PERFORMANCE REPORT
AND
ANNUAL ACCOUNTS

FOR THE YEAR 2018

DEPARTMENT OF COMMERCE

[HEAD 295]

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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."***

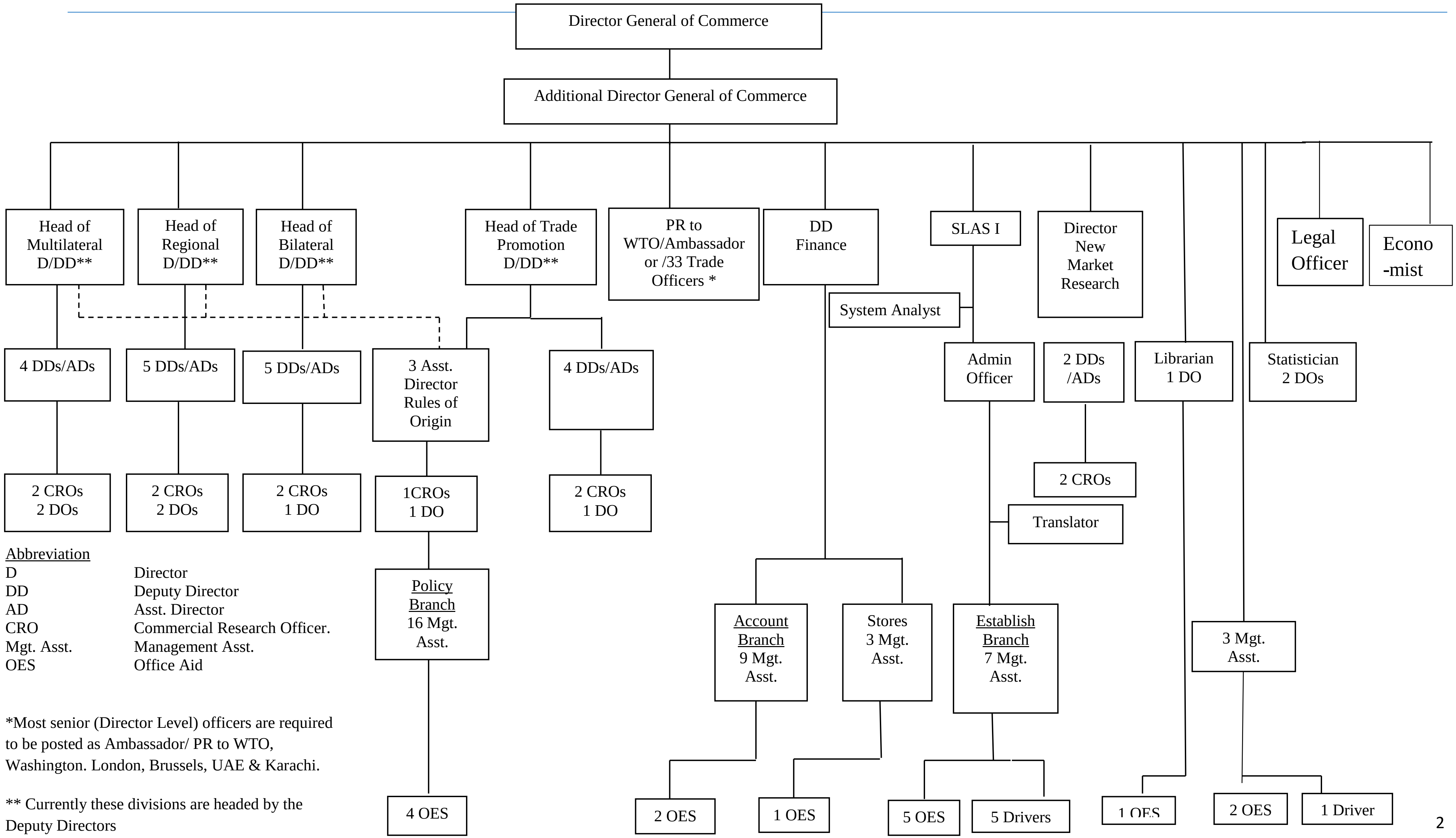
Department of Commerce (DOC), the international trade policy arm of the Ministry of Industry and Commerce, Resettlement of Protracted Displaced Persons, Cooperative Development and Vocational Training & Skills Development, plays a key role in the overall conduct of Sri Lanka's foreign trade relations 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 and Commerce, Resettlement of Protracted Displaced Persons, Cooperative Development and Vocational Training & Skills Development 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 2018 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 investments and Sri Lanka tourism as well.

