

PERFORMANCE REPORT AND ANNUAL ACCOUNTS

FOR THE YEAR 2017



DEPARTMENT OF COMMERCE

[HEAD 295]

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INDEX

		Page
1	<i>Introduction</i>	01
2	<i>Review of Sri Lanka's Foreign Trade - 2017</i>	04
3	<i>Multilateral Trade Relations</i>	09
4	<i>Bilateral Trade and Economic Co-operation</i>	18
5	<i>Regional Economic Co-operation</i>	21
6	<i>Trade, Investment and Tourism Promotion</i>	25
7	<i>Issuance of Certificates of Origin (COOs)</i>	34
8	<i>Staff Movements 2017</i>	36
9	<i>Annual Accounts 2017</i>	38

LIST OF TABLES

	Page
<i>Sri Lanka's Total Imports, Total Exports, Total Trade and Balance of Trade (2010 – 2017)</i>	05
<i>Summary of Activities undertaken by Commercial Officers (2017)</i>	26
<i>Number of Certificates of Origin issued 2012-2017 (Agreement-wise)</i>	35
<i>Annual Accounts 2017</i>	38

LIST OF FIGURES

	Page
<i>Organizational Structure of DOC</i>	02
<i>DOC Relations</i>	03
<i>Export and Import Composition of Sri Lanka</i>	06
<i>Direction of External Trade (2016-2017)</i>	07
<i>Staff Movements 2017</i>	36

1. INTRODUCTION

Vision of the Department

“Raising living standards of the people through International Trade Relations”

Mission of the Department

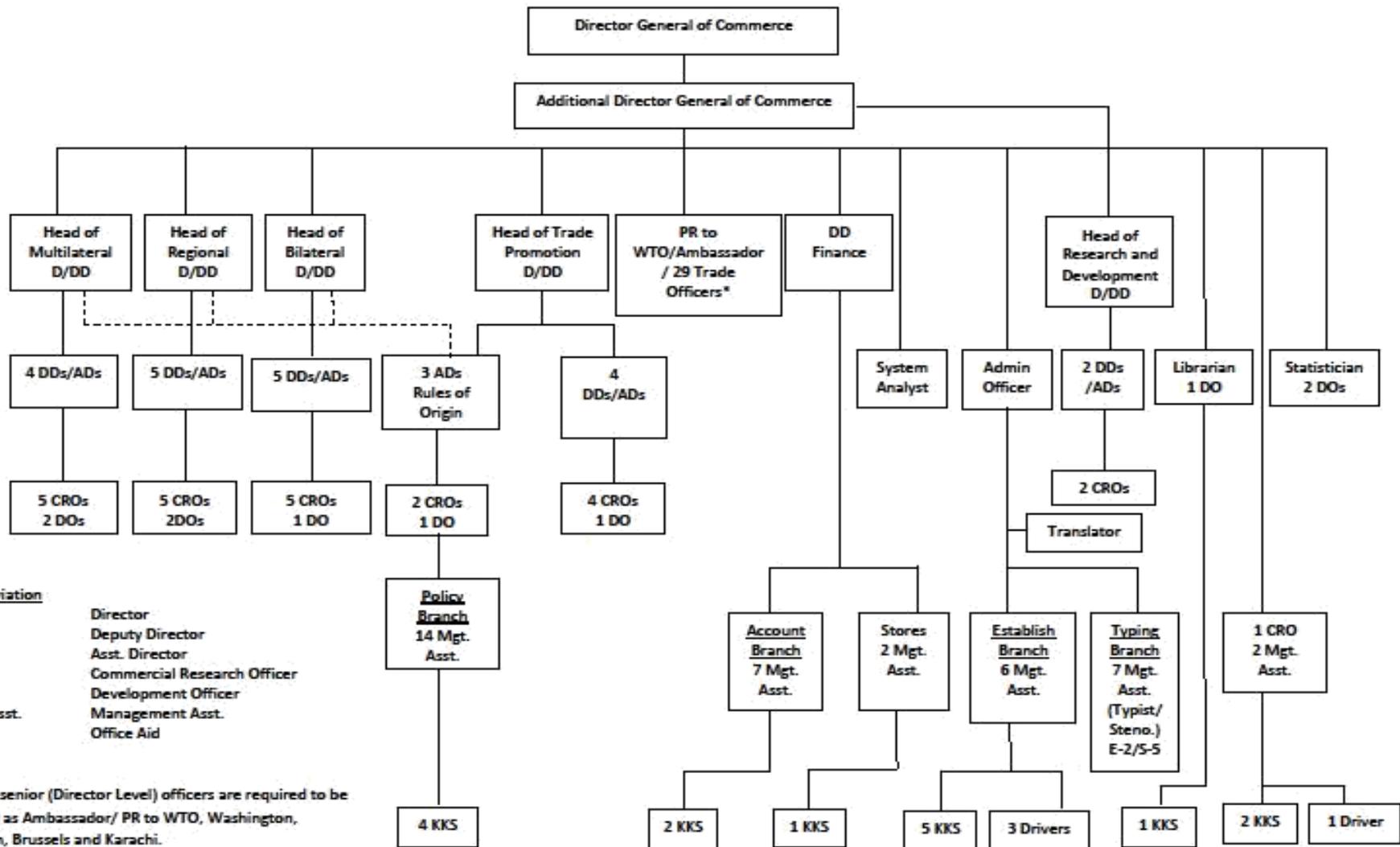
“To develop and promote Sri Lanka’s foreign trade relations at bilateral, regional and multilateral levels by effective implementation of government trade policy, with a view to raising the standards of living and realizing a higher quality of life through the increase of total production, income and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

Department of Commerce (DOC), the international trade policy arm of the Ministry of Industry and Commerce, plays a key 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 promotion. Summarized below are the broad areas of work so undertaken by the Department of Commerce.

- Formulation and implementation of Sri Lanka’s international trade policy in close collaboration with relevant line ministries/authorities and private sector stakeholders.
- Rendering advice to the Ministry of Industry & Commerce on foreign trade policy with special emphasis on the overall development perspective of the country.
- Promotion of Sri Lanka’s commercial interests in the fields of trade, investment and tourism through overseas trade representation.

During the year under review, the DOC continued its work program on the basis of the government vision for foreign trade and the pivotal contribution it can make towards the overall economic development of the country. Thus, the 2017 work program, *inter-alia*, has focused on further strengthening the existing trade ties, finding new markets, promotion of new products, encouraging effective participation of the SME sector in the international trading system and promotion of Sri Lanka as a trading hub in the South Asian region. Through its overseas Trade Representation, the DOC also extended necessary guidance and assistance towards promotion of foreign direct and portfolio investment and Sri Lanka tourism as well.

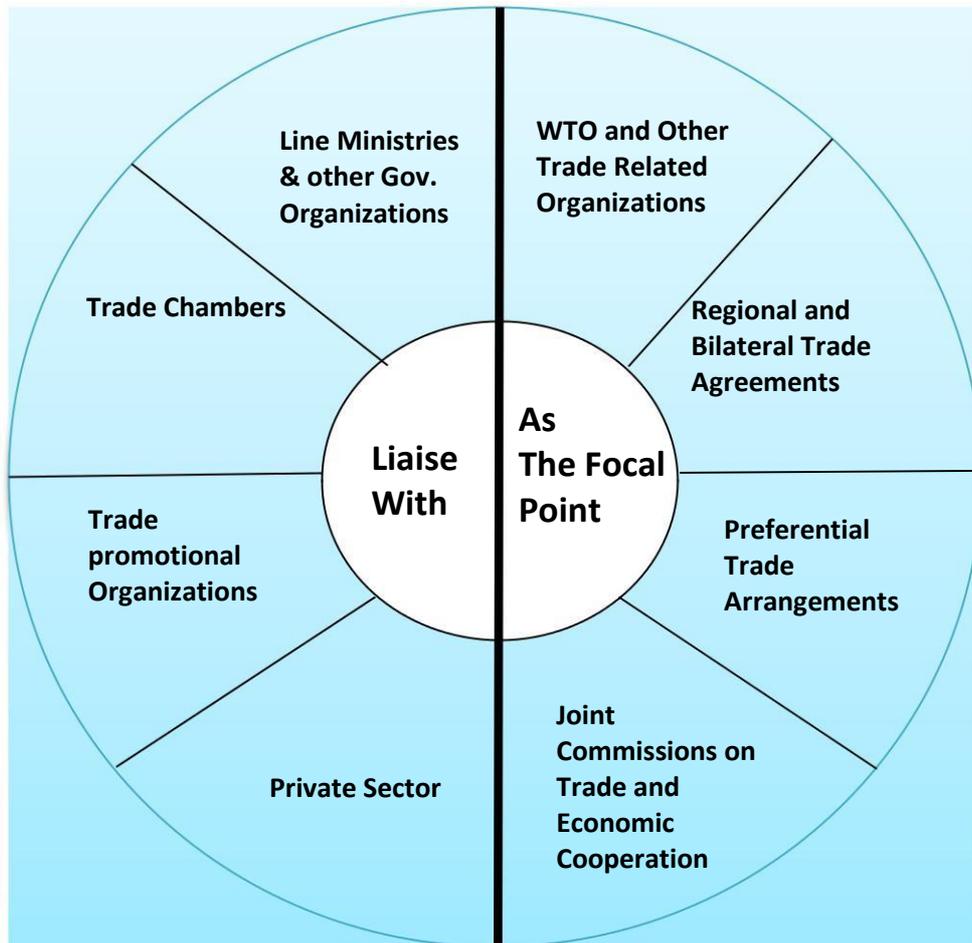
Organization Chart of Department of Commerce



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

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

Our Relations



2. REVIEW OF SRI LANKA'S FOREIGN TRADE – 2017

The foreign trade outlook for 2017 captures the market access opportunities and the impact of internal and external challenges that were prevalent during the year. On the external front, stagnated growth in world trade, slow pace of economic growth in advanced economies, changes in the trade and monetary policies of trading partners, geopolitical uncertainties, and trade protectionist measures of trading partners have had an adverse impact on Sri Lanka's trade. Identified in the Central Bank Report 2016 and in the Vision 2025 statement, widening of trade deficit; low share in exports as a share of global exports and a share of GDP; and stagnating FDIs are some of the major concerns to be addressed. Further, enhancing production and productivity, improving competitiveness of export commodities, moving to value added products, broadening the narrow composition of exports, diversifying export destinations, exploring services exports and developing the SMEs to penetrate global markets are internal challenges being identified and considered in strategy formulation to ensure a sustainable economic growth in the country.

The future direction in foreign trade is visualized in the 2025 Vision of the Government of Sri Lanka published in 2017. It focuses on economic strategies to transform Sri Lanka into the commercial hub of the Indian Ocean. It aims at raising the per capita income of the country to US\$ 5,000, creation of 1 million new jobs, increasing both FDI to US \$5 bn per year and doubling the current exports to US\$ 20 bn per year to become an upper-middle income country within the next few years. Foreign trade is a catalyst in positioning Sri Lanka as an export oriented economic hub in the Indian Ocean. Enhancing current markets and exploring new markets for exports, attracting FDIs in the knowledge based industries and integrating into global value chains are identified as key areas to achieve the set targets. However, necessary concomitants remain to be addressed 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).

During the period reviewed, the Government efforts have been directed towards developing and consolidating economic ties with trading partners, improving investor confidence through proposed simplification of tariff regime and tax reforms, developing the SMEs sector and facilitating business operations.

