries sectors. Proposals from the Russian side were included the cooperation in the fields of Customs, Energy, Industry, Agriculture and the IT sector. The 3rd Session of IGC is scheduled to be held on 9th February 2022 in person in Colombo.

XIV. Dialogue on Trade and Economic Cooperation between New Zealand and Sri Lanka

Establishment of a Dialogue on Trade and Economic Cooperation between New Zealand and Sri Lanka was initiated during 2018/2019 with the objective of improving the basis for trade, investment and cooperation between the participants across sectors of mutual interest including but limited to agriculture, education, tourism, energy, public sector governance and service delivery, health, financial services, infrastructure, sport science and innovation etc. Sri Lankan side sent the suggested amendments to the draft text in May 2019. Counter observations from the New Zealand side have been received by the DOC through the Foreign Ministry of Sri Lanka as of 6.8.2021. Sri Lankan side is studying the observations of New Zealand and feedback will convey accordingly.

XV. Proposed Agreement on establishment of an Inter- Governmental Joint Commission on Trade and Economic Cooperation between Sri Lanka and Ukraine

Sri Lanka and Ukraine have mutually agreed that the two countries would undertake measures in enhancing bilateral trade and economic cooperation between the two countries. Therefore, Sri Lanka and Ukraine have agreed to enter in to an agreement to establish an Intergovernmental Joint Commission on Trade and Economic Cooperation (without exchanging tariff concessions on goods traded between countries). The Cabinet of Ministers at the meeting held on 28th June 2016, granted approval to sign the agreement.

As the approval of the Cabinet was obtained in 2016 and functions of ministries were changed since then and a Foreign Ministry has informed the Department to obtain fresh approval of the Cabinet Ministers.

The Department consulted the Attorney General's Department on the Content of the proposed Agreement through its letter dated 6th October 2021 and redrafted the agreement as per the comments received from AG's Department. The amended draft agreement was forwarded to Foreign Ministry on 9th November 2021 in order to transmit the same to Sri Lanka Embassy in Ankara. The Comments of the Ukraine side are awaited for the redrafted agreement.

XVI. Establishing a Joint Economic Cooperation Agreement (JEC) between Sri Lanka and the Kingdom of Saudi Arabia

Based on the proposal from Sri Lanka side in 1992, The General Agreement on Economic, Trade, Investment, Scientific, Technical, Cultural, Youth and Sports Co-operation between Sri Lanka and the Kingdom of Saudi Arabia has been signed on 17th December 2003. In terms of the article 7 of the Agreement and to promote sectoral cooperation, a draft text to establish a Joint Economic Cooperation Agreement (JEC) with Saudi Arabia was forwarded to the Sri Lanka Embassy in Riyadh through the Foreign Ministry.

XVII. Follow up of Pending MOUs with China

- Memorandum of Understanding (MoU) with Sri Lanka on jointly promoting the 21st Century Maritime Silk Road of China and the Vistas of Prosperity and Splendor of Sri Lanka. The proposed MoU has been referred to the Department of Trade and Investment Policy by the Ministry of Finance.
- MoU on the Establishment of the Investment Promotion Working Group. The BOI with its observation has sent the draft MoU to the Legal Division of the Foreign Ministry for their perusal.
- MoU on Strengthening Investment Cooperation in Digital Economy. Response from the line ministry, the Ministry of Technology, is awaited.
- MoU on Promoting Investment Cooperation in Green Development. The line ministry, the Ministry of Environment, has agreed to sign the MOU and the Legal Division of the Foreign Ministry has cleared the text.

XVIII. Formulation of National Trade Policy of Sri Lanka

The Ministry of Trade was entrusted with the task of formulating a national trade policy for Sri Lanka during the latter part of 2020. The formal discussions and compiling of inputs were initiated during 2021. The Department of Commerce provided technical inputs in four sub-committees namely, Internal Trade Committee, External Trade Committee, Trade in Services Committee and Legal Affairs Committee.

The Department took a leading role in developing a policy on external trade by providing necessary inputs on bilateral, regional and multilateral trade arrangements, policy and procedure applicable for exports and imports and legal framework relating to foreign trade. The representatives of the Department provided the Committee members with necessary research documents, statistics and other information and participated at the regular meetings.

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 11th April 1993 and entered into force on 7th 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.

Exports of Sri Lanka under SAARC Preferential Trading Arrangement (SAPTA) were recoded as US\$ 1.42 million during 2021 whereas it was stood at US\$ 0.78 million in 2020. The main exported items under SAPTA in 2021 were Plates, sheets, strip, rods and profile shapes, of vulcanised rubber, other articles of vulcanised rubber, glues based on starches and tea.

During 2021 the Department of Commerce has issued 220 Certificates of Origin under SAPTA. Value of imports of Sri Lanka under SAPTA recorded US\$ 0.13 million during 2021 a slight increase from US\$ 0.12 million in 2020.

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

Negotiations including on reduction of Sensitive Lists under Agreement on South Asian Free Trade Area (SAFTA) Phase-III are currently on going.

The 10th SAFTA Committee of Experts (SCOE) meeting which was scheduled to be held from 28-29 July 2021 has been postponed.

Value of Sri Lanka's exports under SAFTA recorded US\$ 101.64 million 2021, an increase of 140% from US\$ 42.25 million in 2020. The main exported items under SAFTA in 2021 were Pepper (neither' crushed nor' ground) desiccated coconut, Aluminum container's, Synthetic monofilament of 67 decitex, Nonwovens, whether or not impregnated, coated, covered or laminated , Carboys, bottles, flasks, jars, pots, phials, ampoules and other containers, of glass, nutmeg, Coconut, abaca etc. Value of imports of Sri Lanka under SAFTA recorded US\$ 7.65 million in 2021 an increase from US\$ 4.13 million in 2020.

III. Asia Pacific Trade Agreement (APTA)

Under the Asia Pacific Trade Agreement (APTA), 4 rounds 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 5th round of APTA negotiation.

The 57th Standing Committee Meeting and 6th Working Group Meetings of APTA which were scheduled to be held in Bangkok, Thailand from 03rd to 05th February 2020 were postponed indefinitely.

Mongolia officially became the seventh member of the APTA on 29.09.2020. Accordingly, Mongolia and other Participating States including Sri Lanka exchanged tariff concessions reciprocally with effect from 01.01.2021. Sri Lankan exporters will be able to make use the initial concessions offered by Mongolia consisting of 386 tariff lines including fisheries, fruits, spices, minerals, wooden items, tableware, yarn, fabrics, and pearls.

Value of Sri Lanka's exports under APTA recorded US\$ 238.61 million in 2021, an increase from US\$ 204.67 million in 2020. The main exported items under APTA in 2021 were tea, Coconut, abaca, activated carbon, apparel, tea, articles of apparel, fisheries products etc. Value of imports of Sri Lanka under APTA recorded US\$ 24.22 million in 2021 a slight increase from US\$ 20.51 million in 2020.

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 19th April 1989. GSTP comprises with 42 Member States.

Value of Sri Lanka's exports under GSTP recorded USD 91.82 Mn. in 2021. Cinnamon was the main export item, accounting to 85.98% 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 0.01 Mn. in 2021 a decrease from US\$ 0.17 million in 2020.

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

BIMSTEC Free Trade Area (FTA) negotiations which commenced with the signing of the Framework Agreement on 8th February 2004 in Thailand are still on going. The cabinet of Ministers at the meeting held on 08.02.2021 granted approval to review Sri Lanka's tariff Liberalization Programme (TLP) and finalize it in the light of the National Policy Framework "Vistas of Prosperity and Splendor".

Department of Commerce (DoC) requested inputs and concluded receiving of inputs for the review on 15.07.2021 from Ministries / State Ministries. Observations received were sent for the consideration of Department of Trade and Investment Policy (D/TIP). Considering the observation by D/TIP, DoC requested observations of the Industry Ministry on the proposed track changes under BIMSTEC FTA. Sri Lanka's TLP has already been transposed from HS2007 to HS2017 by the Department of Trade and Investment Policy.

The 20th working Group on ROO held virtually from 10-11 January 2022. The outstanding matters of draft texts of the Rules of Origin Chapter, Operational Certification Procedure and Product Specific Rules which are Agreement on Trade in Goods are being finalized.