ORGANIZATION CHART: DEPARTMENT OF COMMERCE



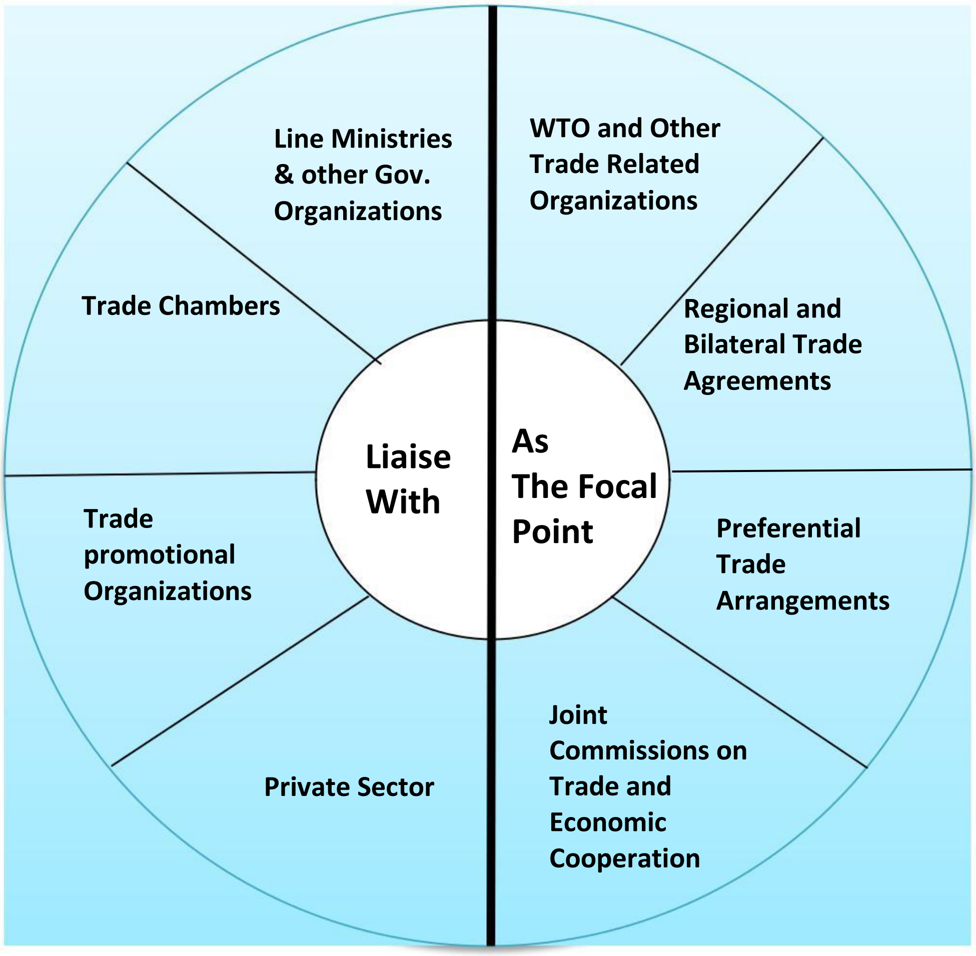
Abbreviation

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

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

** Currently these divisions are headed by the Deputy Directors

Our Relations



2. REVIEW OF SRI LANKA'S FOREIGN TRADE – 2018

The foreign trade outlook for 2018 captures the market access opportunities and the impact of internal and external challenges that were prevalent during the year. On the external front mixed outcomes were observed. For the first time since the global financial crisis, a synchronised economic growth in advanced economies was recorded. Among these are the US, EU, UK and Japan, the main trading destinations for Sri Lanka. However, the world merchandise trade growth stagnated at 4.4% in 2018. Series of successive retaliatory trade restrictions, imposed by the US and China contributed towards geopolitical uncertainties. In addition, sluggish growth in the Middle Eastern economies, trade protectionist measures of other trading partners had an adverse impact on Sri Lanka's trade during the year.