Sri Lanka's foreign trade policy has continued to focus on the importance of furthering market share in existing international markets and penetrating into new markets through bilateral, regional and multilateral trade agreements to promote trade and attract investment. During the period under review, negotiations with the main trading partners namely, EU and USA under the unilateral GSP scheme have paved way for more market access opportunities through successfully lifting of fish export ban imposed by the European Commission (EC) on Sri Lankan fish exports, zero duty access to about 7,200 products through regaining of the European Union's GSP Plus (EU-GSP+) in May 2017 after the suspension in August 2010 and duty-free treatment for travel goods in USA market. Bilateral discussions under Joint Commissions and follow up activities have enhanced the mutual cooperation with the trading partners in promoting trade and resolving issues related to trade.

Free Trade Agreements (FTAs) and Preferential Trade Agreements (PTAs), where Sri Lanka is a partner are further pursued to maximize utilization of preferences and to expand market access. The conclusion of the 4th Round Asian Pacific Trade Agreement (APTA) during 2017 provides enhanced market opportunities in China and Republic of South Korea.

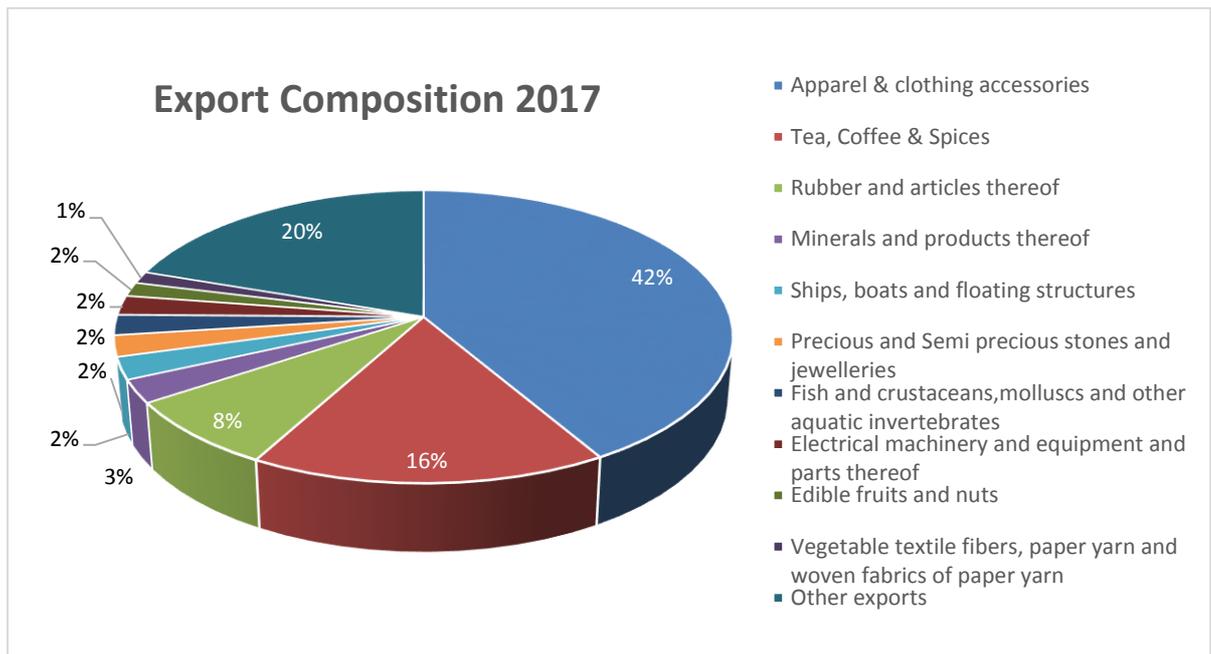
Within the multilateral scope, Sri Lanka being a WTO member supporting the rules based multilateral trading system, actively engaged in the implementation of Trade Facilitation Agreement (TFA) which was ratified in May 2016. Notification and implementation of Sri Lanka's commitments under the TFA towards eliminating cross border impediments to smooth flow of trade continued in 2017. During the period under review, projects on "Single window" initiative and creation of a "Trade Portal" envisaging reduction of trade costs and improvement of export competitiveness, progressed rapidly. Obtaining the Cabinet approval for the long outstanding enactment of Anti-Dumping, Countervailing and Safeguard Legislation in Sri Lanka was also pursued with the objective of protecting the local industries from unfair competition in the market during the review period.

**Sri Lanka's Total Imports, Exports and Balance of Trade
2010 – 2017 (Value: US \$ Mn.)**

Year	Exports	Growth %	Imports	Growth %	Total Trade	Balance of Trade
2010	8,294	16.5	12,340	26.4	20,634	-4,047
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	2.77	29,732	-9,298
2017	11,411	11.69	21,324	9.27	32,735	-9,913

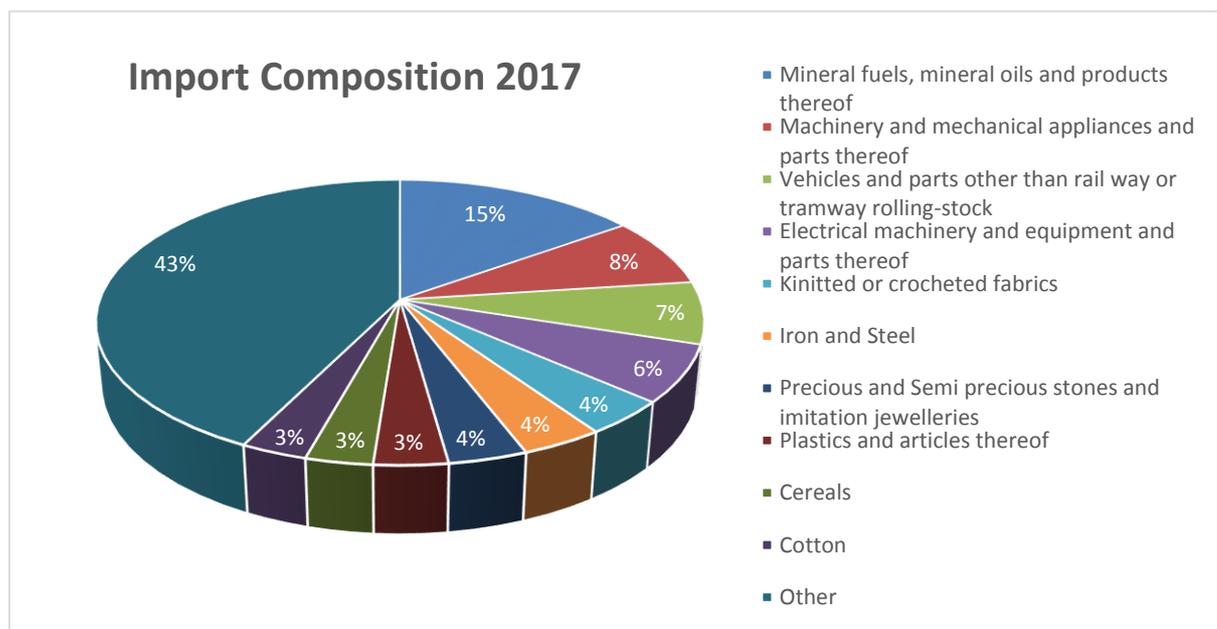
Source: Sri Lanka Customs

2.1 Export & Import Performance



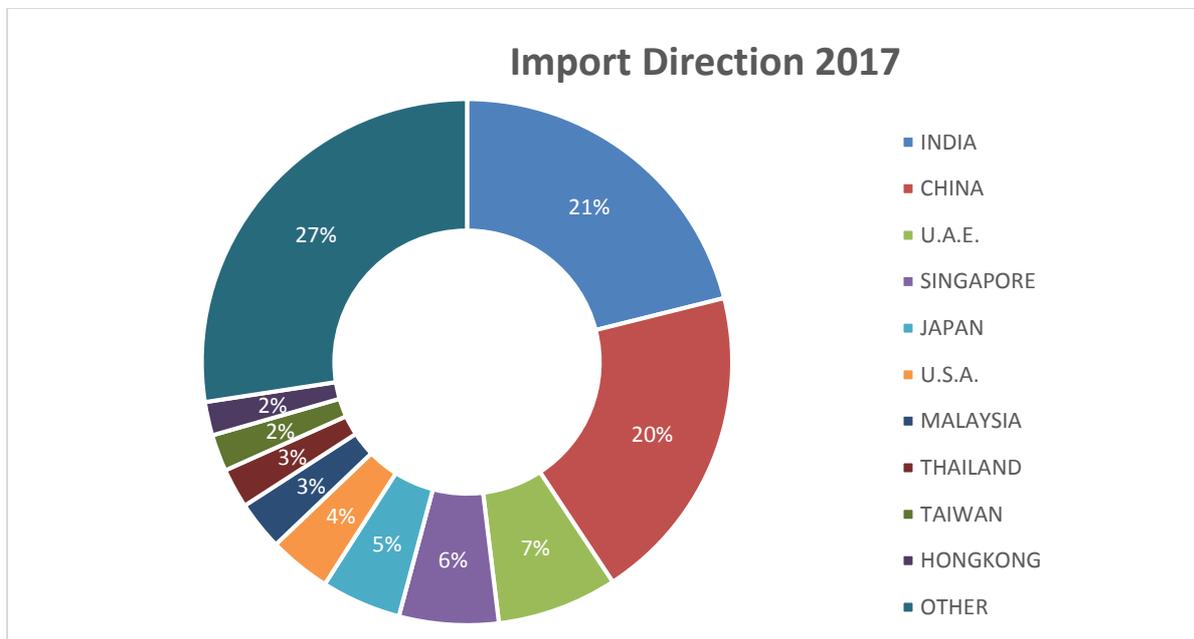
Sri Lanka's total export earnings during the year 2017 stood at US\$ 11,411 million whereas the value for 2016 was US\$ 10,217 million.