1.5.4 Trade Promotion Division

I. Overseas Commercial Representation

The Commercial Representation comprises of 33 DOC officers serving in 31 Sri Lanka Missions abroad, 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 vice-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 abroad 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;

<u>Category I Posts</u>	<u>Category II Posts</u>	<u>Category III Posts</u>
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/ Berlin	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
		XV. Bangladesh/Dhaka

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 (B2B meetings)	1,356
2	Conducting business networking sessions	214
3	Organize Sri Lankan trade promotional events overseas (ex: business forums, seminars etc.)	216
4	Organizing Sri Lanka's participation at overseas trade exhibitions/ trade fairs	70
5	Organizing inward buying missions to attend exhibitions/trade fairs in Sri Lanka	05
6	Attending to trade complaints	217
7	Attending to trade inquiries for exports	1,307
8	Promoting of Sri Lankan exhibitions in host/accredited countries	108
9	Meetings with potential business partners and trade chambers	850
10	Involving in market access issues	193
11	Conducting investment seminars	69
12	Attending to investment proposals	155
13	Organizing investment promotional programmes	98
14	Organizing/facilitating Tourism Promotional Activities	183
15	Organizing/facilitating Sri Lanka's participation at overseas tourism exhibitions	19
16	Providing market intelligence reports	337

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. Webinar with National Chamber of Exporters of Sri Lanka on insights from the Australian market and opportunities for Sri Lankan products in Australia.
2. Webinar on business environment and opportunities for collaboration between Australia and Sri Lanka organized with Ceylon Chamber of Commerce, Australian Chamber of Commerce and Industry, and the Victorian Chamber of Commerce and Industry.
3. Australia-Sri Lankan Business Council was established and arrangements are underway to formally launch council to promote Sri Lanka's trade, tourism and investment opportunities

Brazil

1. With collaboration of Bogota Chamber of Commerce and the Pro-Colombia, a market awareness webinar on the Colombian market for Sri Lankan exporters was organized to provide in-depth information and market opportunities.
2. Established cooperation between Brazilian Association of Boat Manufactures and Accessories (ACOBAR) and Boat Building Technology Improvement Institute (BTI) Sri Lanka to collaborate of Boat Building sector between the two countries and several market awareness meetings were organized between the two associations to identify opportunities for both parties that are mutually beneficial and to receive market information.
3. Organized a market awareness webinar "Go beyond, Reach Market" with the assistance of National Chamber of Exporters directly linking the exporters providing market information and potential products while responding to their business inquiries
4. Organized a meeting between the Ceylon Chamber of Commerce (CCC) and the Sao Paulo Chamber of Commerce proposing a MOU between two chambers for mutual cooperation.
5. A MOU between IT Association in Brazil (ABRAT) and SLASSCOM Sri Lanka was signed on 17th August 2021 collaborating to promote ITC sector in both countries and to work together for mutual benefits.

Germany

1. Four webinars were organized on EU standards and certification for Agri products with the participation of about 300 exporting companies
2. Assisted around 45 Sri Lankan companies by providing market intelligence and guidance for the publicity of their company profiles and product range.

India

1. Organized 20 online B2B meetings to connect Sri Lankan exporters of avocado & passion fruit with high-end supermarkets & importers in Mumbai.

Pakistan

1. A virtual meeting between the Pakistan Rubber Manufacturers Association in coordination with The Plastics & Rubber Institute of Sri Lanka (PRISL) was organized by the Mission for “iComplast & iRubexpo” virtual exhibition in Sri Lanka.
2. A business networking session was organized by the Mission with Pakistan Sri Lanka Business Forum (PSLBF) and leading businessmen of Karachi chaired by the Consul General to discuss different strategies for enhancement of Sri Lankan exports to Pakistan seeking new potential products by tapping the full potential of PSFTA.

Japan

1. Arranged B2B meetings for Sri Lankan Exporters of Ceylon Tea, Spices, MCT oil, Cosmetics, Essential oil, herbal cosmetics, coconut arrack buyers from Japan
2. Organized a webinar on Improving Market Access to Japan National Chamber of Exporters (NCE) and “Doing Business with Japan” in collaboration with the National Chamber of Commerce of Sri Lanka
3. A webinar on Ceylon Cinnamon was organized which was attended by around 100 Japanese buyers
4. Organized a webinar on ‘Beyond COVID-19: Business Opportunities in Japan’ which was joined by 120 Sri Lankan exporters for consultation.

Singapore

1. A webinar on market prospects of the Singapore Market and cross border start -up opportunities was held, which was attended by around 120 companies.
2. A virtual webinar and B2B session titled “Sri Lanka Food Buyer – Seller Meet” for the food sector was organized which was attended by 60 participants from both the countries.
3. A webinar on boat building sector and marina development was organized with the participation of EDB, State Ministry and Singapore Boat Association.
3. Introduced 18 Sri Lankan companies to one of the major agriculture products importer and distributor in Singapore.

South Korea

1. Organized B2B sessions to promote coconut products, rubber products, spice products, food and beverages, porcelain products, agri products, sea food, rubber gloves, coir products and Ceylon Tea between Sri Lankan exporters and potential Korean importers.

2. Organized a virtual “Boat & Shipbuilding webinar” in collaboration with the Sri Lanka Export Development Board for the members of the Korea Shipbuilding Industry Cooperative (KOMSSIC) with the view to promote and introduce Sri Lankan shipbuilding industry.
3. The Mission in collaboration with the National Gem & Jewelry Authority of Sri Lanka (NGJA) and the Korean Gem Trade Association (KGTA) organized an online informative webinar to promote the Gem & Jewelry sector of Sri Lanka among Korean gem importers and distributors.
4. The Mission, in collaboration with the EDB, organized a virtual networking meeting for the Sri Lankan authorities and exporters with the Ministry of Foods and Drug Safety (MFDS) Korea with a view to discuss the proposed Positive List System (PLS) for the export of Agricultural products from Sri Lanka to the RoK.
6. The Mission, in collaboration with the Sri Lanka Export Development Board (EDB) organized a Sri Lanka pavilion at Import Goods Fair (IGF) 2021 which was held from 22-24 July, 2021 at Coex Exhibition Hall in Seoul.

United Arab Emirates

1. Organized a Sri Lanka product promotion at Al Maya Supermarket chain in Dubai, which was held throughout two weeks.
2. Organized Sri Lanka’s participation at Gulfood 2021 in collaboration with Sri Lanka Export Development Board.

United States of America

1. Organized a webinar in collaboration with the National Chamber of Exporters to educate the exporters in Sri Lanka on the situation of the US market and its recent trends with the participation of Sri Lankan Business Chambers/associations based in Las Vegas, Los Angeles, Florida, New York, Virginia, and New York
2. Organized the Global Referral Programme in association with Sri Lanka Association for Software Services Companies (SLASSCOM) facilitating a large number of Sri Lankan professionals and the business persons to participate at the programme.
2. Organized a webinar on shipping & logistics under the title of “Crucial factors currently affecting the shipping & logistics industry of USA” for the members of the National Chamber of Exporters (NCE).

United Kingdom

1. Initiated a webinar on UK GSP- Enhanced Framework conducted by the UK Department for International Trade (UKDIT).
2. Arrangements were made to set-up the UK-Sri Lanka Chamber of Commerce
3. Organized a webinar on ‘Export Opportunities to Great Britain’ in collaboration with the Commercial Bank of Ceylon and the Council for Business with Britain.

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;

India

1. Organized a session on Investment Opportunities in Sri Lanka targeting investors in Gujarat.

Indonesia

1. Introduced 2 Indonesian pharmaceutical companies who are interested in investing in Hambantota pharmaceutical zone to the Board of Investment in Sri Lanka
2. Introduced the members of the Indonesian Electric Vehicle Industry Association (Periklindo) interested to assemble electric motor bikes in Sri Lanka to the Board of Investment of Sri Lanka (BOI)

Turkey

1. Organized an investment promotion seminar for prominent Turkish potential investors in collaboration with the BOI, Colombo Port City Project Company, Turkish Contractors Association and the Turkish Ministry of Trade

South Korea

1. Organized a webinar to promote investment opportunities in the Apparel and Textile sectors in Sri Lanka to the potential Korean Investors, in collaboration with the Korea Federation of Textile Industries (KOFOTI), the Board of Investment of Sri Lanka (BOI), The Embassy of the Republic of Korea in Colombo and the Joint Apparel Association Forum of Sri Lanka (JAAFSL) organized
2. Organized a “Sri Lanka investment promotion country session” at the “Bio Pharmaceuticals Global Conference (BIG C Conference)” held in the city of Incheon, RoK, which was organized by the Korea Pharmaceutical Traders Association (KPTA) in parallel to the InBioPharm Exhibition and the Global Bio-Pharmaceuticals Plaza consulting session.
3. Facilitated a Sri Lanka Country networking session at the Global Infrastructure cooperation Conference (GICC) 2021 hosted by the International Contractors

Association of Korea, aiming at enhancing the bilateral cooperation on construction and development projects between Sri Lanka and the RoK.

Singapore

1. A webinar on “Accelerating Renewable Energy Investments in Sri Lanka” was held with Singapore Business Federation and Enterprise Singapore to explore investment partners for the renewable energy sector.
2. A webinar on Real Estate Development was held targeting the Singaporean investors, which was attended by over 125 interested parties.