Identified in the Central Bank Report 2017 trade deficit widened due to unexpected increase of imports resulting inclement weather conditions and firming of international commodity prices, in spite of a notable 10% double-digit growth recorded as earnings from exports partly due to the reinstatement of EU GSP + in May 2017. Moderate earnings from tourism, slow growth in domestic savings, decline in worker remittances, high interest payments and reinvestment earnings in direct investment enterprises too contributed to an external current account deficit further pushing towards a twin deficit during the period under review.

The 2025 Vision of the Government of Sri Lanka published in 2017 provides a future direction in foreign trade with identified economic strategies to transform Sri Lanka into the commercial hub of the Indian Ocean. Among the objectives are 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.

Enhancing foreign trade is instrumental in positioning Sri Lanka as an export oriented economic hub in the Indian Ocean. Current challenges relating to low share of exports as a share of global exports and as a share of GDP and stagnating FDIs needs have to be addressed. Improving competitiveness of export commodities, diversifying the narrow composition of exports, broadening export destinations, exploring services exports, developing the SMEs to penetrate global markets, enhancing production and productivity, diversifying the manufacturing and industry sector into high value added and technologically intensive goods in order to integrate into global value chains, and attracting FDIs in the knowledge based industries are identified as key areas necessary to ensure such development, a sustainable economic growth in the country and to achieve the set targets and visions.

Further, in doing so, necessary concomitants such as domestic supply and capacity constraints, export competitiveness, including standards related issues, Mutual Recognition Agreements for goods and services; non-tariff factors affecting Sri Lanka's exports abroad, gaining a higher ranking in international investment indices/standards as Ease of Doing Business (WB) and Global Competitiveness (WEF) remain to be addressed. In relation to FDI, investment in infrastructure has not stimulated the industry sector yet. Investment in manufacturing industries, agribusiness and tradable services is very low compared to other economies in Asia. Therefore, much attention is needed to attract the most useful investment projects for Sri Lanka.

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

Sri Lanka's foreign trade policy continued to focus on bilateral, regional and multilateral trade agreements aimed at promoting trade and attracting 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. Regaining EU GSP Plus in May 2017 after the suspension in August 2010 reflects the increase in exports to EU during the reviewed period. 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.

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. After the successful conclusion of the 4th Round Asian Pacific Trade Agreement (APTA) trade negotiations in 2017, Sri Lanka obtained the Cabinet approval in 2018 to implement the 4th round concessions. At present Sri Lanka benefits from the concessions offered by APTA member countries especially to enhance market opportunities in China and Republic of South Korea. Similarly, in addition to the FTAs with India and Pakistan, the FTA with Singapore is expected to create more investment and business opportunities through Global value chain (GVC) operations and product sharing networks.

In relation to the multilateral front, 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. Fulfilling Sri Lanka's commitments under the TFA, the Government of Sri Lanka initiated the "Sri Lanka Trade Portal (SLTIP)" with the cooperation of the World Bank. SLTIP launched on 20th July 2018 contains trade related regulatory information on a single web portal. This is a major step in facilitating cross border trade by providing timely updated trade related information in an easily accessible way. It is envisaged reduction of trade costs and improvement of export competitiveness through eliminating cross border impediments would ensure smooth flow of trade. SLTIP which is supported by 41 stakeholders is now managed by the Department of Commerce.

The long outstanding enactment of Anti-Dumping, Countervailing duties and Safeguard Measures legislation of Sri Lanka was approved by the Cabinet during the period under review. Both the Anti-dumping and Countervailing Duties Act, No 2 of 2018 and the Safeguard Measure Act, no 3 of 2018 become effective with the publication of gazette dated 23rd March 2018 and 19th March 2018 respectively. It is enacted with the objective of protecting the local industries from unfair competition in the local market. The Department of Commerce is in the process of establishing a Trade Remedy Unit at the Department of Commerce to conduct the investigations.

During 2018, the Department of Commerce conducted many outreach programmes on export promotion opportunities and trade facilitation to educate the private sector organizations. Many workshops were organized in Colombo and other regions to create awareness of the advantages of reinstated EU GSP Plus programme, exporter registration system REX, advantages of SLTIP, trade facilitation, rules of origin criteria and trade remedy measures etc.