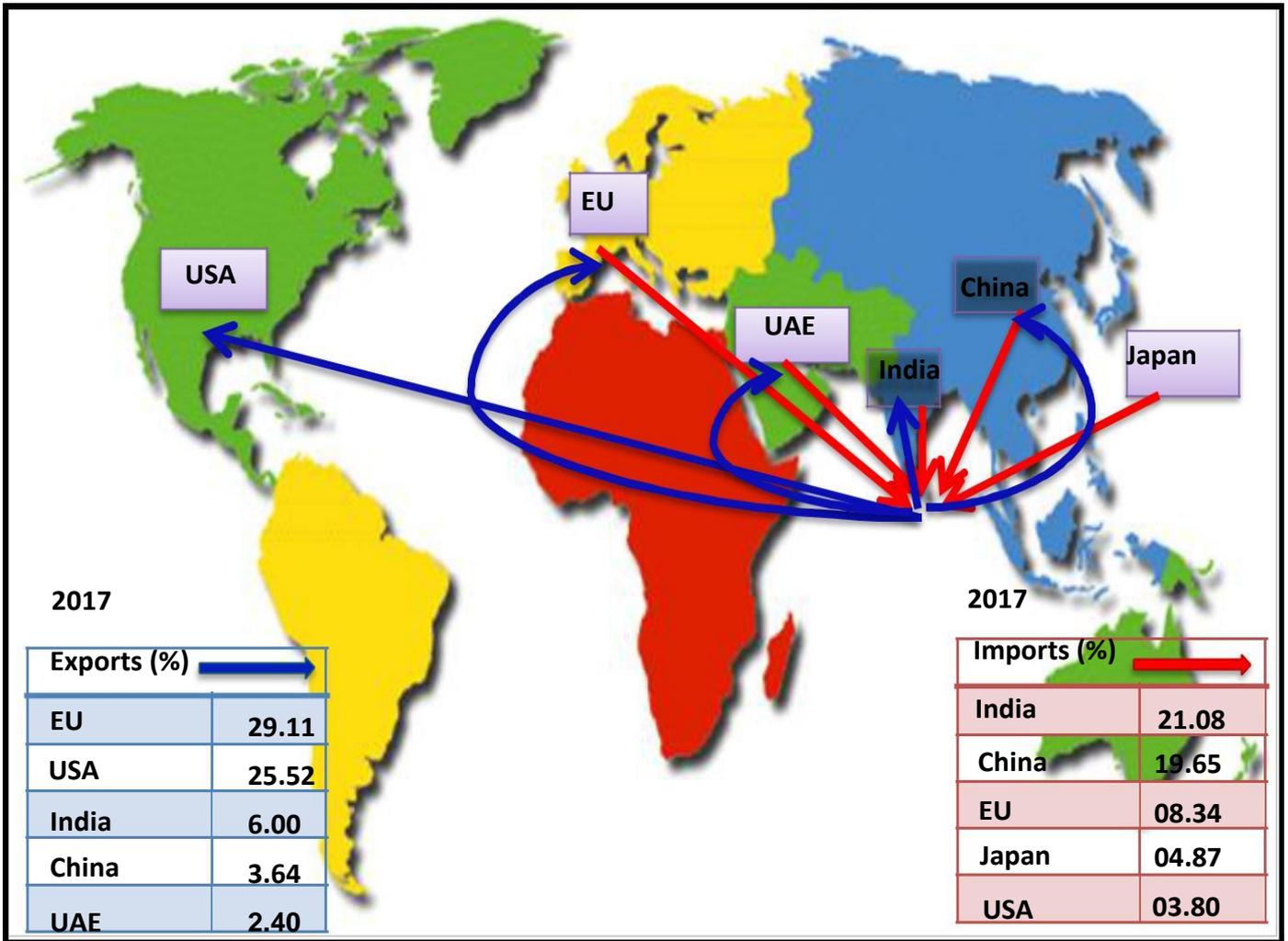
Sri Lanka's export earnings were led by Apparel, contributing 42% to total export earnings, marking slight decrease compared to 2016 (3%). The second major export earner in 2017 was Tea (16%) followed by Rubber and Rubber products thereof (8%), Mineral products (3%) and Ships and, boats and floating structures (2%).



Sri Lanka's total imports expenditure during the year 2017 has increased from US\$ 19,515 million in 2016 to US\$ 21,324 million in 2017 indicating 9.27% growth. Sri Lanka's import basket in 2017 has been dominated by Mineral and product thereof with a share of 15%. Other major import items are Machinery & Equipment (8%), Vehicles & Parts (7%), Electrical Machinery & Equipment (6%) and fabrics (4%).

2.2 Direction of Sri Lanka's Trade 2016-2017





3. MULTILATERAL TRADE RELATIONS

Sri Lanka's multilateral trade relations primarily focus 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).

3.1 Sri Lanka's Representation at the World Trade Organization

2017, the year for 11th Ministerial (MC11) started without substantial progress on the ongoing negotiations and concrete proposals to be taken up for decisions by the Ministerial meeting in December in Buenos Aires. The Director General of WTO, Mr. Roberto Azevêdo, speaking at a meeting held in the beginning of the year to announce his reappointment for the second four-year term, encouraged members to speak up for the WTO making the case for the value that members see in multilateral trading system. Further, he emphasized the fact that the WTO is there for a reason – to support economic development, growth and job creation, but also to support peace, cooperation and solidarity among nations.

Immediately after the summer break, members started presenting text-based proposals on number of long outstanding issues such as Agriculture Public Stockholding (PSH), Agriculture Domestic Support (DS), Export Prohibitions and Restrictions of Agricultural products and Services Domestic Regulations, as well as new issues such as Electronic Commerce, Investment Facilitation, MSMEs, Non-Agriculture Market Access (NAMA) and Appellate Body appointments. Negotiations on disciplining fisheries subsidies held throughout the year based on 7 textual proposals presented by members.

During the year, Sri Lanka Mission to the WTO in Geneva continued efforts to strengthening Sri Lanka's bilateral relations with her important and friendly trading partners at the multilateral frontier and delivered statements at the Trade Policy Review meetings of the EU, Japan, Switzerland, Mexico, Paraguay, Jamaica, Cambodia, Sierra Leon and Nigeria. The PR/WTO also delivered a statement at the Aid-for-Trade Session of the Committee on Trade and Development of WTO at a special request of the Aid for Trade Unit, highlighting the donor assistance program that Sri Lanka has already been benefitted from and the potential areas where Sri Lanka seeks donor assistance in the future. The meeting was well-attended by donor countries as well as several donor institutions.

3.2. 11th WTO Ministerial Conference

The 11th WTO Ministerial Conference was held from 10th to 13th December 2017 in Buenos Aires, Argentina. At the 11th Ministerial Conference, ministers were expected to work towards possible decisions in the areas of:

- (i) **Agriculture** - The negotiations were aimed at finding a permanent solution to the issues of Public Stockholding, Special Safeguard Mechanism for developing countries, and reduction in Domestic support under the ambit of undertaking further liberation of world trade in Agriculture.

- (ii) **Fisheries subsidies** – In fisheries subsidies, the Ministers were expected to take decisions to adopt at least the multilateral disciplines to ban subsidies contributing to Illegal, Unregulated and Unreported (IUU) fishing.
- (iii) **Development** - The negotiations were focused on the demands of developing and least developed countries for Special and Differential Treatment on the application of multilateral trade rules.
- (iv) **E-commerce** – The discussion was to decide whether or not to strengthen the current WTO e-Commerce work program towards possible multilateral rules.
- (v) **Services**, new disciplines for domestic regulations in services.
- (vi) To discuss and reach Ministerial decisions on the proposed new issues, such as, negotiations on **Investment Facilitation** and **Micro, Small and Medium Enterprises** (MSMEs)

However, the conference neither agreed on a common Ministerial Declaration nor decided on the substantive matters. The conference ended with a chair's summary covering MC11 proceedings, which contained the following:

1. Continue negotiations towards disciplining fisheries subsidies by the next Ministerial Conference of 2019;
2. Continue the work under the Work Program on Electronic Commerce and renew the moratorium on E-commerce, where countries agreed not to impose tariffs on electronic transmissions;
3. Renew the moratorium on non-violation and situation complaints under WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS), in which member countries agreed not to bring non-violation cases under the TRIPS.

In the absence of new work program in any of the other issues discussed over the three days of the Conference, the Ministers agreed that the previous ministerial mandates and current proposals brought to Buenos Aires would remain as the reference for continuation of the future work at the WTO.

In the absence of positive responses by the rest of the membership of the WTO, various groups of members have been issuing joint ministerial statements indicating the start of exploratory plurilateral discussions among members interested in the issues of e-commerce, investment facilitation, as well as MSMEs.

On the sidelines of the Ministerial, Sri Lanka delegation contributed actively towards the Mini-Ministerial meetings of the like-minded groups namely, Group of 33 (G-33), Small and Vulnerable Economies (SVEs), the Informal Group of Developing Countries (IGDCs) and the Friends of E-Commerce (FEDs).

In addition, PR to WTO addressed a Workshop organized by the Global Alliance for Trade Facilitation, on the flagship project on Multi-Country Consolidation Hub in Sri Lanka.

3.3 New Multilateral Disciplines on Fisheries Subsidies

The United Nations' Sustainable Development Goal 14.6 calls for prohibiting certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminating subsidies that contribute to illegal, unreported and unregulated (IUU) fishing, and refraining from introducing new such subsidies, by 2020.

The WTO has been entrusted to introduce necessary controlling measures on such subsidies that affect conservation and sustainability of marine resources. With a view to establishing legally binding commitment by the Member countries of the WTO, the subject of fisheries subsidies is being discussed at the Negotiating Group on Rules of WTO with the objective of developing an agreement for ministerial decision at MC11. The proposed subsidy disciplines are to be focused on three (03) areas.

- (a) Subsidies contributing to IUU fishing
- (b) Subsidies contributing to overcapacity
- (c) Subsidies contributing to overfishing and overfished stocks

The WTO Members actively engaged in the negotiations by submitting diverse textual proposals aiming at an outcome at MC 11.

Since members failed to arrive at consensus on the draft Ministerial decision, intense negotiations took place at MC11 in Buenos Aires. It was agreed upon only the continuation of work done so far and to improve the existing transparency mechanism on fisheries subsidies.

Sri Lanka Mission, throughout the year, actively participated in the negotiations with close collaboration and coordination with all the stakeholder Ministries with a view to safeguard country's interest.

3.4 Electronic Commerce and Information Technology Agreement

E-Commerce and its implications for trade is one of the emerging subjects in the WTO agenda. An emphasis was placed in the Nairobi Ministerial declaration which instructed the General Council to hold periodic reviews, based on reports that may be submitted by the WTO bodies entrusted with the implementation of the 'Work Program' adopted by the General Council in September 1998.

Many WTO members signaled considerable interest in e-commerce discussions and number of proposals were put forward by these interested delegations. Friends of E-Commerce for Development (FED), the like-minded group of 14 WTO members, where Sri Lanka is also a member, is actively pursuing its deliberations focusing on the contribution that E-Commerce could have on development in developing countries. The FED organized a one-day seminar on 'e-Payments and Financial Inclusion' on 13th March 2017, which was well-attended by the member countries.

Pursuant to a Mini-Ministerial meeting of Commerce Ministers from Pakistan, Argentina, Costa Rica and Nigeria held during the World Economic Forum held in Davos in February 2017, the FED group organized the first FED-Ministerial meeting in Geneva on 25th April 2017 to coincide with UNCTAD E-Commerce Week. Sri Lanka was represented by PR/WTO, in the absence of representation from Colombo. The FED Ministers acknowledged the relevance of E-Commerce as

a tool to close the digital divide and bring development solutions to developing and least-developed countries. They also agreed to put forward a roadmap with seven key issues that they believe are the foundation for sustainable economic development. These key issues include the identification of strategies for e-commerce readiness; access to ICT infrastructure and services; trade logistics and trade facilitation; e-payment solutions; legal certainty and regulatory frameworks; capacity building and technical assistance; and access to financing.

3.5 Amendment of the WTO TRIPS Agreement giving legal certainty to generic versions of patent-protected medicines

Following the consensus of WTO members reached in 2005, an amendment to the agreement on intellectual property came into effect on 23 January 2017. This amendment gives legal certainty that generic versions of patent-protected medicines can be produced under compulsory licenses specifically for export to countries with limited or no pharmaceutical production capacity. Sri Lanka deposited its Instrument of Acceptance on 07th September 2015, upon receiving due clearance from Cabinet of Ministers.

The WTO members took this decision to amend the TRIPS Agreement specially to adapt the rules of the global trading system to the public health needs of people in poor countries. This gives legal certainty for exportation of generic medicines at reasonable prices to satisfy the needs of countries with no pharmaceutical production capacity, or those with limited capacity, helping to deal with diseases such as HIV/AIDS, tuberculosis or malaria, as well as other epidemics. The amendment provides a secure and sustained legal basis for both potential exporters and importers.

Sri Lanka, as a country, which has only a limited manufacturing capacity in the pharmaceutical sector at present, stands to benefit from these flexibilities that would allow it to source generic versions of expensive patented medicines from any competitive suppliers around the world in times of any medical emergencies, such as epidemics or natural disasters.

Moreover, in future Sri Lanka would make use of the flexibility for manufacturing generic versions of any patented drug to cater to an emergency situation in another Member country, once Sri Lanka is equipped with sufficient manufacturing capacity with the establishment of proposed pharmaceutical manufacturing zone and attraction of investors in to Sri Lanka in this sector

3.6 Amendments to the WTO Trade Policy Review Mechanism

The Sixth Appraisal of the Trade Policy Review Mechanism (TPRM) took place at WTO with a view to reviewing the current procedures for review of members' trade policies and practices. Following series of meetings of the Trade Policy Review Body (TPRB) held in this regard, the following revisions were proposed to the General Council for the approval.