United Arab Emirates

1. Organized an event to promote Sri Lanka capital market investments in collaboration with Colombo Stock Exchange (CSE) and Securities Exchange Commission (SEC).

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;

India

1. Organized a scouting tour from Tiger Baby production house, a reputed film production house in Mumbai and the delegation was headed by award winning director Zoya Akthar.
2. Organized an online event to promote MICE (Meetings, Incentive, Conferences, Exhibitions & Events) tourism in Sri Lanka in collaboration with Sri Lanka Convention Bureau (SLCB)
3. Organization of virtual MICE Familiarization Tour Programme for the Indian MICE Agents, Meeting, Conference planners and Associations to showcase glimpse of MICE and leisure experiences around the City Colombo.

Saudi Arabia

1. The Embassy of Sri Lanka in the Kingdom of Saudi Arabia, with the support of the Sri Lanka Tourism Promotion Bureau, Sri Lanka Foreign Ministry and Sri Lankan Airlines Office in Saudi Arabia, organized an awareness webinar for Saudi outbound tour operators' in the Kingdom (KSA) with the participation of around 90 tour companies.

Singapore

1. Organized the participation of 10 Singaporean MICE agents and MICE organizers at the Virtual MICE Expo organized by the Sri Lanka Convention Bureau
2. Arrangements have been made to publish 03 pages article on Sri Lanka in the 'Travel Guide' magazine

Japan

1. Organized a webinar on Ayurveda in Sri Lanka which was attended by around 200 Japanese participants

Viet Nam

1. A conference was organized in collaboration with EDB to make the prospective Vietnamese monks, nuns and laymen aware of the opportunities in Buddhist Education sector in Sri Lanka
2. Organized an awareness session for 75 outbound travel agents in Viet Nam in collaboration with the Sri Lanka Tourism Promotion Bureau (SLTPB)

Australia

1. Organized media publicity on Sri Lankan tourism in collaboration with the SLTPB in the local electric media. Further, publicity on Sri Lanka MICE tourism was given in the online travel weekly magazine.

Turkey

1. Arrangements were made to display promotional videos in the cities of Turkey (Bursa & Trabzon) to promote Sri Lanka's tourism
2. Organized Tourism Promotion Seminar for prominent Turkish outbound tour operators, travel agents, journalists, bloggers, influencers and the airlines in collaboration with the Sri Lanka Tourism and Turkish Travel Agents Association (TURSB).

South Korea

1. Organized a Sri Lanka booth at the Korea International Tourism Show (KITS 2021), which attracted the attention of Korea Travel Industry participants and the general public during the 3-day event
2. Organized a Sri Lanka Tourism booth at the 4th Public Diplomacy Week, organized by

the Korea Foundation, portraying the island's tourism themes from its heritage to its culture

3. The Sri Lanka Embassy organized an informative webinar with the second largest Tour Operator in the RoK, Mode tour Network Inc.

United Arab Emirates

1. Participated in 2 TV shows promoting Sri Lanka's trade, tourism, investment and culture

United States of America

1. Sri Lanka Day Expo and Parade was organized virtually promoting the Colombo Port City project and Sri Lanka tourism
2. Expedia one of the largest online flight and hotel room reservation platforms in the USA welcomed a proposal made on promoting Sri Lanka's tourism on their online platform.

United Kingdom

1. Organized an awareness session, in collaboration with the SLTPB, on the theme 'Hello Again: Sri Lanka the next holiday destination for the UK tourists' targeting travel agents, travel associations, airlines and media personnel in the UK, which was attended by over 120 participants.
2. Arranged and facilitated the visit of 3 journalists from the BBC Planet Earth programme, who visited Sri Lanka for the filming of their next episode.
3. Supported the luxury 5-star hotel The Dorchester to promote Sri Lankan food and culture at Sri Lankan food festival held at the hotel for 3 weeks at which around 2,000 high end diners experienced Sri Lankan food.

II. Serving Trade Inquiries

During the period under review, the commercial officers have received 1307 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 DOC from 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 217 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 124 expatriates in trading and services sectors and 80 dependents in 2021.

V. Approving of Credit Agencies

Under the Mortgage Act No. 6 of 1949, Director General of Commerce is empowered to declare a company, a firm, institution or individual as an approved credit agency. The Director General is required to do so on the basis of a recommendation by a Board consisting of a Chairman and two other persons appointed by the Hon. Minister under Section 114 (1) of the Mortgage Act No. 6 of 1949.

Hon Minister of Trade appointed the new Board of three members namely, Mr. Jayantha De Silva/ Attorney at Law (Chairman); Mr. J. R. C. Jayathilaka/ Director General, Trade & Investment Policy Department, Ministry of Finance (Member) and Ms. Kanthi Gunawardane/ Additional Secretary, Ministry of Trade (member) with effect from 15th March 2021 through the Extraordinary Gazette Notification No. 2220/56 published on 25th March 2021. The first meeting of the appointed Board was held at the DOC on 29th April 2021 and it was decided to come up with a set of new criteria. The board deferred the evaluation of the applications to the next meeting. A Zoom meeting was held with the members of the Credit Board on 17th June to finalize the evaluation criteria and the format of the application form. An amended application form was circulated among the Board members and obtained their concurrence. The amended application was circulated among the prospective applicants and the DoC is waiting for their submission. Information required to finalize the evaluation criteria has been obtained from the Central Bank of Sri Lanka. The Credit Board meeting which was to be held in November was rescheduled to January 2022.

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:

1. Report on utilization of Basmati Quota Under the PSFTA

2. Study on Composition of Bangladesh Negative List under the SAFTA
3. Study on new Japan GSP scheme to identify new opportunities
4. Analytical Report on “Emergence of India as a main Trading Partner of SL
5. Analysis on threat from LDCs in Sri Lanka apparel market in the UK
6. Maldives-Sri Lanka FTA- A Feasibility Study
7. Brief study on potential Sri Lanka- Kenya PTA
8. Brief study on Ukraine-SL PTA
9. Uneven market Analysis in Indonesian market

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

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

1. Sri Lanka’s Export to the USA Market
2. Uneven market access for Sri Lankan products to China
3. Study on Para Tariff Structure of Bangladesh for the Sri Lankan products
4. Report on Tariff Band Composition of Agriculture products and Industrial products of Chinese Import Tariffs
5. Report on pending matters to be negotiated under SL-SFTA
6. Detail comparison report on SL Service commitments under WTO and S-SLFTA
7. Designing of new FAQ section for DoC website
8. Compilation of DoC observations on proposed National Industrial Development Policy
9. Collective observations on the NTPF submitted by the USJ
10. Analysis was made to identify the long-term BOT positions of major petroleum product suppliers to Sri Lanka
11. Study on the trends in Apparel market in India
12. Compilation of budget Proposals for 2021
13. Disseminate Seven (7) Brief on International Trade (BIT) series/Articles
14. Seventy (70) Commercial and Business Information Disseminations
15. Staff Working Paper on “Estimation of Sri Lanka Reaching at Upper Middle-Income country

II. Training

a. Awareness Programmes for Business Community

The following awareness programmes were conducted:

1. Presentation was made to the newly appointed HOMs and other Diplomatic officers at BIDTI

b. Domestic Training and workshops for DoC and other public sector officials

Following training programmes were organized:

1. Delivered a presentation on the activities of the DoC to the newly recruited graduate trainees of the Trade Ministry
2. Online WEBINAR was conducted on Colombo Port City Opportunities for the officers based in Colombo and COs
3. Webinar was organized on investment opportunities in SL Stock Market
4. Special presentation on legal case analysis
5. A WEBINAR on “Digital Marketing Tools for Diplomat”
6. Virtual Training Programme on Preparation of Cabinet Memorandums in Colombo
7. Training on Public Finance Regulations
8. Training of Trainers Reform Agendas for Productivity Growth & Competitiveness
9. Workshop on Personal File Management
10. Certificate Course in English Language

c. DoC Participation in International Training Programmes

Arrangements were made for the officials of the Department of Commerce to participate in the following international training programmes: mostly held in virtual format

1. Virtual Executive Trade Course in Geneva,
2. WTO Mission Internship
3. International Course for Senior Officers of Customs on the Importance of Trade Facilitation
4. Virtual Programme on WTO Law on Anti-Dumping and Safeguard Measures in Geneva
5. Virtual Global Trade Law Programme in the USA.
6. Virtual Training on Food Supply Chains and WTO Rules in Singapore
7. WTO Virtual Workshop on Advanced Dispute Settlement, Geneva
8. WTO E-Seminar on Competition Policy, Trade and Development
9. Seminar for State-Owned Enterprise Executives of Developing Countries
10. Pilot Course on Negotiating Regional Trade Agreements for Trade in Times of Crisis and Pandemic
11. A specialized training programme for Asian Countries on select issues for the forthcoming WTO Ministerial Conference
12. E-commerce: An Opportunity to Reinvent the Economy
13. WTO Virtual Workshop on Import Licensing and Notifications
14. WTO Advanced Global E-Workshop on Government Procurement
15. Seminar on International Market Expand for Developing Countries,
16. Training and Capacity Building Programme titled “Bay of Bengal Regional Trade Connectivity Capacity Building Programme

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 again 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 2021, despite periodic regulated movement and opening of offices, and working with roster staff. During 2021, the DoC processed on average about 150 COOs per day; over the year, daily numbers ranged from about 140 to 220.