- The first four trading members (major trading members of the world) – the existing two-year cycle to be amended as three years
- The next sixteen trading members – the existing four-year cycle to be amended as five years
- All other members – the existing six-year cycle to be amended as seven years

WTO General Council, at its meeting held before the summer break, approved these amendments (WT/Let/1276). Accordingly, it is expected that the amendments come into effect from 01 January 2019. As per the amended provisions, the next Trade Policy Review of Sri Lanka will be in 2023.

Besides above, members also agreed to revise the timeline for the question and answer process of the TPRs, so that members under review who opt to provide early written answers to other members' questions will have one more week to prepare the answers. Further, to enhance the transparency of trade policies, there was agreement to establish a regular practice for members to provide brief reports on significant changes in their policies during trade monitoring meetings. These were not yet finalized and agreed by all the members at the TPRB.

3.7 United Nations Conference on Trade and Development (UNCTAD):

3.7.1 UNCTAD - Multi-Year Expert Meeting on Investment, Innovation and Entrepreneurship for Productive Capacity-building and Sustainable Development, fifth session

The UNCTAD's annual meeting "High-level International Investment Agreements Conference on Investment, Innovation and Entrepreneurship for Productive Capacity – building and Sustainable Development" was held from 09 – 11 October 2017 in Geneva. The Ambassador/PR of Sri Lanka to the WTO was elected to chair this Fifth session of the meeting which was devoted to discuss reforms of international investment treaties.

The conference was attended by over 200 delegates and experts from all over the world. Ambassador / Permanent Representative of Sri Lanka to the United Nations, Executive Director, Research and Policy Advocacy Department of the Board of Investment of Sri Lanka and the First Secretary (Commercial) of Sri Lanka Mission in Geneva represented Sri Lanka at this meeting. The Executive Director of BOISL attended the conference as a panelist of a breakout session to share Sri Lanka's experience in the reforms of international investment agreements.

3.7.2 International Forum for National Trade Facilitation Committees

UNCTAD in its continued efforts to support Trade Facilitation reforms in developing and Least Developed Countries, organized the first International Forum for National Trade Facilitation Committees in cooperation with the ITC, the World Bank Group, the World Customs Organization and the WTO. The Forum was held on 23-27 January 2017 in Geneva and was attended by More than 300 participants from 70 countries. Three members from the NTFC of Sri Lanka, representing Sri Lanka Customs, Department of Commerce and International Chamber of Commerce participated at this Forum.

3.7.3 Assessment of E-Commerce Readiness in Sri Lanka

Discussions were initiated with senior officials from UNCTAD and the World Bank Group, with a view of benefitting from the rapidly changing industry and trading environment and attracting the donor attention towards Sri Lanka in developing e-commerce infrastructure.

In this exercise, the most important task is to assess e-commerce readiness of the country and to identify the existing gaps, i.e. the identification of the requirements of the Government and the private sector to apply e-commerce applications such as tool for trade facilitation, digital transaction, use of artificial intelligence, data management and e-commerce-based manufacturing and trading. During the initial discussion, the World Bank has expressed their willingness to collaborate with UNCTAD to undertake on priority basis this assessment on Sri Lanka with the objective of attracting donors and investors' attention for necessary e-commerce developments in Sri Lanka.

3.7.4 Participation at UNCTAD E-Commerce week

The UNCTAD E-Commerce week held 24-28 April 2017, and arrangements were made for participation of the Chairman, SLEDB and the Deputy Director/IT of SLEDB with the officials of the Sri Lanka Mission in Geneva. On the sidelines, the delegation had an opportunity to meet Ms. Hanne Melin, Director-Global Public Policy of eBay Inc. to discuss and emphasize on Sri Lanka's interest to work in collaboration with eBay, in particular, bringing SMEs to their online export platform. During this meeting, the SLEDB submitted a proposal for the consideration of eBay to develop cross border trade to EU through E-Commerce. The SLEDB and eBay Inc. is in contact discussing possible collaboration and way forward in this project. In October 2017, the Assistant Director/IT of SLEDB attended the first session of the Intergovernmental Group of Experts on E-commerce and the Digital Economy.

3.8 Agreement on Trade Facilitation:

The significant development after establishing the WTO in 1995 was the implementation of the Trade Facilitation Agreement (TFA). The TFA is one of the most significant outcomes of the Ninth Ministerial Conference of the WTO which was held in Bali, Indonesia in December 2013. It came into effect as a legally binding Agreement on 22nd February 2017, with two-thirds (108) of the WTO members having completed their domestic ratification processes.

The TFA aims at streamlining, harmonizing and modernizing customs procedures thereby reducing the transaction cost and improving the competitiveness. It contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between the authorities involved in the Trade Facilitation measures.

The full implementation of the TFA is estimated to reduce trade costs by an average of 14.3%. It is also estimated to reduce the average time needed to import by 47% and even more dramatic cuts in export time, predicted as 91%. By 2030, implementation of the TFA could add up to 2.7% a year in global export growth and even larger gains for developing and least developed countries. Further, it has positive impacts on the diversification of exported goods in these economies.

The TFA requires all WTO Members to undertake trade facilitation commitments, which are grouped into three categories viz. A, B and C. Category 'A' contains provisions for implementation upon entry into force of this Agreement, Category 'B' contains provisions for implementation on a date after a transitional period of time following the entry into force of this Agreement, Category 'C' contains provisions for implementation on a date after a transitional period of time following the entry into force of this Agreement and requiring the acquisition of implementation capacity through the provision of assistance and support for capacity building. The advanced economies and donor agencies are expected to assist developing and LDC Members with necessary capacity building, enabling the latter to undertake Category C commitments.

By the end of the year, 106 countries have presented Category A notifications, while 43 and 34 of them have submitted Category B and C notifications respectively.

As per the requirement of the Agreement, Sri Lanka has notified Category 'A' commitments to the WTO on 31st July 2014, being the 39th Country to have notified. Sri Lanka has notified 11 provisions under category 'A' commitments.

In Feb 2017, Indicative dates of 'B' and 'C' Category Provisions were agreed by the NTFC. However, due to the complicated internal procedures, the Notification of Category 'B' and 'C'

Commitments and their indicative and definitive dates of implementation were notified to the WTO on 8th February 2018. Sri Lanka has notified 2 provisions under category 'B' commitments and 23 commitments under category 'C' commitments.

World Bank assists the development of the Trade Information Portal (TIP) and blue print of the National Single Window (NSW), which are two important implementation aspects of the TFA. TIP is developed with the technical and financial assistance of the World Bank Group (WBG). An international consultancy firm appointed by the WB Group, has commenced the two projects since end of November 2017. The two projects are expected to be completed by July 2018. The TIP will be hosted by Department of Commerce.

The Department of Commerce will host the TIP. An international consultancy firm has been appointed by WB Group for developing the portal. PM Group is in the process of developing the TIP at the moment. DOC collected preliminary information for TIP from 55 trade related agencies. The international consultancy firm also visited those agencies, whose information is being used to upload in the TIP. At present they have been able to uploaded 20-25% of the information. The two projects are expected to be completed by July 2018. From that point the Government of Sri Lanka (GOSL) has to take ownership of the projects.

DOC from time to time has to review the progress of the TIP project and validates the website, take necessary steps for its sustainability and train internal staff to maintain the website after the project is handed over to GOSL. The TIP is expected to be hosted at the ICTA server

The National Trade Facilitation Committee (NTFC) of Sri Lanka was established on 03rd June 2014 and the Cabinet of Ministers granted approval to formally establish the NTFC in January 2016. A secretariat to NTFC has also been established with the support of the World Bank Group (WBG), which commenced its operations on 02nd May 2017. The scope of the National Trade Facilitation Committee (NTFC) has been expanded by mandating it to carry out implementation of TFA commitments and other trade facilitation initiatives and the Terms of Reference of the NTFC and the NTFC Secretariat have also been adopted by a Cabinet Decision on 07.12.2017. The Director General of Commerce functioned as the Co-Chair of the NTFC during the period under review.

NTFC has developed the prioritized action plan for the implementation of the TFA. This consist of organization specific implementation plan and one master plan for the whole TFA implementation. A Workshop on Trade Facilitation Implementation Plan: Prioritization and the way forward was held on 11th October 2017 with the technical and financial assistance of ITC.

In October 2016, National Trade Information Portal and Blue Print of National Single Window have been identified as the top priorities in the Trade Facilitation Implementation Plan of the NTFC. The two projects will be implemented under the direct leadership of the NTFC. The TORs for NSW and TIP have been developed. As per the TORs of TIP and NSW, NTFC Secretariat would assist the administrative and coordination of the TIP and NSW Working Group (WG) Meetings, which are organized by the respective responsible organization for the project.

So far many workshops had been held in relation to TIP and NSW. A workshop on ASEAN-Sri Lanka National Single Window Best Practices Workshop was held from 8-9 of August, 2017 in order to educate the stakeholders of the best practices of NSW in other countries, a second Orientation Workshop on NSW and TIP was held on 5th December 2017 by the Project Consultants in order to educate stakeholders about the two projects after they were being appointed to develop the two projects. A third workshop was held on proposed Sri Lanka National Single Window Models on 29th January 2018 in order to finalize the NSW models.

3.9 Enactment of Anti-Dumping, Countervailing & Safeguard Legislation in Sri Lanka

The draft national bills on Anti-dumping, Countervailing and Safeguard Measures submitted to the Cabinet had been approved by the Cabinet on 26.10.2016. The bills were submitted to the Legal Draftsman (LD) Office for necessary action, including converting in to legal formats, on 16.12.2016. The final draft bills on Anti-dumping, Countervailing and Safeguard Measures were received from LD office on 09.02.2017, which were then transmitted to the Department of Attorney Generals for obtaining the necessary clearance and certificates. After conducting extensive consultations, AG's Office has issued the necessary Certificates for both draft bills in August and September 2017 respectively, which had enabled the LD Office to translate both bills in to other two languages. Hon. Minister of Industry & Commerce forwarded these two Bills to the Office of the Leader of the House of Parliament on 15.11.2017 enabling them to be submitted to the Parliament. As a result, these two Bills were discussed at the Sectoral Oversight Committee Meeting on Business and Commerce on 08.12.2017 and the amendments proposed at the Sectoral Committee meeting were submitted to the Legal Draftsman (LD) Office on 8th December 2017. Then, the amended two Bills are due to be presented to the Parliament for the second reading on 23rd February 2018 and they are expected to go through to the next stages along with possible enactments, before it being approved by the Parliament.

The Department of Commerce officials conducted consultative meetings with some members of the Parliament to discuss the importance of enacting these bills and also organized awareness programs for private sector stakeholders to educate them on the imperative need of these bills to be in place in Sri Lanka to protect domestic Industry and national economy against unfair trading practices and unforeseen import surges

3.10 Technical Assistance for capacity building on Multilateral Trade Agreements.

The Department in collaboration with the World Trade Organization (WTO), International Trade Centre (ITC) in Geneva and other international organizations organized the following technical assistance program and workshops in Sri Lanka with a view to create awareness and enhance stakeholders' knowledge on different agreements under the WTO multilateral trading system.

✓ National Workshop on WTO Sanitary and Phytosanitary Agreement (SPS) /Technical Barriers to Trade (TBT) agreement, 20-22 February 2017 in Colombo

With the aim of enhancing awareness among stakeholders, a national workshop on WTO Agreements on Sanitary and Phytosanitary Measures and Technical Barriers to Trade was organized in Colombo from 20th to 22nd February 2017. Two officials from Trade and Environment Division and the Standards Trade and Development Facility of the WTO participated as recourse persons. The two and a half-day workshop was aimed at stakeholders from both public and private sector to give them an understanding of the two agreements, especially focusing on transparency issues under the Agreements.

The workshop was also supported by the participation of International Standards Organization (ISO) who organized a regional workshop on Standards in support of public policies for Asian countries as a back-to-back event to this Workshop.

✓ National Workshop on WTO Information Technology Agreement (ITA), 12-14 July 2017, Colombo

This workshop was organized with the aim of conducting an in-depth analysis and assessment of Sri Lankan IT industry. The Sri Lanka Mission in Geneva coordinated participation of two experts from WTO to visit Sri Lanka to participate as resource persons at this workshop and share their

expertise with policy makers, industry players and other relevant stakeholders of Sri Lanka IT industry. The two-day workshop was attended by representatives of Computer Society of Sri Lanka, SLAASCOM, FITIS, Telecom Regulatory Commission, Mobitel, Verite Research, Institute of Policy Studies, EDB, FCCISL, ICTA and several private sector IT firms.

✓ **National level Workshop on Government Procurement Agreement (GPA), 12-13 September 2017, Colombo**

Following the request made by the Department of Commerce, the Mission in Geneva facilitated a WTO expert team to Colombo to conduct a national level Workshop on Government Procurement. Sri Lanka is an observer to this WTO Plurilateral Agreement on Government Procurement since 2003 and followed closely the deliberations and developments in the implementation of GPA.

✓ **National level Seminar on Regional Trade Agreements (RTAs), 10-12 October 2017, Colombo**

The comprehensive nature of present negotiations on RTAs taking place in Sri Lanka, covering trade in goods and services, IP, investment, trade remedies, SPS and TBT has brought greater challenges not only for the negotiators but also for the other stakeholders who are expected to benefit from such RTAs. Accordingly, with the aim of facilitating public and private sector representatives who are expected to engage in the future RTA negotiations, this seminar was organized in Colombo with the participation of RTA experts of the WTO.

The other major technical assistance programs organized by the ITC under EU – Sri Lanka Trade-related Assistance Project in collaboration with the Department of commerce are as follows;

- National Workshop on Trade Facilitation, 19-20 April 2017 in Colombo;
- National Workshop on Trade Facilitation, 24-25 April 2017;
- National Workshop on maximizing the use of Free Trade Agreements (FTAs), 24-25 May 2017 in Colombo;
- National Workshop on Information Technology Agreement, 12-13 July in Colombo;
- National workshop on Trade Negotiation Simulation, 24-27 July 2017;
- National Workshop on Free Trade Agreement Negotiations, 1-3 August 2017 in Colombo;
- National Workshop on Technical Capacity Building on Economics of Trade and Trade Agreements (Module I Training), 23-24 August 2017 in Colombo;
- National Workshop on Introduction to “Economics and Articulation of Trade” (Training Module Part I) 23-24 August 2017 in Colombo;
- National Workshop on Government Procurement Agreement, 12-13 September 2017 in Colombo
- Regional Workshop on Trade and Environment for Asia and Pacific Economies, 18-19 September 2017 in Colombo;
- National Workshop on Capacity Building for SL Officials, 20-22 September 2017, in Colombo;
- National Workshop on WTO / Regional Trade Agreements (RTAs), 10-12 October 2017 in Colombo;
- National Workshop on Implementation of Trade Facilitation reforms prioritized and sequenced, 11-12 October 2017 in Colombo;
- National Workshop on Trade Remedy, 25-27 October 2017 in Colombo;
- European External Action and GSP “Plus”: Compliance and use, 6-9 November 2017, Brussels, Belgium;
- Workshop on Regional Free Trade Agreements Best Practices;
 - 6th November 2017 - Jaffna
 - 8th November 2017 – Kandy
 - 10th November 2017 – Galle

4. BILATERAL TRADE AND ECONOMIC CO-OPERATION

In 2017, Sri Lanka placed a heavy emphasis on promotion of bilateral trade and economic cooperation with its major trading partners as well as the other countries that emerged to trade with Sri Lanka. Trade and economic relations with Russia, EU, Iran, USA, Qatar, Bangladesh and Pakistan were focused on in particular during the reference period. Sri Lanka attached an equal importance in advancing its commercial interests under the bilateral free trade agreements (FTA) signed with India and Pakistan and the proposed FTA with China, India and Singapore during the period under review.

4.1 Negotiations to improve market access to India:

4.1.1 Indo- Sri Lanka Free Trade Agreement (ISFTA)

It is noteworthy that about 65 – 70% of Sri Lanka's exports to India are presently shipped under the ISLFTA. The main products which enjoy ISLFTA benefits include animal feedings, arecanuts, spices, recovered papers, cloves, pepper, furniture, insulated copper wiring sets, polished marble, water, apparel & clothing accessories, bicycles, rubber gloves, cartons, pneumatic tyres, MDF boards and essential oils.

As an integral part of the ongoing negotiations on the proposed Economic and Technology Cooperation Agreement (ETCA) between India and Sri Lanka, which is led by the Ministry of Development Strategies and International Trade, the Department of Commerce under the Ministry of Industry and Commerce has continuously been engaged with relevant domestic stakeholders as well as its Indian counterpart in resolving any ISFTA-related issues, which hinder Indo-Sri Lanka trade in goods. During the discussions held in this context in 2017, the Sri Lankan side was able to resolve several issues pertaining to Custom clearance of certain product categories such as strawberries, animal feed etc., exported by Sri Lankan companies under the ISFTA.

4.1.2 India- Sri Lanka Economic & Technology Cooperation Agreement (ETCA)

India and Sri Lanka have already held seven rounds of negotiations on the proposed Economic and Technology Cooperation Agreement (ETCA) as per the policy of the Ministry of Development Strategies and International Trade. During the 7th Round of negotiations, which was held in Colombo from 18th to 20th December 2017, the two sides, in addition to making progress in their negotiations on the draft text of the ETCA, also reviewed the status of some pending Non-Tariff Measures (NTMs) related issues under the ISLFTA and recommended appropriate follow-up action for resolving them in an expeditious manner. In this context, the Sri Lankan side placed a special emphasis on early removal of quantitative restrictions the Indian Government has imposed on some of the Sri Lankan exports like apparel products, black pepper, vanaspathi (hydrogenated vegetable oil) and desiccated coconut.

The Sri Lankan side also highlighted the urgent need for finalizing Mutual Recognition Agreements (MRA) on goods. While Sri Lanka has already shared a draft MRA text with India, the Indian side has informed that the draft was examination by relevant authorities. They also discussed the importance of establishing a structured institutional mechanism between the relevant authorities of the two countries to facilitate early settlement of any ISLFTA-related issues encountered by their exporters.

4.2 Negotiations to improve market access to Pakistan

4.2.1 Sri Lanka –Pakistan Free Trade Agreement (PSFTA)

Sri Lanka – Pakistan Free Trade Agreement (PSFTA), which entered into force in 2005, has also contributed to the enhancement of bilateral trade between two countries. The major products exported by Sri Lanka under PSFTA during the period under review include coconuts, betel leaves, desiccated coconuts, MDF boards and black tea, while its imports under PSFTA during the same period have been welded or circular cross-section of iron or non-alloy steel, rice, mandarins fresh, Portland cement, flours, meals and pellets, of fish or of crustaceans, molluscs or other aquatic invertebrates.

4.2.2 Trade and Investment Framework Agreement (TIFA) between Sri Lanka and US

During the 12th Session of the Sri Lanka- USA Trade and Investment Framework Agreement (TIFA) Council, which was held in Washington DC, USA in April 2016, the two governments adopted a Joint Action Plan to boost trade and investment between Sri Lanka and USA.

In 2017, follow-up work ensued regarding the previous work commenced in relation to the above Agreement and the implementation of the Joint Action Plan.

4.3 Entering into new FTAs

4.3.1 Proposed FTA with China and Sri Lanka

Following the Memorandum of Understanding (MoU), which was signed between China and Sri Lanka at the Head of States level on 16th September 2014, the two sides have already conducted six rounds of negotiations on the proposed China-Sri Lanka Free Trade Agreement (CSFTA). During their negotiations on Trade in Goods (TIG) chapter, which is of crucial significance to Sri Lanka, the two sides have held extensive discussions on a suitable modality for Trade Liberalization Program (TLP), considering the implications of the envisaged trade liberalization by Sri Lanka may have on its domestic industries. The Department of Commerce continued to lend technical specific expertise to these negotiations including the preparation of a sensitive list of 37% after a comprehensive industry wide survey for the purpose of compiling a negative list.

4.3.2 Proposed FTA with Singapore and Sri Lanka

By the end of 2017, Sri Lanka and Singapore had concluded eight rounds of negotiations on the proposed Free Trade Agreement (FTA) between the two countries and finalized most of the draft text of the said agreement. Being a comprehensive agreement, it covers a wide range of interests, including Trade Facilitation, Intellectual Property, Transparency, Economic and Technical Cooperation, SPS & TBT, Trade in Goods, Trade in Services, Investment and Government Procurement and Trade Remedies.

The Department of Commerce lent technical expertise to the Negotiating Team on subjects as Trade Remedies and WTO related rules and Agreements coming under its purview.

4.4 Negotiating Joint Economic Commissions (JEC)

In the sphere of Sri Lanka's bilateral trade relations, the Department of Commerce functions as the Sri Lankan focal point for Joint Commissions on Trade and Economic Co-operation that are established with important trading partners. The Department of Commerce performs all the functions required for the conduct of bilateral trade negotiations under Joint Commissions from the stage of formulation, co-ordination and implementation of the decisions of the Joint Commissions. These joint commission agreements have facilitated the development and expansion of Sri Lanka's exports to these countries while encouraging technical and economic cooperation in trade related activities.

The Department of Commerce coordinated and conducted the following Joint Commissions/Committees, which were held at Ministerial/ Secretary Level/ Senior Official level, during the period under review.

4.4.1. 2nd Session of Sri Lanka – Russia Intergovernmental Commission on Trade, Economics, Scientific and Technical Cooperation held in 24-26th October 2017

The 2nd Session of Sri Lanka – Russia Intergovernmental Commission on Trade, Economics, Scientific and Technical Cooperation was held in Colombo from 24 – 26 October 2017. The Session was chaired by Secretary to the Ministry of Industry and Commerce of Sri Lanka and Deputy Minister of Agriculture and Head of the Federal Agency for Fishery of the Russian Federation. During the session, the two sides discussed a number of subject matters, primarily relating to trade (market access issues), economic cooperation (bilateral agreements, collaboration in the field of standardization, etc.), investment, aviation, information and communication technology, agriculture and fisheries and agreed on mutual areas of co-operation.

4.4.2. 2nd Session of Sri Lanka-Qatar Joint Economic, Commercial and Technical Commission from 30th and 31st October 2017 in Colombo

The Sri Lanka-Qatar Joint Economic, Commercial and Technical Commission, which has been established under Agreement on Economic, Commercial and Technical Co-operation between the Government of the State of Qatar and the Government of Sri Lanka, held its 2nd Session in Colombo on the 30th and 31st October 2017.

The Qatari delegation was led by H.E. Sheikh Ahmad Bin Jassim Bin Mohammed Al Thani, Minister of Economy and Commerce, while the Sri Lankan delegation was led by Hon. Rishad Bathiudeen, Minister of Industry and Commerce of Sri Lanka.