While the DoC gradually moved back to physically accepting COO applications, it continued to process company registrations and cost statements via emails. As officers responsible for these applications worked from roster, this enabled applications to be processed without delay by officers working from home. At the same time, DoC ensured that COOs submitted physically to the Department office were processed within one hour, enabling exporters/agents to quickly collect their documents.

Details of issuance of COOs by DOC (2015- 2021)

Agreements	2016	2017	2018	2019	2020	2021
EU GSP*	74,003	80,867	43,680	4328	REX	REX
GSP Other Countries*	12,495	12,468	10,884	8775	6,775	7,209
Sub Total 1	86,498	93,335	54,564	13,103	6,775	7,209
ISFTA	12,621	12,864	12,882	13,743	9,972	12,085
PSFTA	6,673	6,703	5,265	6,669	5,608	4,373
APTA	4,508	6,038	4,290	5,515	5,806	6,135
SAFTA	149	679	557	1,323	671	1,240
SAPTA	288	277	239	220	117	135
GSTP	143	100	143	137	187	139
Sub Total 2	24,382	26,661	23,376	27,607	22,361	24,107
Grand Total	110,880	119,996	77,940	40,710	29,136	31,316

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

In addition, the DoC provided or completed the following services for exporters and the general public.

Services Provided	No. (2021)
Company Registrations	191
Cost statements	3,522
Affidavits	643
Inquiries	14,260
Verifications	352

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 99 companies registered under REX in 2021, and a total of 1,023 companies are now using the REX system to export to the EU.

III. 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 2021, ITC and DoC had completed the following activities under the project:

- Initial consultations with the private sector users of the COO system to obtain their inputs and observations on the current procedures, and their expectations and recommendations for an online system. Companies were identified and selected to ensure there was a cross section of heavy and light users of COOs, large and small companies, and key export sectors.
- Procurement process and selection of the software developer by ITC
- Initial briefings to the selected software developer on the project and DoC procedures
- Establishment of the developer team on DoC premises to start work on the project
- Second round of consultations with exporters together with the software developer and project IT consultants

IV. Handbook for Exporters

The DoC prepared a comprehensive handbook for exporters setting out in detail the procedures for company registrations, REX registration, submission of supporting documents, and applying for Certificates of Origin. The first draft was finalized at the end of 2021. The objective of this handbook was to provide a ready resource, particularly for first-time exporters and SMEs, to help them understand the procedures, and to assist them in meeting the requirements, without delays caused because of errors or gaps in their documentation.

Once finalized, the document will be made available on the DoC website, and circulated to companies registered with the DoC as well as through Chambers and EDB.

V. The revised Guidelines for the Chambers for the Issuance of Certificates of Origin (COOs) for Non-Preferential Exports was issued.

VI. Lists of products which are subject to antidumping duties in the EU and the USA were made available to the Chambers which are authorized for the issuance of Country of Origin (COOs) for Non-Preferential Exports in order to prevent circumvention of origin (diverting through Sri Lanka).

Chapter 02- Progress and the Future Outlook

Despite the developments of effective vaccines, COVID-19 continued to spread and mutate throughout the year 2021 too, slowing down the lifting of travel restrictions imposed by countries around the world to protect their susceptible population. However, the global growth rebounded to an estimated 5.5 percent in 2021 after a contraction of 3.4 percent in 2020. This has been, in part, thanks to the robust recovery in merchandise trade. World gross product in 2021 was 1.9 per cent higher than in 2019 which was largely driven by robust consumer spending and some uptake in investment. However, trade in services continues to remain depressed. Though the trade in goods bounced back surpassing the pre-pandemic level, growth momentum slowed considerably by the end of 2021 including in big economies like China, the European Union and the United States of America, as the effects of fiscal and monetary stimuli dissipated and major supply-chain disruptions emerged. Growth impetus generally has been weaker in most developing countries and economies in transition. Recovery has been especially slow in tourism-dependent economies, notably in the small island developing States. The world economy is projected to grow by 4 percent in 2022 and 3.5 percent in 2023. (World Trade Report 2021 by WTO and World Economic Situation and Prospects by UN)

As reflected in Central Bank Reports for 2021, the economy has made a notable recovery in the first half of 2021 while the rapid vaccination drive against COVID-19 and the lagged effects of supportive fiscal and monetary policy measures are expected to facilitate the growth momentum. Earnings from exports recovered to its pre-pandemic level by the end of first 8 months with the gradual normalization of global activity. Cumulative earnings from exports during the period from January to August 2021 recorded an increase of 22.6 per cent to US dollars 7.9 billion compared to US dollars 6.4 billion of the corresponding period of 2020. Although the effects of the COVID-19 pandemic have not fully dissipated globally, the growth momentum in advanced economies is helping to secure a faster than expected recovery for Sri Lanka's exports.

Sri Lanka's imports grew despite the continuation of some of the import restrictions imposed by the government in 2020 recording an increase of 30.7 percent during the first eight months of 2021 compared to the same period in 2020. This is largely due to the recovery of activity alongside the increase in global prices, particularly of fuel. The services sector remained subdued in the first half of 2021 with limited earnings from tourism despite a healthy growth in the IT/BPO sector. The deficit in the merchandise trade account in the eight months ending August 2021 widened to USD 5.5 bn from USD 3.8 bn and USD 4.9 bn recorded in the corresponding periods of 2020 and 2019, respectively.

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). As an endeavor to further facilitate the cross-border trade by providing timely updated trade related information in an easily accessible way, a new functionality called “Step-By-Step Functionality” was added to the Sri Lanka Trade Information Portal (SLTIP). The Department of Commerce conducted several awareness sessions to introduce the Sri Lanka Trade Information Portal to the business community located outside the Western Province, joining with the International Trade Centre (ITC) and regional trade chambers in late 2021.

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 low compared to other economies in Asia. Therefore, more attention is needed to attract the most useful investment projects for Sri Lanka.

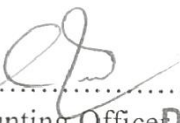
With the objective of promoting economic diplomacy, the Government has continued its efforts in developing and solidifying economic ties with trading partners, furthering market share in existing and new international markets, improving investor confidence through proposed simplification of tariff regime 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 – 2021 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
2021	12,249	23.9	20,052	28.66	32,301	-7,803

Source: Sri Lanka Customs



 Accounting Officer **D.G.A.P. Dharmapriya**,
 Name: Actg. Director General of Commerce
 Designation:
 Date: 23/02/2022

Chapter 03- Overall Financial Performance for the Year ended 31st December 2021

3.1 Statement of Financial Performance

ACA -F

Statement of Financial Performance for the period ended 31st December 2021

Budget 2021	Note	Actual	Restated
Rs.		2021 Rs.	2020 Rs.
- Revenue Receipts		-	-
- Income Tax	1	-	-
- Taxes on Domestic Goods & Services	2	-	-
- Taxes on International Trade	3	-	-
- Non-Tax Revenue & Others	4	-	-
- Total Revenue Receipts (A)		-	-
- Non-Revenue Receipts		-	-
- Treasury Imprests		110,746,000	88,880,000
- Deposits		645,812	384,350
- Advance Accounts		5,179,548	4,681,883
- Other Main Ledger Receipts		-	-
- Total Non Revenue Receipt (B)		116,571,360	93,946,233
- Total Revenue Receipts & Non-Revenue Receipts C = (A)+(B)		116,571,360	93,946,233
- Remittance to the Treasury (D)		5,929,621	490,303
- Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)		110,641,739	93,455,930
- Less: Expenditure			
- Recurrent Expenditure			