Both Sides took note of the fact that a very successful visit by H.E Maithripala Sirisena, the President of Sri Lanka to Qatar was concluded from 25th-26th of October 2017. Stemming from this visit, both sides observed, inter-alia, and four specific areas, namely LNG, Aviation, Tourism Development, and Agriculture to enhance cooperation.

The experts of the two Sides discussed a number of areas for possible cooperation between Sri Lanka and Qatar. They included trade, investment, tourism and several other fields such as power & energy, transport and infrastructure, agriculture and environment, labour, education, sports & culture etc. Deliberations of the Second Session of the Commission were held in a cordial atmosphere, reflecting the long-established friendly relations between the two countries. The talks also symbolized the two nations' strong desire to further enhance their bilateral relations.

5. REGIONAL ECONOMIC CO-OPERATION

Sri Lanka continued to be a key player in its regional trade and economic arrangements namely APTA, SAPTA, SAFTA, BIMSTEC and IORA.

5.1 Continuing negotiations under Asia Pacific Trade Agreement (APTA)

The Bangkok Agreement, signed in 1975, is the first Asia-Pacific preferential trade agreement of the region, which was renamed as the “Asia-Pacific Trade Agreement (APTA)” in 2005. The third round of tariff concessions was concluded and entered into force on 1 September 2006.

Continuing negotiations under APTA–The 04th Ministerial Committee was held on 13 January 2017 in Bangkok to formally finalize the 04th round of negotiations and also to give directives on future directions of APTA. The ministers agreed to establish APTA Chamber of Commerce and Industries as proposed by the Federation of Chambers of Commerce and Industries of Sri Lanka and recommended by the Standing Committee. The Hon. Minister of Industry and Commerce led Sri Lanka’s delegation to the 4th Ministerial meeting of APTA which included the officers of the DoC.

At the 51st Session of the Standing Committee (SC) held in Colombo on 28-29 September 2017, chaired by the DoC, the Participating States (PSs) agreed to implement the 04th Round concessions w.e.f LL 01.01.2018. Bangladesh and China have deposited their instruments of acceptance/ratification for 2nd Amendment of APTA which includes the technical revisions to the format of Certificate of Origin, newly introduced Product Specific Rules and implementation of the 04th round commitments. As for Sri Lanka, approval to implement the 04th round commitments was submitted to the Cabinet of Ministers, and once received, the instruments of acceptance/ratification can be tendered through diplomatic channels.

5.2 Continuing negotiations under SAFTA

The Agreement on South Asian Free Trade Area (SAFTA) was signed in January 2004 and entered in to force in January 2006. SAFTA aims at further enhancing the program of regional economic integration through promotion of preferential trade, which commenced with the establishment of South Asian Preferential Trading Arrangement (SAPTA) in 1995.

The South Asian Preferential Trading Arrangement (SAPTA) signed on 11th April 1993 and entered into force on 7th December 1995 was the first step towards liberalizing inter-regional trade. The Agreement on South Asian Free Trade Area (SAFTA) which superseded SAPTA aimed at further enhancing regional economic integration through promotion of preferential trade, was signed in January 2004 during the 12th SAARC Summit held in Islamabad and it entered in to force on 1st January 2006. Thus the tariff preferences under SAPTA has decreased and replaced by SAFTA. SAARC Members intend to deepen economic integration of the region by creating a South Asian Economic Union (SAEU) featuring a Free Trade Area, Custom Union, a Common Market, and a Common Economic and Monetary Union. This commitment was renewed at the last 18th SAARC Summit held in 2014.

SAFTA trade liberalization decisions have been implemented in phases. Under its Trade liberalization program (TLP) custom duties on products other than those in the sensitive list have been progressively reduced and completed within the ten year period i.e. by 2016. Accordingly, Sri

Lanka completed tariff liberalization commitment under the first phase of TLP on 21st November 2015.

Under the second phase, in line with the Article VII 3 (b) of the SAFTA Framework Agreement, respective sensitive lists of the members have been reviewed. Members agreed for a minimum 20% reduction of their initial sensitive lists and has been successfully implemented by all members. Accordingly, Sri Lanka reduced the original sensitive list of 1042 to 837 for the LDCs and 963 for the non-LDCs in 2014. The progressive reduction of custom duty on the products removed from the sensitive list is to be completed by 2020 and the deadline for Sri Lanka to complete the same is by 2018. Under SAFTA phase 111 further reduction of the sensitive list by 20% was proposed in 2015. However, this proposal has not been agreed or implemented.

During the period under review substantial developments relating to SAPTA/SAFTA negotiations did not take place.

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

The recorded export value of Sri Lanka under SAPTA is 3.40 Mn for 2016 and USD 4.10 Mn for the period January to November 2017. Compared to 2016 the latter shows a slight increase. The main exported item under SAPTA is non-cellular rubber sheets (HS 400821). It is now followed by woven fabric (580620). During the corresponding periods, SAFTA exports stood at USD 7.52 Mn and USD 37.61 Mn for 2016 and 2017 (January – November) respectively. Pepper exports are 80% of the total exports during 2015 and 2017.

During 2017 the Department of Commerce has issued 687 Certificates of Origins under SAFTA and another 267 under SAPTA.

5.3 Negotiation for new Regional Trade Agreements:

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

The Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation (BIMSTEC) which consists of 7 countries namely Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand aims at enhancing the trade flows between the member countries and establishing better economic ties within the region.

The Third BIMSTEC Summit, 14th BIMSTEC Ministerial Meeting and the 16th BIMSTEC Senior Officials' Meeting was held from 1-4 March in Nay Pyi Taw, Myanmar.

During the Ministerial Meeting, the Foreign Ministers of the member countries reviewed the progress of the priority areas in BIMSTEC and expressed their readiness to sign the following instruments:

- Memorandum of Association on the establishment of BIMSTEC Permanent Secretariat
- Memorandum of Understanding on the establishment of the BIMSTEC Cultural Industries Commission and BIMSTEC Cultural Industries Observatory
- Memorandum of Association among BIMSTEC member countries concerning establishment of a BIMSTEC Centre for Weather and Climate

At the Senior Officials' Meeting, it was agreed that the following agreements would be signed during the next Trade and Economic Ministerial Meeting;

- Agreement on Trade in Goods of the Framework Agreement on BIMSTEC Free Trade Area (FTA)

- Protocol to amend the Framework Agreement on BIMSTEC FTA
- Agreement on Dispute Settlement Procedures and Mechanism of the Framework Agreement
- Agreement on Cooperation and Mutual Assistance in Customs Matters

Sri Lanka's Trade Liberalization Programme (TLP) was compiled in consultation with stake holders and in compliance with the structure already agreed by Member States. Accordingly the TLP was submitted to the BIMSTEC secretariat. In the meantime, BIMSTEC Secretariat has circulated the draft text of the 'Rules of Origin and Operational and Certification Procedures under the BIMSTEC Free Trade Area' and the draft text of the 'Agreement on Trade Facilitation for the BIMSTEC Region' for member comments and observations which are being attended to.

5.3.2 Indian Ocean Rim Association (IORA)

IORA is a regional forum among countries of the Indian Ocean Rim which brings together tripartite, Government, Business and Academia, for promoting co-operation and closer interaction among them. Accordingly, there are three Working Groups in respect of the said stakeholder groups, namely, Working Group on Trade and Investment (WGTI), the Indian Ocean Rim Business Forum (IORBF), and the Indian Ocean Rim Academic Group (IORAG). Priority areas have been identified by IORA as (i) Maritime Safety & Security, (ii) Trade & Investment Facilitation, (iii) Fisheries Management, (iv) Disaster Risk Management, (v) Academic, Science & Technology co-operation, (vi) Tourism & Cultural Exchanges (vii) Gender Empowerment and (viii) Blue Economy to promote the sustained growth and balanced development of the region and of the Member States to create a common ground for regional economic co-operation.

Among the significant events for 2017, IORA celebrated its 20th anniversary. Indonesia as the current Chair hosted the first ever IORA Leaders' Summit on 7 March 2017 in Jakarta under the theme "Strengthening maritime cooperation for a peaceful, stable and prosperous Indian Ocean". H.E. the President, Maithripala Sirisena represented Sri Lanka at the Leaders' Summit.

The 17th IORA Council of Ministers Meeting (COM) was held 14-18 October in Durban South Africa. Alongside the COM meeting, 23rd meeting of the IORA Business Forum (IORBF) was held on 14th October, 17th meeting of the Working Group on Trade and Investment (WGTI) was held on 15th October, and 19th Committee of the Senior Officials (CSO) on 16-17th October, and the 4th Indian Ocean Dialogue was organized on 9th and 10th October in Abu Dhabi, UAE.

5.3.3 SAARC Agreement on Trade in Services (SATIS)

The Leaders of the Member States, during the last 16th SAARC Summit held in April 2010 in Bhutan, signed the SAARC Framework Agreement on Trade in Services (SATIS). All countries have ratified this agreement and were in the process of finalizing the national schedules of commitments under SATIS.

No Expert Group on SATIS meetings were held during the year.

The Cabinet granted approval for Sri Lanka's services offer under SATIS and the SAARC Secretariat was apprised that Sri Lanka was ready with her services offer under SATIS. However, the final draft will only be shared once all member states notify that they are ready with their SATIS offers.

Global System of Tariff Preference (GSTP)

The Global System of Trade Preferences (GSTP) initiated under the aegis of the UNCTAD came into force on 19th April 1989 aimed at developing south-south trading opportunities. There were 43 GSTP participating members until the withdrawal of Colombia with effect from August 2017 as per Article 30 of the GSTP Agreement.

So far, three rounds of trade negotiations have been conducted among the participating members of GSTP. The most recent is the “São Paulo Round” launched in 2004 on the occasion of UNCTAD XI held in São Paulo Brazil and concluded in 2010. Of the membership 22 GSTP members participated in the Sao Paulo Round of trade negotiations. Among them only 11 members signed the final protocol of the Sao Paulo third Round in 2010. Of the 11 only Cuba, India, Malaysia and Uruguay (part of Mercosur) have ratified the third round trade agreement so far. Sri Lanka as a GSTP member was among the 22 countries participated in the third Round negotiations but is not yet a signatory to the São Paulo protocol.

6. TRADE, INVESTMENT AND TOURISM PROMOTION

6.1 Overseas Trade Representation

DOC's Commercial Representation comprises of 30 officers in 28 Sri Lanka Missions abroad, engaged in promoting and safeguarding Sri Lanka's commercial and economic interests in the host countries, with special emphasis on trade, investment and tourism. The Commercial Officers carry out a wide range of activities under the "Public - Private Partnership Program". The DOC, with the assistance of the Commercial Officers based in Sri Lankan Missions abroad and other Business Supporting Organizations in Sri Lanka, carried out an array of activities to further expand and diversify international market for Sri Lankan exports. While providing the main focus for the leading exporters to expand their market share in the international market through introduction of new export destinations and creating more conducive environment in existing markets, Commercial Officers continued to assist the Small and Medium scale exporters to gain international market access for their products.

Key functions performed by the Commercial Officers abroad include the following.

- 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.
- Organizing Sri Lanka's participation in important international trade exhibitions/events. This task is considered one of the most effective tools in promoting Sri Lankan exports.
- Arranging foreign business delegations to 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 opportunities.
- Organizing individual business visits from and to Sri Lanka to explore business 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.