ACA-1

ACA-3

ACA-4

ACA-5

65,750,000	Wages, Salaries & Other Employment Benefits	5	65,664,514	57,796,266	ACA-2(ii)
29,275,000	Other Goods & Services	6	24,496,616	27,208,816	
46,000,000	Subsidies, Grants and Transfers	7	45,254,127	40,852,360	
-	Interest Payments	8	-	-	
-	Other Recurrent Expenditure	9	-	-	
<u>141,025,000</u>	Total Recurrent Expenditure (F)		135,415,257	<u>125,857,442</u>	
	Capital Expenditure				
13,050,000	Rehabilitation & Improvement of Capital Assets	10	11,429,567	27,000	ACA-2(ii)
500,000	Acquisition of Capital Assets	11	490,188	1,181,127	
5,000,000	Capital Transfers	12	3,099,376	4,003,501	
-	Acquisition of Financial Assets	13	-	-	
500,000	Capacity Building	14	61,900	328,209	
-	Other Capital Expenditure	15	-	-	
<u>19,050,000</u>	Total Capital Expenditure (G)		15,081,031	<u>5,539,837</u>	
	Deposit Payments		31,535	384,350	ACA-4
	Advance Payments		5,472,093	3,140,090	ACA-5
	Other Main Ledger Payments		-	-	
	Total Main Ledger Expenditure (H)		5,503,628	<u>3,524,440</u>	
	Total Expenditure I = (F+G+H)		155,999,916	<u>134,921,719</u>	
	Balance as at 31st December J=(E-I)		<u>(45,358,177)</u>	<u>(41,465,789)</u>	
	Balance as per the Imprest Reconciliation Statement		(45,358,177)	(41,465,789)	ACA-7
	Imprest Balance as at 31st December		-	-	ACA-3
			<u>(45,358,177)</u>	<u>(41,465,789)</u>	

3.2 Statement of Financial Position

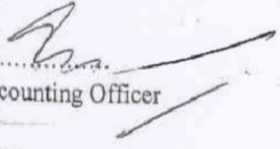
ACA-P

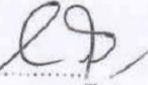
Statement of Financial Position As at 31st December 2021

	Note	Actual 2021 Rs	2020 Rs
	-	-	
<u>Non Financial Assets</u>			
Property, Plant & Equipment	ACA-6	60,014,462	77,328,929
<u>Financial Assets</u>			
Advance Accounts	ACA-5/5(a)	13,109,522	12,816,977
Cash & Cash Equivalents	ACA-3	-	-
Total Assets		73,123,984	90,145,906
<u>Net Assets / Equity</u>			
Net Worth to Treasury		12,495,245	12,816,977
Property, Plant & Equipment Reserve		60,014,462	77,328,929
Rent and Work Advance Reserve	ACA-5(b)	-	-
<u>Current Liabilities</u>			
Deposits Accounts	ACA-4	614,277	-
Unsettled Imprest Balance	ACA-3	-	-
Total Liabilities		73,123,984	90,145,906

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from 19 to 51 and Notes to accounts presented in pages from 54 to 59 form an integral part 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 in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out.


 Chief Accounting Officer
 Name :
 Designation :
 Date : 2022.02.24


 Accounting Officer
 Name :
 Designation :
 Date : 2022/02/22


 Chief Financial Officer/ Chief Accountant/
 Director (Finance)/ Commissioner (Finance)
 Name :
 Date : 2022 / 02 / 22

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

K.H. Wijesinghe
 Accountant
 For Director General of Commerce

3.3 Statement of Cash Flows

ACA-C

Statement of Cash Flows for the Period ended 31st December 2021

	Actual	
	2021	Restated
	Rs.	2020 Rs.
<u>Cash Flows from Operating Activities</u>		-
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non-Revenue Receipts	41,247,230	38,318,501
Revenue Collected on behalf of Other Revenue Heads	-	-
Imprest Received	110,746,000	88,880,000
Recoveries from Advance	3,396,259	2,447,779

Deposit Received	645,812	384,350
Total Cash generated from Operations (A)	156,035,301	130,030,630
<u>Less - Cash disbursed for:</u>		
Personal Emoluments & Operating Payments	101,614,047	85,286,391
Subsidies & Transfer Payments	42,442,605	38,043,981
Expenditure incurred on behalf of Other Heads	300,000	1,526,653
Imprest Settlement to Treasury	5,929,621	490,303
Advance Payments	5,227,305	3,140,090
Deposit Payments	31,535	384,350
Total Cash disbursed for Operations (B)	155,545,113	128,871,768
NET CASH FLOW FROM OPERATING ACTIVITIES (C)=(A)-(B)	490,188	1,158,862
<u>Cash Flows from Investing Activities</u>		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	22,265
Recoveries from On Lending	-	-
Total Cash generated from Investing Activities (D)	-	22,265
<u>Less - Cash disbursed for:</u>		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	490,188	1,181,127
Total Cash disbursed for Investing Activities (E)	490,188	1,181,127
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	(490,188)	(1,158,862)
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	0	0
<u>Cash Flows from Fianacing Activities</u>		
Local Borrowings	-	-

Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (H)	-	-
<u>Less - Cash disbursed for:</u>		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Total Cash disbursed for Financing Activities (I)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)	-	-
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

Type of Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
	Original	Final		
Recurrent	154,025,000	141,025,000	135,415,257	96
Capital	6,050,000	19,050,000	15,081,031	79

3.5 Performance of the Reporting of Non- Financial Assets

Assets Code	Code Description	Balance as per Board of Survey Reports as at 31.12.2020	Balance as per financial position Report as at 31.12.2021	Yet to Accounted	Reporting progress as a %
9152	Machinery and Equipment	77,328,929.22	60,014,462.27	No	100%

3.6 Auditor General's Report



ජාතික විගණන කාර්යාලය

தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

PAF/A/COM/01/FS/2021

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

2022 මැයි 31 දින

වාණිජ අධ්‍යක්ෂ ජනරාල්
වාණිජ දෙපාර්තමේන්තුව

වාණිජ දෙපාර්තමේන්තුවේ 2021 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන පිළිබඳව 2018 අංක 19 දරන ජාතික විගණන පනතේ 11(1) වගන්තිය ප්‍රකාරව විගණකාධිපති සම්පිණ්ඩන වාර්තාව.

යටපත්ත වාර්තාව මේ සමඟ එවා ඇත.

w. g. n. menika
ඩබ්ලිව්.ජී.එන්. මැණිකේ
නියෝජ්‍ය විගණකාධිපති.
විගණකාධිපති වෙනුවට

පිටපත් - 01. අධ්‍යක්ෂ ජනරාල් - රාජ්‍ය ගිණුම් දෙපාර්තමේන්තුව
02. ලේකම් - වෙළඳ අමාත්‍යාංශය

අංක 306/72, පොල්දූව පාර, මල්වත්ත, ශ්‍රී ලංකාව



+94 11 2 88 70 28 - 34

இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை.



+94 11 2 88 72 23

No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.



ag@auditorgeneral.gov.lk



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ජාතික විගණන කාර්යාලය

தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

PAF/A/COM/01/FS/2021

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

2022 මැයි 31 දින

වාණිජ අධ්‍යක්ෂ ජනරාල්

වාණිජ දෙපාර්තමේන්තුව

වාණිජ දෙපාර්තමේන්තුවේ 2021 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන පිළිබඳව 2018 අංක 19 දරන ජාතික විගණන පනතේ 11(1) වගන්තිය ප්‍රකාරව විගණකාධිපති සම්පිණ්ඩන වාර්තාව.

1. මූල්‍ය ප්‍රකාශන

1.1 මතය

වාණිජ දෙපාර්තමේන්තුවේ 2021 දෙසැම්බර් 31 දිනට මූල්‍ය තත්ත්වය ප්‍රකාශය, එදිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය කාර්යසාධන ප්‍රකාශය හා මුදල් ප්‍රවාහ ප්‍රකාශවලින් සමන්විත 2021 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන 2018 අංක 19 දරන ජාතික විගණන පනතේ විධිවිධාන සමඟ සංයෝජිතව කියවිය යුතු ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(1) ව්‍යවස්ථාවේ ඇතුළත් විධිවිධාන ප්‍රකාර මාගේ විධානය යටතේ විගණනය කරන ලදී. 2018 අංක 19 දරන ජාතික විගණන පනතේ 11(1) වගන්තිය ප්‍රකාරව වාණිජ දෙපාර්තමේන්තුව වෙත ඉදිරිපත් කරනු ලබන මෙම මූල්‍ය ප්‍රකාශන පිළිබඳව මාගේ අදහස් දැක්වීම් හා නිරීක්ෂණයන් මෙම වාර්තාවේ සඳහන් වේ. 2018 අංක 19 දරන ජාතික විගණන පනතේ 11(2) වගන්තිය ප්‍රකාරව ගණන්දීමේ නිලධාරී වෙත වාර්ෂික විස්තරාත්මක කළමනාකරණ විගණන වාර්තාව යථා කාලයේදී නිකුත් කරනු ලැබේ. ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(6) ව්‍යවස්ථාව සමඟ සංයෝජිතව කියවිය යුතු 2018 අංක 19 දරන ජාතික විගණන පනතේ 10 වගන්තිය ප්‍රකාරව ඉදිරිපත් කළ යුතු විගණකාධිපති වාර්තාව යථා කාලයේදී පාර්ලිමේන්තුව වෙත ඉදිරිපත් කරනු ලැබේ.

වාණිජ දෙපාර්තමේන්තුවේ මූල්‍ය ප්‍රකාශනවලින් 2021 දෙසැම්බර් 31 දිනට වාණිජ දෙපාර්තමේන්තුවේ මූල්‍ය තත්ත්වය සහ එදිනෙන් අවසන් වර්ෂය සඳහා මූල්‍ය කාර්යසාධනය හා





මුදල් ප්‍රවාහ ප්‍රකාශය පොදුවේ පිළිගත් ගිණුම්කරණ මූලධර්මවලට අනුකූලව සත්‍ය හා සාධාරණ තත්ත්වයක් පිළිබිඹු කරන බව මා දරන්නා වූ මතය වේ.

1.2 මතය සඳහා පදනම

ශ්‍රී ලංකා විගණන ප්‍රමිතිවලට (ශ්‍රී.ලං.වි.ප්‍ර) අනුකූලව මා විගණනය සිදු කරන ලදී. මෙම විගණන ප්‍රමිති යටතේ වූ මාගේ වගකීම, මෙම වාර්තාවේ මූල්‍ය ප්‍රකාශන විගණනය සම්බන්ධයෙන් විගණකගේ වගකීම යන කොටසේ තවදුරටත් විස්තර කර ඇත. මාගේ මතය සඳහා පදනමක් සැපයීම උදෙසා මා විසින් ලබා ගෙන ඇති විගණන සාක්ෂි ප්‍රමාණවත් සහ උචිත බව මාගේ විශ්වාසයයි.

1.3 මූල්‍ය ප්‍රකාශන සම්බන්ධයෙන් ප්‍රධාන ගණන්දීමේ නිලධාරීගේ වගකීම හා ගණන්දීමේ නිලධාරීගේ වගකීම

පොදුවේ පිළිගත් ගිණුම්කරණ මූලධර්මවලට අනුකූලව හා 2018 අංක 19 දරන ජාතික විගණන පනතේ 38 වගන්තියේ සඳහන් විධිවිධානවලට අනුකූලව සත්‍ය හා සාධාරණ තත්ත්වයක් පිළිබිඹු කෙරෙන පරිදි මූල්‍ය ප්‍රකාශන පිළියෙල කිරීම හා වංචා සහ වැරදි හේතුවෙන් ඇති විය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් තොරව මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකි වනු පිණිස අවශ්‍ය වන අභ්‍යන්තර පාලනය තීරණය කිරීම ගණන්දීමේ නිලධාරීගේ වගකීම වේ.

2018 අංක 19 දරන ජාතික විගණන පනතේ 16(1) වගන්තිය ප්‍රකාරව දෙපාර්තමේන්තුවේ විසින් වාර්ෂික හා කාලීන මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකිවන පරිදි ස්වකීය ආදායම්, වියදම්, වත්කම් හා බැරකම් පිළිබඳ නිසි පරිදි පොත්පත් හා වාර්තා පවත්වා ගෙන යා යුතුය.

ජාතික විගණන පනතේ 38(1)(ඇ) උප වගන්තිය ප්‍රකාරව දෙපාර්තමේන්තුවේ මූල්‍ය පාලනය සඳහා සඵලදායී අභ්‍යන්තර පාලන පද්ධතියක් සකස් කර පවත්වා ගෙන යනු ලබන බවට ගණන්දීමේ නිලධාරී සහතික විය යුතු අතර එම පද්ධතියේ සඵලදායීත්වය පිළිබඳව කලින් කල සමාලෝචනයක් සිදු කර ඒ අනුව පද්ධතිය ඵලදායී ලෙස කරගෙන යාමට අවශ්‍ය වෙනස්කම් සිදු කරනු ලැබිය යුතුය.

1.4 මූල්‍ය ප්‍රකාශන විගණනය පිළිබඳ විගණකගේ වගකීම

සමස්ථයක් ලෙස මූල්‍ය ප්‍රකාශන, වංචා හා වැරදි හේතුවෙන් ඇතිවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් තොර බවට සාධාරණ තහවුරුවක් ලබාදීම සහ මාගේ මතය ඇතුළත් විගණන වාර්තාව නිකුත් කිරීම මාගේ අරමුණ වේ. සාධාරණ සහතිකවීම උසස් මට්ටමේ සහතිකවීමක් වන නමුත්, ශ්‍රී ලංකා විගණන ප්‍රමිති ප්‍රකාරව විගණනය සිදු කිරීමේදී එය සෑම විටම ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් අනාවරණය කර ගන්නා බවට වන තහවුරු කිරීමක් නොවනු ඇත. වංචා සහ වැරදි තනි හෝ සාමූහික ලෙස බලපෑම නිසා ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇති විය හැකි අතර, එහි ප්‍රමාණාත්මක භාවය මෙම මූල්‍ය ප්‍රකාශන පදනම් කර ගනිමින් පරිශීලකයන් විසින් ගනු ලබන ආර්ථික තීරණ කෙරෙහි වන බලපෑම මත රඳා පවතී.

ශ්‍රී ලංකා විගණන ප්‍රමිති ප්‍රකාරව විගණනයේ කොටසක් ලෙස මා විසින් විගණනයේදී වෘත්තීය විනිශ්චය සහ වෘත්තීය සැකමුසුබවින් යුතුව ක්‍රියා කරන ලදී. මා විසින් තවදුරටත්,

- ප්‍රකාශ කරන ලද විගණන මතයට පදනමක් සපයා ගැනීමේදී වංචා හෝ වැරදි හේතුවෙන් මූල්‍ය ප්‍රකාශනවල ඇති විය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇතිවීමේ අවදානම් හඳුනාගැනීම හා තක්සේරු කිරීම සඳහා අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කර ක්‍රියාත්මක කරන ලදී. වරදවා දැක්වීම් හේතුවෙන් සිදුවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් සිදුවන බලපෑමට වඩා වංචාවකින් සිදුවන්නා වූ බලපෑම ප්‍රබල වන්නේ ඒවා දුස්සන්ධානයෙන්, ව්‍යාජ ලේඛන සැකසීමෙන්, චේතනාන්විත මඟහැරීමෙන්, වරදවා දැක්වීමෙන් හෝ අභ්‍යන්තර පාලනයන් මඟ හැරීමෙන් වැනි හේතු නිසා වන බැවිනි.
- අභ්‍යන්තර පාලනයේ සඵලදායීත්වය පිළිබඳව මතයක් ප්‍රකාශ කිරීමේ අදහසින් නොවුවද, අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කිරීම පිණිස අභ්‍යන්තර පාලනය පිළිබඳව අවබෝධයක් ලබා ගන්නා ලදී.
- හෙළිදරව් කිරීම් ඇතුළත් මූල්‍ය ප්‍රකාශනවල ව්‍යුහය සහ අන්තර්ගතය සඳහා පාදක වූ ගනුදෙනු හා සිද්ධීන් උචිත හා සාධාරණ අයුරින් මූල්‍ය ප්‍රකාශනවල ඇතුළත් බව ඇගයීම.
- මූල්‍ය ප්‍රකාශනවල ව්‍යුහය හා අන්තර්ගතය සඳහා පාදක වූ ගනුදෙනු හා සිද්ධීන් උචිත හා සාධාරණව ඇතුළත් වී ඇති බව සහ හෙළිදරව් කිරීම් ඇතුළත් මූල්‍ය ප්‍රකාශනවල සමස්ථ ඉදිරිපත් කිරීම අගයන ලදී.



මාගේ විගණනය තුළදී හඳුනාගත් වැදගත් විගණන සොයාගැනීම්, ප්‍රධාන අභ්‍යන්තර පාලන දුර්වලතා හා අනෙකුත් කරුණු පිළිබඳව ගණන්දීමේ නිලධාරී දැනුවත් කරමි.

1.5 වෙනත් තෛතික අවශ්‍යතා පිළිබඳ වාර්තාව

2018 අංක 19 දරන ජාතික විගණන පනතේ 6 (1) (ඇ) වගන්තිය ප්‍රකාරව පහත සඳහන් කරුණු මා ප්‍රකාශ කරමි.

(අ) මූල්‍ය ප්‍රකාශන ඉකුත් වර්ෂය සමඟ අනුරූප වන බවට ,

(ආ) ඉකුත් වර්ෂයට අදාළ මූල්‍ය ප්‍රකාශන පිළිබඳ මා විසින් කර තිබුණු නිර්දේශ ක්‍රියාත්මක කර තිබුණි.