	Activity	Total	
1	Staged Sri Lanka specific (single-country) promotional campaigns in host countries	102	
2	Delegations to Sri Lanka	Number of delegations	68
		Number of delegates	466
3	Delegations to the host country	Number of delegations	137
		Number of delegates	1438
4	Individual visits to Sri Lanka	210	
5	Individual visits to the host country	207	
6	Exhibitions promoted in the host country	92	
7	Promotional fair participation from the host in Sri Lanka	Number of fairs	47
		Number of exhibitors / visitors	499
8	Number of inquiries served (Trade/ investment/tourism)	1,918	
9	Number of trade complaints attended	178	
10	Number of product sector promoted	46	
11	No of trade fairs visited by trade officers	54	
12	Sri Lanka's participation in Trade Fairs and Business Network meetings at host country	77	
13	Representing Sri Lanka at International Organizations/Fora	17	
14	Promotion of Investment and Tourism	109	

6.1.1 Performance Evaluation Criteria

1. Export Promotion

The success in terms of securing confirmed orders from a foreign party introduced by the mission hinges on a host of factors mentioned below in addition to networking of buyers and sellers by the missions. It should be noted such factors are overarching and exogenous to the activities of a Trade Promotion Officer. These micro and macro factors are beyond their control and restrict the outcomes of promotional activities undertaken.

Micro Factors	Macro Factors
General export readiness/interest of the company	Competitive economy with low cost of production
Competitive price (Compete with other suppliers)	Level of Investment in technology and level of innovation
Quality of the product	Country resources endowment
Supply capacity- ability to complete large order on time and regular manner	Level of trade facilitation
Compliance with import country regulations and requirements	Budgetary availability
Availability of promotional financing	

6.2. Trade Fair Participation:

6.2.1. Sri Lanka Pavilions organized by the Department at International Trade Fairs

In the context of increasing level of industrial technology and export competitiveness, trade fairs have developed from mere exhibitions to effective market places for meeting business partners, exchanging information and expanding business.

Identifying the importance of Sri Lanka's participation in international trade fairs, Department of Commerce organized Sri Lanka's participation in selected international trade fairs held during the year.

- "World Food 2017" held in Moscow was attended by four Sri Lankan companies exhibiting Ceylon tea, coconut products, Sri Lankan spices and seafood.
- "Foodex Saudi" held in Jeddah was attended by five Sri Lankan companies from food, beverages and spices sectors
- "Nordic Organic Food Fair" was held in Sweden was attended by six companies representing food and beverage sector
- "Kosherfest 2017" held in Washington was attended by three Sri Lankan companies with Kosher Certificate for their products

In parallel to the Sri Lanka's participation in trade fairs, commercial officers stationed in respective missions organized Business Networking Sessions for Sri Lankan participants with business representatives and government officials in those countries which provided the opportunity for them to exhibit the company profiles and build up effective business relationships.

In addition to the organization of Sri Lanka's participation in selected international trade fairs under the direction of this department, commercial officers stationed abroad facilitated and organized the Sri Lanka's participation in international trade fairs with the support of other Sri Lankan authorities such as Sri Lanka Tea Board, Sri Lanka Tourism Promotion Bureau, National Gem and Jewellery Authority, Sri Lanka Export Development Board etc.

During the year 2017 following important international trade fairs organized by commercial officers stationed abroad with the support of other Sri Lankan authorities.

- Consulate General of Sri Lanka in Sydney in collaboration with Sri Lanka Tea Board and the Coconut Development Authority organized Country Pavilions in Fine Food Exhibition held from 11th to 14th September, 2017 at the International Convention Centre, Sydney.
- Sri Lanka Gem and Jewellery single country exhibition was held at Trocadéro on 23rd May 2017 in collaboration with the Export Development Board and the Embassy of Sri Lanka in Paris. Six leading companies from Sri Lanka participated at this exhibition.
- The Commercial Section of the Embassy of Sri Lanka in Paris with collaboration of Export Development Board organized the first ever Sri Lanka's participation at the "Apparel Sourcing Fair" which was held from 18th to 21st September 2017. 8 Apparel exporters and 3 designers attended.
- The Sri Lanka Export Development Board jointly with assistance of the Consulate General of Sri Lanka in Karachi, Pakistan organized a pavilion at "Expo Pakistan" for 14 Sri Lankan companies from the sectors of furniture, porcelain products, chemicals, tea, handicrafts, coconut and coconut based products, garments, herbal cosmetics and beauty products.

Besides providing wide publicity for trade fairs held in Sri Lanka in their respective host countries, the commercial officers also visited trade fairs held in respective/ accredited countries regularly with the purpose of exploring business opportunities for Sri Lankan exporters.

6.3. Promotion of Foreign Direct Investment

Commercial Officers stationed abroad continued to play a vital role in attracting foreign direct investments (FDI) into the country. In this regard, they are engaged 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.

Accordingly, during the period under review, the Commercial Officers had met potential investors in their respective markets, and briefed them on investment opportunities available in the island.

- Sweden Mission was able to arrange a visit for IKEA Company to Sri Lanka from 20th to 23rd February, 2017 to conduct a feasibility study for future investments in Sri Lanka. Thereafter, IKEA visited Sri Lanka twice in the first and second quarter of the year and had several meetings with the production companies in Sri Lanka. They are interested in buying rubber products from Sri Lanka and they visited factories of Lalan Rubber Pvt.Ltd and Delmage Forsyth & Co. Ltd. as well as to a rubber plantation in order to find out business for rubber wood furniture
- Discussions were held with a prospective UAE company interested in setting up a trading house in Sri Lanka. Expected investment is around US\$ 500,000/=. The businesses proposal received from the UAE Company was forwarded to the BOI and the UAE Company visited Sri Lanka to seek the possibility of setting up their company in Sri Lanka.
- Invest Sri Lanka Investor Forum in Sydney 2017 – Securities and Exchange Commission of Sri Lanka and the Colombo Stock Exchange in association with Sri Lanka Missions in Australia organized Roadshow to promote FDI into Sri Lanka. Invest Sri Lanka Investor Forum was held in Sydney on 20th March 2017 and well attended by over 150 Fund Managers and Sri Lankan Diaspora along with Australian Government Officials from DFAT.
- Australia-Sri Lanka Chamber of Commerce assisted by the Consulate arranged a delegation to visit Sri Lanka. An eight member delegation who visited Sri Lanka signed contracts with Sri Lankan IT Companies for the amount of approximately AUS 500,000 inn investment and 15 employment opportunities in the IT sector.
- The Embassy of Sri Lanka, Cairo, Egypt has been supporting the joint venture project between Hegazy Group of Egypt & Samson Compound Company of Sri Lanka in a new investment in Egypt. The product sector focus on Rubber automobile parts to feed the automobile industry in Egypt & other parts of Africa. The joint venture is to be launched taking advantage of the market accessibility of Hegazy Group to automobile manufacturers

in the African continent and the technical know-how to manufacture rubber based automobile parts available to DSI Group.

- Trade section in Tokyo held a meeting with M/s Kunitaro Co Ltd, a leading tea importing company in Japan. The company is eager to import Organic Green tea from Sri Lanka. The company is even willing to invest in machineries to develop existing production lines to get the production in compatible with Japanese market needs. The Mission assisted company to connect two main organic tea companies (M/s Bio foods and M/s Greenfield Bio Plantation) with the help of Sri Lanka Tea Board. The Japanese company is planning to visit Sri Lanka in November
- Following the assistance extended by Trade Officer at the Sri Lanka High Commission in London, a British individual investor, who works for Marks & Spencer, has acquired an existing apparel factory in Kalpitiya with 250 employees. He is planning to expand the current operations of this facility and recruit more staff in the near future. The same investor has another smaller factory near Kuliypitiya and he is planning to shift it to a spacious location with the intention of expanding its operations as well. The expansion is expected to generate about 125 - 130 employment opportunities

6.4. Promotion of Tourism

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

During the period under review, Commercial Officers coordinated and facilitated Sri Lanka's participation at 47 Travel and Tourism Exhibitions with participation of over 500 Sri Lankan travel and tourism companies as well as Sri Lanka Tourism Promotion Bureau Sri Lanka Airline.

Most effective tool of promotion of tourism amongst public and travel industrialists is holding road shows, consisting of various promotional events in a selected city. Commercial officers in collaboration with the Sri Lanka Tourism Promotion Bureau, Sri Lankan Airline and Sri Lankan travel industry organized Road Shows in Italy, Australia, France and Chennai.

Hosting a travel agent or tour operator, Media FAM tours are more effective to increase product knowledge and/or destination knowledge to sell country as a tourism destination. Therefore, SLTPB and Commercial officers in abroad hosted FAM tours for over 100 tour operators, tour agents and media personals.

Documentaries on Sri Lanka Tourism are aired in TV Channels in several countries and also articles were published in various magazines during the year 2017.

Furthermore, Commercial officers organized Cultural Evenings, workshops for travel agents/tour operators, B2B meeting for visiting Sri Lankan companies, presentations, distributions of promotional materials at the various events during the period under review with view to promoting Sri Lanka tourism in the host country.

6.5. Serving Trade, Investment and Tourism Inquiries

The Department of Commerce and the Commercial Officers stationed abroad play a vital role in serving trade inquiries raised by both locals and foreign businessmen. The Commercial Officers serving abroad attend to trade, investment and tourism inquiries received by missions.

During the period under review, the Commercial Officers have received approximately 1918 such inquiries and these were duly attended by providing necessary guidance with a view to promoting Sri Lanka's products in the foreign markets and Sri Lanka as an investment and tourism destination.

The trade inquiries received by Commercial Officers from overseas buyers during the year were forwarded to respective Sri Lankan exporters directly as well as through Chambers of Commerce, Export Development Board and other relevant authorities for immediate action. The inquiries received by this Department were also duly served by with the assistance of Commercial Officers stationed abroad.

Similarly, the inquiries received by Commercial Officers relating to Investment and Tourism were also duly attended by providing necessary assistance by themselves as well as by directing them to respective Institutions/ Ministries in Sri Lanka.

6.6. Assistance to Resolve Trade Disputes

The Department of Commerce acts as a mediator for resolving export related trade disputes for amicable settlement between the involving parties. The actions taken are extremely impartial and focused on finding amicable and mutually negotiated settlements.

During the period under review 178 such complaints were dealt with by the Commercial Officers based in overseas missions.

6.7. Recommendation for Residence Visas

Foreigners requests Residence Visa to stay longer period in Sri Lanka for their business, professional and personal activities. The Department of Immigration and Emigration requests recommendations from the line ministry for the consideration of the issuance of Residence Visas. The Secretary of Industry and Commerce has delegated the Department of Commerce(DoC) with the authority of issuing letters of recommendation for Residence Visas for the expatriates who

employed by the liaison offices, branch Offices or foreign companies and other trade and commercial ventures, whose presence and activities in Sri Lanka fall under the purview of the Ministry.

The Department of Commerce (DoC) issues residence visa recommendation letters for entry and extension for competent foreigners and their dependents in directors, consultants and specialists categories of commercial establishments on their request for a one year period of time.

Applications for such visa recommendations are strictly assessed taking into account the direct benefits of such employments for export trade, technology transfer and productivity increase and there by possible gains to the National Economy.

In the year 2017, the DoC has issued Residence visa recommendation letters for 146 applicants and 114 dependents from 27 nationalities in 80 companies. In comparison to the previous year 2016, it is an increase of 25 applicants, 28 dependents 8 companies and 2 nationalities

6.8. Approval of Credit Agencies

Under the Mortgage Act No. 6 of 1949, Director General of Commerce is empowered to declare a company, 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.

During the period under review the DOC processed 2 applications. Out of these 2 applications processed, there were no companies Gazetted as Approved Credit Agencies.

6.9. Sri Lanka specific promotional campaigns

With the purpose of attracting foreign buyers and popularizing Sri Lankan products in the world, commercial officers stationed abroad organized various Sri Lanka specific programs in their respective countries. During the year 2017 they organized 102 Sri Lanka specific programs.