2. මූල්‍ය සමාලෝචනය

2.1 වියදම් කළමනාකරණය

මුදල් රෙගුලාසි 50 (II) ප්‍රකාරව ඇස්තමේන්තු හැකිකාක් දුරට සම්පූර්ණවත්ව නිවැරදිවත්ව පිළියෙල කිරීම ගණන්දීමේ නිලධාරියාගේ වගකීම වුවද එසේ කටයුතු නොකිරීම හේතුවෙන් වැය විෂයන් 03 ක් සඳහා ප්‍රතිපාදිත මුදලින් සියයට 60 ක සිට සියයට 88 ක් දක්වා පරාසයකින් මුලු වටිනාකම රු. 976,961 ක ප්‍රතිපාදන උන උපයෝජනය වී තිබුණි.

2.2 ගණන්දීමේ නිලධාරී විසින් සිදු කළ යුතු සහතිකවීම්

2018 අංක 19 දරන ජාතික විගණන පනතේ 38 වන වගන්තියේ විධිවිධාන අනුව ගණන්දීමේ නිලධාරී විසින් දෙපාර්තමේන්තුව මූල්‍ය පාලනය සඳහා සඵලදායී අභ්‍යන්තර පාලන පද්ධතිය පිළිබඳව සමාලෝචනයන් ලිඛිතව සිදු කර එහි පිටපතක් විගණකාධිපති වෙත ඉදිරිපත් කළ යුතුව තිබුණත්, එවැනි සමාලෝචනයන් සිදු කළ බවට ප්‍රකාශ විගණනයට ඉදිරිපත් කර නොතිබුණි.

2.2 නීති, රීති හා රෙගුලාසිවලට අනුකූල නොවීම

පහත සඳහන් නිරීක්ෂණයන් කරනු ලැබේ.

නීති රීති, රෙගුලාසි හෝ පාලක

විස්තරය

මණ්ඩලය විසින් නිකුත් කරන ලද

විධිවිධානවලට යොමුව

- (අ) ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික
සමාජවාදී ජනරජයේ මුදල්
රෙගුලාසි සංග්‍රහය
මුදල් රෙගුලාසි 1646

රෙගුලාසි ප්‍රකාරව ධාවනයේ යොදවා ඇති වාහන සඳහා ධාවන සටහන් නඩත්තු කළ යුතු අතර එම ධාවන සටහන්වල පිටපත් ඊළඟ මාසයේ 15 දිනට ප්‍රථම විගණකාධිපති වෙත ඉදිරිපත් කළ යුතුය. එසේ වුවද, ධාවනයේ යෙදවිය හැකි වාහන 07 ක් සම්බන්ධයෙන් දෛනික ධාවන සටහන් විගණනයට ඉදිරිපත් නොකරන ලදී.

- මුදල් රෙගුලාසි 1647(ඉ)

රෙගුලාසි ප්‍රකාරව වාහන ලැයිස්තුගත කිරීමේ ලේඛනයක් නොපැවතුණි.



- (ආ) 2021 නොවැම්බර් 26 දිනැති අංක 2021/03 දරන රාජ්‍ය ගිණුම් මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමේදී පහත සඳහන් ආකෘතීන් මාර්ගෝපදේශ වක්‍රලේඛයෙහි 06 ඡේදය
- සටහන (i) පාඩු හා අත්හැරීම් පිළිබඳ ප්‍රකාශය
 - සටහන (ii) පොත් වලින් කපා හැරීම පිළිබඳ ප්‍රකාශය
 - CIGAS බෙස්ක්ටොප් යෙදුම මගින් උත්පාදනය කරන ලද ශේෂ පිරික්සුම සහ නව CIGAS වෙබ් යෙදුම් පද්ධතිය මගින් ලබාගත් අවසාන භාණ්ඩාගාර ගිණුම් ප්‍රකාශ
- (ඇ) 2016 මාර්තු 31 දිනැති අංක 5/2016 දරන රාජ්‍ය මුදල් වක්‍රලේඛයේ 3.1.6. ඡේදය
- 2021 වර්ෂය සඳහා වාර්ෂික භාණ්ඩ සමීක්ෂණය සිදුකර එම වාර්තා 2022 මාර්තු 17 දිනට ප්‍රථම විගණකාධිපති වෙත ඉදිරිපත් කළ යුතු වුවද 2022 මැයි 10 දින වන විටත් එම වාර්තා ඉදිරිපත් කර නොතිබුණි.
- (ඈ) 2016 දෙසැම්බර් 29 දිනැති අංක 30/2016 දරන රාජ්‍ය පරිපාලන වක්‍රලේඛය
- දෙපාර්තමේන්තුවේ ධාවන තත්ත්වයේ පවතින වාහන 07 ක් පැවති අතර ඉන් වාහන 04 ක වක්‍රලේඛ ප්‍රකාරව ඉන්ධන පරීක්ෂාව සිදුකර නොතිබුණි.
- (ඉ) 2006 රජයේ ප්‍රසම්පාදන මාර්ගෝපදේශ සංග්‍රහය
- දෙපාර්තමේන්තුව ස්ථාපිත ගොඩනැගිල්ලෙහි කොටස් වෙන් කිරීම (Partition) සඳහා රු. 10,751,459 ක් වූ කොන්ත්‍රාත්තුව සම්බන්ධයෙන් පරීක්ෂාවේදී පහත කරුණ නිරීක්ෂණය විය.
- 2.8.1(ආ) මාර්ගෝපදේශ
- විෂය පිළිබඳ විශේෂඥයෙකුගෙන් සහ ප්‍රසම්පාදන කාර්යය පටිපාටිය පිළිබඳ ප්‍රමාණවත් දැනුමක් ඇති අවම වශයෙන් එක් සාමාජිකයෙකුගෙන්ද තාක්ෂණික ඇගයීම් කමිටු සමන්විත විය යුතු වුවද වාණිජ අධ්‍යක්ෂවරයෙකු හා සහකාර වාණිජ අධ්‍යක්ෂවරු දෙදෙනෙකුගෙන් සමන්විත වී තිබුණි.

2.3 රජයේ නිලධාරීන්ගේ අත්තිකාරම්

පහත සඳහන් නිරීක්ෂණයන් කරනු ලැබේ.

- (අ) රජයේ නිලධාරීන්ගේ අත්තිකාරම් " බී " ගිණුමෙහි 2021 දෙසැම්බර් 31 දිනට දෙපාර්තමේන්තු පොත් අනුව ශේෂය හා භාණ්ඩාගාර පරිගණක මුද්‍රිත අනුව ශේෂයෙහි රු. 278,944 ක වෙනසක් පැවති අතර එම වෙනස වර්ෂ 15 කට අධික කාලයක සිට පැවත එමින් පැවතුණි.
- (ආ) 2017 දෙසැම්බර් 29 දිනැති අංක 262/2017 දරන රාජ්‍ය ගිණුම් දෙපාර්තමේන්තුවේ චක්‍රලේඛය අනුව විග්‍රාම ගනු ලබන හා මිය ගිය නිලධාරීන්ගේ අත්තිකාරම් කඩිනමින් පියවා ගත යුතු වුවත් 2021 නොවැම්බර් මස විග්‍රාම ගිය නිලධාරීන්ගේ අත්තිකාරම රු. 154,995 ක ණය ශේෂයක් අය නොවී මාස 02 ක කාලයක් ගත වී තිබුණි.
- (ඇ) 2021 ජනවාරි 01 දිනට නිලධාරීන් 04 දෙනෙකුගෙන් අය විය යුතුව තිබූ එකතුව රු. 60,319 ක ආපදා ණය ශේෂයන්ට අදාළ කිසිදු අය කිරීමක් සමාලෝචිත වර්ෂය තුළදී සිදුකර නොමැති බව නිරීක්ෂණය විය.

3. මෙහෙයුම් සමාලෝචනය

3.1 කාර්යසාධනය

3.1.1 කාර්යභාරයන් ඉටු නොකිරීම

ශ්‍රී ලංකාවේ ආනයන අපනයන තොරතුරු, තීරුබදු අනුපාත හා අනෙකුත් අදාළ සටහන් ලෝක වෙළඳ සංවිධානයේ ඒකාබද්ධ දත්ත පද්ධතිය යාවත්කාලීන කිරීම දෙපාර්තමේන්තුව මගින් කළ යුතු වුවද 2017 වර්ෂයෙන් පසු එම කාර්යය ඉටු කර නොතිබුණි.

3.1.2 අපේක්ෂිත ප්‍රතිලාභ ලබා නොගැනීම

පහත සඳහන් නිරීක්ෂණයන් කරනු ලැබේ.

- (අ) වසර 50 කට පෙර කාලයක සිට ශ්‍රී ලංකාවේ කෘෂි නිෂ්පාදන සඳහා වන තීරුබදු බැඳීම සියයට 50 ක් වන අතර එය සංවර්ධනය වෙමින් පවතින රටවලට සාපේක්ෂව පහළ අගයක්

වන බැවින් විශේෂ ආරක්ෂණ යාන්ත්‍රණයක් සම්බන්ධව සැලසුම් සකස් කර තිබුණද ලෝක වෙළඳ සංවිධානය සමඟ පවත්වන ලද සාකච්ඡාවන්හීදී ප්‍රගතියක් ළඟා කර ගැනීමට නොහැකි වී තිබුණි.

(ආ) පර්යේෂණ හා සංවර්ධන අංශය මගින් ජාත්‍යන්තර වෙළඳාම තුළ වත්මන් සංවර්ධන අවස්ථා සහ තර්ජන හඳුනා ගැනීම සඳහා පර්යේෂණ කර්යයන් 14 ක් ඉටු කිරීමට ඉලක්ක සකසා තිබුණද විගණනයට ඉදිරිපත් කරන ලද ප්‍රගති වාර්තා අනුව ඉන් කාර්යයන් හතරක් පමණක් නිම කර තිබූ බව නිරීක්ෂණය විය.

3.2 වත්කම් කළමනාකරණය

දෙපාර්තමේන්තුවට අයත් මෝටර් රථයක් දුම් පරික්ෂාව අසමත් වීම හේතුවෙන් 2019 වර්ෂයේ සිට නිෂ්කාර්යයව පැවති අතර එම වත්කම සම්බන්ධයෙන් ඉදිරි ක්‍රියාමාර්ග ගෙන නොතිබුණි.

3.3 අනාර්ථික ගනුදෙනු

දෙපාර්තමේන්තුව මගින් මහජනතාවට සපයන සේවාවන් කාර්යක්ෂමව ඉටු කිරීම සඳහා 2019 වර්ෂයේ රු. 3,584,470 ක් වැය කර විද්‍යුත් පෝලිම් කළමනාකරණ ක්‍රමය හඳුන්වා තිබුණද, සමාලෝචිත වර්ෂය අවසානය වන විට මෙම පද්ධතිය භාවිතයෙන් ඉවත් කර තිබුණි.

4. යහපාලනය

4.1 අභ්‍යන්තර විගණනය හා අභ්‍යන්තර විගණක පත් කිරීම

2018 අංක 19 දරන ජාතික විගණන පනතේ 40 (1) වගන්තිය හා 40 (2)(1) වගන්තිය ප්‍රකාර ගණන් දීමේ නිලධාරියා විසින් එම දෙපාර්තමේන්තුවේ අභ්‍යන්තර විගණන කටයුතු සිදු කිරීම පිණිස සුදුසු විගණකවරයෙකු පත් කරනු ලැබිය යුතු වුවද පනතේ විධිවිධාන ප්‍රකාරව සමාලෝචිත වර්ෂය දක්වාම අභ්‍යන්තර විගණකවරයෙකු පත්කර ගැනීමට කටයුතු කර නොතිබුණි.

4.2 සේවක මණ්ඩල කළමනාකරණය

පහත සඳහන් නිරීක්ෂණයන් කරනු ලැබේ.

- (අ) සමාලෝචිත වර්ෂය සඳහා දෙපාර්තමේන්තුවේ අනුමත කාර්යය මණ්ඩලය 151 ලෙස දක්වා තිබුණද තථ්‍ය කාර්යය මණ්ඩලය 115 ක් වූයෙන් මුළු පුරප්පාඩු තනතුරු 36 ක් විය.
- (ආ) දෙපාර්තමේන්තුවේ විධායක මට්ටමට අයත් ඉහළම තනතුරු දෙක වන වාණිජ අධ්‍යක්ෂ ජනරාල් තනතුර හා අතිරේක වාණිජ අධ්‍යක්ෂ ජනරාල් යන තනතුර ඇතුළත්ව විශේෂ හා පළමු ශ්‍රේණියේ අනුමත තනතුරු 10 න් තනතුරු 03 ක් පුරප්පාඩුව පැවතුණි. තවද, ජ්‍යෙෂ්ඨ මට්ටමේ තථ්‍ය කාර්යය මණ්ඩලය 56 ක් වූ අතර ඉන් 30 ක් විදේශ දූත මණ්ඩල සේවයට අනුයුක්ත කර තිබුණි.
- (ඇ) සමාලෝචිත වර්ෂයේදී සහකාර අධ්‍යක්ෂ (තොරතුරු හා සන්නිවේදන තාක්ෂණ) තනතුර කළමනාකරණ සේවා දෙපාර්තමේන්තුවෙන් අනුමත කරවා නොගෙන නිලධාරියෙකු බඳවාගෙන තිබුණි.

w. g. re. member
ඩබ්ලිව්.ජී.එන්. මැණිකේ
නියෝජ්‍ය විගණකාධිපති
විගණකාධිපති වෙනුවට

පිටපත් - 01. අධ්‍යක්ෂ ජනරාල් - රාජ්‍ය ගිණුම් දෙපාර්තමේන්තුව
02. ලේකම් - වෙළඳ අමාත්‍යාංශය

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)	118%
8	Number of business networking sessions organized	108%
9	Number of Investment Seminars organized	41%
10	Number of Sri Lankan promotional programs held overseas	222%
11	Organizing exhibitions/ trade fairs in selected foreign countries	-25%
12	Organizing inward buying missions to attend trade fairs/exhibitions held in Sri Lanka	-89%
13	Awareness sessions conducted on opportunities available under FTAs and PTAs	-50%
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 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.	On going

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	66	56	10
Tertiary	3	1	02
Secondary	61	43	18
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 is in the process of recruiting 07 Assistant Directors of Commerce together with the Department of Examinations. Holding the entrance exam in 2021 got delayed due to the COVID – 19 pandemic. Vacancies available for drivers created difficulties in assigning vehicles for senior officers and managing the department's vehicle fleet.

There was hardly any impact on the performance of the department in 2021 due to the shortage of human resources amidst the COVID – 19 situations. However, exceptional circumstances, existing officials had to handle multiple functions under two or more supervising officers at a time to keep the department fully operational.

6.3 Staff Training in 2021

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		
Seminar on International Market Expand for Developing Countries	01	14 days	-	-	Online	Knowledge on Export promotion
WTO Advanced Global E-Workshop on Government Procurement	01	30 days	-	-	Online	Enhanced understanding on GP under WTO
WTO Virtual Workshop on Import Licensing and Notifications	02	3 days	-	-	Online	Gaining knowledge
A Specialized Training Programme for Asian Countries on Select Issues for the Forthcoming WTO Ministerial	02	5 days	-	-	Online	Understanding on the matters important for SL for next WTO

Conference						Ministerial
IDEAS Training Programme	01	5 months	-	-	Online	Comprehensive understanding on international trade and policy
Pilot Course on Negotiating Regional Trade Agreements for Trade in Times of Crisis and Pandemic	01	15 days	-	-	Online	Capacity building on FTA negotiation
English Course organized by the Skill Development Fund Ltd	01	4 months	25		Sri Lanka	Language skills
WTO e-Seminar on Competition Policy, Trade and Development	01	4 days	-	-	Online	Gaining knowledge
WTO Virtual Workshop on Advanced Dispute Settlement	02	4 days	-	-	Online	Enhancing the capacity of Legal staff of the DoC
Seminar for State-Owned Enterprise Executives of Developing Countries	01	14 days	-	-	Online	Understand the experiences of China
WTO-Singapore Regional Workshop on Food Supply Chains	01	4 days	-	-	Online	Understand the opportunities for food market
Certificate Course in English Language	01	03 days			Sri Lanka	Language skills
International Course for Senior Officers of Customs on the Importance of Trade Facilitation	01	7 days	-	-	Online	Successful implementation of TF Agreement under WTO
Workshop on Personal File Management	02	1 day	11.4		Sri Lanka	Skill development on office management
Public Financial Regulations	02	3 days			Sri Lanka	Skill development on financial management
WTO French-Irish Mission Internship Programme - 2021	01	9 months & 17 days	-	10,000	Geneva	Comprehensive on the job training on WTO and international trade policy and negotiations

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 (CIGAS) are prepared and submitted to the Treasury on due date	Complied		
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	Complied		

	terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package			
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	Complied		

	circular			
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		No condemned vehicles	
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		No vehicle accident occurred	
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	Not Complied	Action has been taken	
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	Quantitative inquiries not received.	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 Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular	Complied		
19	Preparation of the Human Resource 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	Delayed in preparation due to	In the process of implementation

			Covid.	
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	Delayed due to Covid.	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	Delayed in preparation due to Covid.	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	Complied		
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		