6.10. EU Funded Trade-Related Capacity Building Project

“EU- Sri Lanka Trade Related Assistance: Increasing SME’s Trade Competitiveness in Regional and EU Markets” 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 in parallel to the 18th EU-Sri Lanka Joint Commission.

EU agreed to fund 8 Million Euros for this project and International Trade Centre (ITC) and UNIDO are the implementing agencies while Department of Commerce is the government focal point of the project.

The Overall Objective of the project is to contribute to Sri Lanka's inclusive trade-led growth and regional integration, thereby contributing to poverty Alleviation.

Launch the project activities in the following key four areas;

- 1) ER 1. Coherent trade strategy for export competitiveness designed and implemented, including policies, regulatory reforms and trade negotiations as shaped by the World Trade Organization (WTO), regional integration process, and EU's Generalized Scheme of Preferences (GSP+),
- 2) ER 2. Enhanced efficiency of cross-border procedures and small and medium enterprises' (SMEs) capacities to comply with them to export to the South Asian Association for Regional Cooperation (SAARC) and EU markets.
- 3) ER 3. Improved compliance and quality infrastructure services to meet quality and Sanitary and PhytoSanitary (SPS) requirements in the regional and EU markets.
- 4) ER 4. Increased SME Competitiveness in export-oriented sectors (spices, food and IT/BPO industry).

During the year 2017, DoC initiated following activities;

- Setting up Video Conference System in Conference Room.
- Contributing GSP+ business guide for Sri Lankan SMEs in English, Sinhala and Tamil
- The two training workshops on Trade Facilitation Training for the Members of Sri Lanka's Technical Committee Under the NTFC trade facilitation held in Colombo on 19-20 April 2017 and 24-25 April 2017
- Maximizing the use of Free Trade Agreements (FTAs) - An Introduction to Quantitative Trade Models Used for Impact Assessment of FTAs – held in Colombo on 24-25 May 2017
- FTA Negotiation Workshop – held in Colombo on 1-3 August 2017
- Trade Negotiation Simulation workshop scheduled to be held from 24th to 27th July 2017
- European External Action and GSP “Plus”: Compliance and Use-6-9th November 2017, held in Brussels
- Technical Capacity Building on Economics of Trade and Trade Agreements (Module I Training) held in Colombo on 23-24 August 2017.
- Training Module Part I – Introduction to “Economics and Articulation of Trade” (23-24 August, Colombo)
- Implementation of trade facilitation reforms prioritized and sequenced- held in Colombo on 11 and 12 October 2017
- Workshop on Introductory training to trade remedies Trade Remedy held in Colombo on 25-27 October 2017
- International Study Tour taking place at EUROSTAT, 6-10th November, held in Luxemburg
- Regional workshops on FTAs best practices and current trends Workshops on 6th November in Jaffna, 8th November in Kandy and 10th November.

7. ISSUANCE OF CERTIFICATES OF ORIGIN

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.

- ✓ 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, 500 COOs were processed and issued by the DOC. A team of highly specialized and experienced officers, who are assigned fulltime to the COO Division, are available for consultation and further clarification at any time during office hours without prior appointments. On average 30 to 50 consultations are carried out daily by the designated officials. The issuance of COOs is a highly specialized function requiring an in-depth knowledge of the respective Rules of Origin Criteria under different trade agreements/ arrangements. The responsibilities of the DOC in this regard;

- 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 and
- e. Compilation of COO related data and analytical reports.

Details of Certificates of Origin issued by the Department of Commerce for last 3 years, are given below.

Certificates of Origin Issued by the Department of Commerce (2015- 2017)

Agreements	2015		2016		2017	
	No. of COOs Issued	Total Exports Value in US\$ Mn	No. of COOs Issued	Total Exports Value in US\$ Mn.	No. of COOs Issued	Total Exports Value in US\$ Mn
EU GSP	72,675	2122.03	74,003	2,243.51	80,867	2473.91
GSP Other Countries	12,465	991.32	12,495	1,150.22	12,468	1429.47
ISFTA	11,494	407.2	12,621	375.16	12,864	442.29
PSFTA	7,320	58.84	6,673	51.52	6,703	60.33
APTA	4,025	118.7	4,508	125.60	6,038	150.8
SAFTA	231	15.39	149	6.89	679	41.07
SAPTA	304	5.26	288	3.40	277	4.49
GSTP	150	49.14	143	45.14	100	81.2
Total	108,664	3,767.88	110,830	4,001.44	120,277	4,683.56

Source: *Department of Commerce*
Sri Lanka Customs

8. STAFF MOVEMENTS OF THE DOC – 2017

Name of the Officer	Movement	Date
Change of Stations – Returned to the Department		
Mr. D.M.N.P. Wijerathne Deputy Director of Commerce	Returned to Sri Lanka from the Permanent Mission to the WTO in Geneva, Switzerland	02.01.2017
Mr. D.D. Premarathne Deputy Director of Commerce	Returned to Sri Lanka from the Embassy of Sri Lanka in Tokyo, Japan	03.04.2017
Mr. D.M. Rathnayaka Deputy Director of Commerce	Returned to Sri Lanka from the Consulate General of Sri Lanka in Sydney, Australia	15.05.2017
Mrs. H.K.W.Liyanage Assistant Director of Commerce	Returned to Sri Lanka from the Embassy of Sri Lanka in Bangkok, Thailand	08.06.2017
Mrs. C.M.G.R. Silva Director of Commerce	Returned to Sri Lanka from the Embassy of Sri Lanka in Brussels, Belgium	01.07.2017
Mr. W.P.A.F. Gunasekara Deputy Director of Commerce	Returned to Sri Lanka from the Embassy of Sri Lanka in Paris, France	10.07.2017
Mr. A.G.N. Karunathilaka Director of Commerce	Returned to Sri Lanka from the High Commission of Sri Lanka in London, UK	31.07.2017
Mr. H.M.B. Herath Deputy Director of Commerce	Returned to Sri Lanka from the Consulate General of Sri Lanka in Karachi, Pakistan	02.08.2017
Mrs. M.M.T.D. Mullegamgoda Assistant Director of Commerce	Returned to Sri Lanka from the Embassy of Sri Lanka in Sweden	08.08.2017
Mr. P.K.S. Pattiwila Deputy Director of Commerce	Returned to Sri Lanka from the High Commission of Sri Lanka in Malaysia	16.08.2017
Mrs. R. Mallikarachchi Assistant Director of Commerce	Returned to Sri Lanka from the High Commission of Sri Lanka in Singapore	22.08.2017
Ms. C.K. Kiriwandala Deputy Director of Commerce	Returned to Sri Lanka from the Embassy of Sri Lanka in Moscow, Russia	17.10.2017
Change of Stations – Posted to Foreign Missions		
Mrs. S.H.S. Ariyaratne Deputy Director of Commerce	Posted to the Embassy of Sri Lanka in Brussels, Belgium	01.10.2017
Mr. P.A.S. Ponnampereuma Deputy Director of Commerce	Posted to the Embassy of Sri Lanka in Washington D.C, USA	01.07.2017
Mr. L.G. Dissanayaka Assistant Director of Commerce	Posted to the Consulate General of Sri Lanka in Toronto, Canada	26.06.2017
Mrs. K.D.N.Kodikara Assistant Director of Commerce	Posted to the High Commission of Sri Lanka in Singapore	16.08.2017
Mr. G.L. Gnanathewa Deputy Director of Commerce	Posted to the Consulate General of Sri Lanka in Karachi, Pakistan	07.01.2017

Mr. Abdul Raheem Deputy Director of Commerce	Posted to the Consulate General of Sri Lanka in Sydney, Australia	11.05.2017
Mrs. U.Samarathunga Director of Commerce	Posted to the High Commission of Sri Lanka in New Delhi	15.07.2017
Ms. W.M.B. Abeykoon Assistant Director of Commerce	Posted to the High Commission of Sri Lanka in Malaysia	03.08.2017
Mr. R.G.S.P.K. Wijesekara Deputy Director of Commerce	Posted to the Embassy of Sri Lanka in Tokyo, Japan	20.04.2017
Mrs. E.T.M.C.S. Aberathne Assistant Director of Commerce	Posted to the Embassy of Sri Lanka in Paris, France	03.07.2017
Mr. W.A.P. Sirimanna Assistant Director of Commerce	Posted to the Embassy of Sri Lanka in Bangkok, Thailand	01.06.2017
Ms. W.C.K. Perera Assistant Director of Commerce	Posted to the Embassy of Sri Lanka in Moscow, Russia	08.12.2017
Ms. W.G.Y.N. Gunawardhana Assistant Director of Commerce	Posted to the Embassy of Sri Lanka in Sweden	28.07.2017
Recruitments		
Ms. W.A.S.K. Perera Assistant Director of Commerce	Recruited to the Department of Commerce, Sri Lanka	01.06.2017
Mr. K.K.S. Sameera Assistant Director of Commerce	Recruited to the Department of Commerce, Sri Lanka	01.06.2017
Ms. T.C. Vithanawasam Assistant Director of Commerce	Recruited to the Department of Commerce, Sri Lanka	01.06.2017
Mrs. P.K. Boomawalage Assistant Director of Commerce	Recruited to the Department of Commerce, Sri Lanka	01.06.2017
Ms. J.A.C.A. Jayawardhana Assistant Director of Commerce	Recruited to the Department of Commerce, Sri Lanka	01.06.2017
Ms. M.W.M. Abeykoon Assistant Director of Commerce	Recruited to the Department of Commerce, Sri Lanka	01.06.2017
Mr. S.M.S.R. Bandara Assistant Director of Commerce	Recruited to the Department of Commerce, Sri Lanka	01.06.2017
Ms. G.K. Senarathna Assistant Director of Commerce	Recruited to the Department of Commerce, Sri Lanka	28.12.2017
Ms. W.T.S. Perera Assistant Director of Commerce	Recruited to the Department of Commerce, Sri Lanka	28.12.2017
Mr. J.D. Hettiarachchi Assistant Director of Commerce	Recruited to the Department of Commerce, Sri Lanka	28.12.2017
Retirements		
-	-	-

9. ANNUAL ACCOUNTS – 2017

Head No: 295

Ministry / Department :- Department of Commerce

Programme No: 01

Project No: 01

Recurrent Expenditure

<u>Recurrent Expenditure</u>					
Description	2016 Actual RS.000	2017 Estimate RS.000	2017 Revised Estimate RS.000	2017 Actual Exp. RS.000	2017 Savings RS.000
Personal Emoluments	46,969	48,100	52,750	51,357	1,393
Other	62,156	70,967	69,550	64,408	5,142
Total	109,125	119,067	122,300	115,765	6,535

<u>Capital Expenditure</u>					
Description	2016 Actual RS.000	2017 Estimate RS.000	2017 Revised Estimate RS.000	2017 Actual Exp. RS.000	2017 Savings RS.000
Rehabilitation and Improvement of Capital Expenditure	537	2,450	2,710	2,119	591
Building & Structures (2001)	212	2,000	2,260	2,108	152
Vehicles (2003)	325	450	450	11	439
Acquisition of Capital Assets	2,279	2,000	3,157	3,148	9
Furniture & Office Equipment (2102)	1,512	1,000	1,000	991	9
Machinery (2103)	767	1,000	2,157	2,157	-
Human Resource Development	2,454	2,500	2,500	2,077	423
Staff Training (2401)	2,454	2,500	2,500	2,077	423
Other Capital Expenditure	4,847	6,000	6,000	5,828	172
Investments (2502)	4,847	-	-	-	-
Development Assistance (2202)	-	6,000	6,000	5,828	172
Total	10,117	12,950	14,367	13,172	1,195