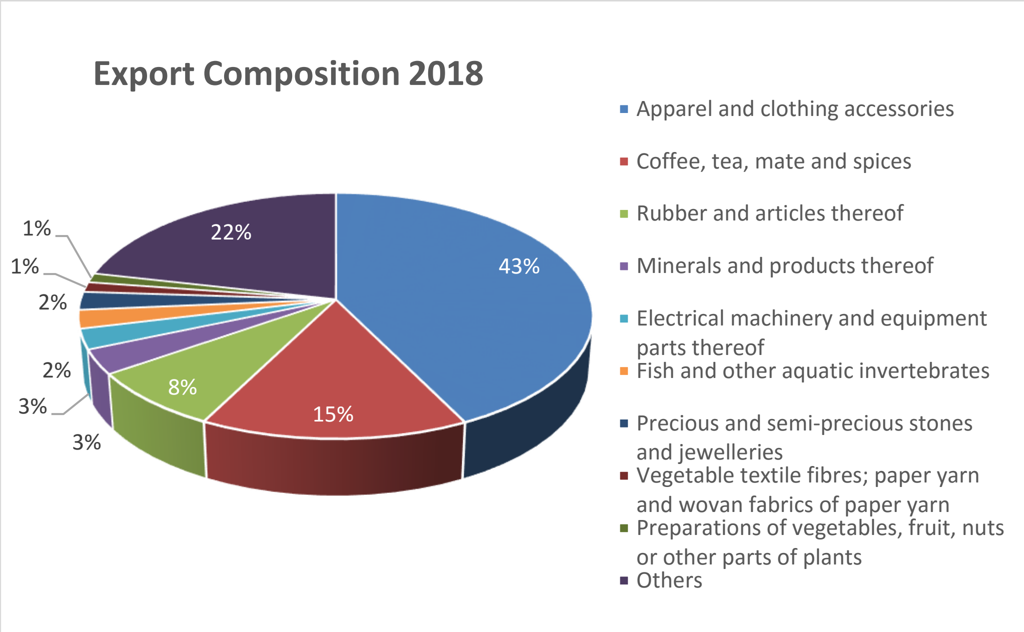
Sri Lanka's Total Imports, Exports and Balance of Trade

2010 – 2018 (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
2018	11,687	2.42	22,069	3.50	33,756	-10,382

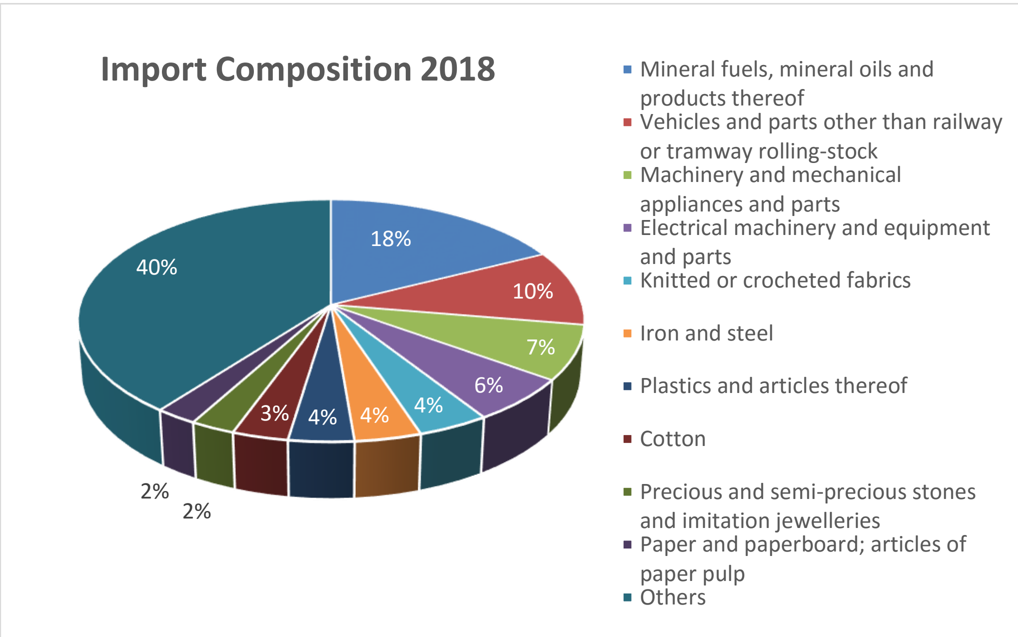
Source: Sri Lanka Customs

2.1 Export & Import Performance



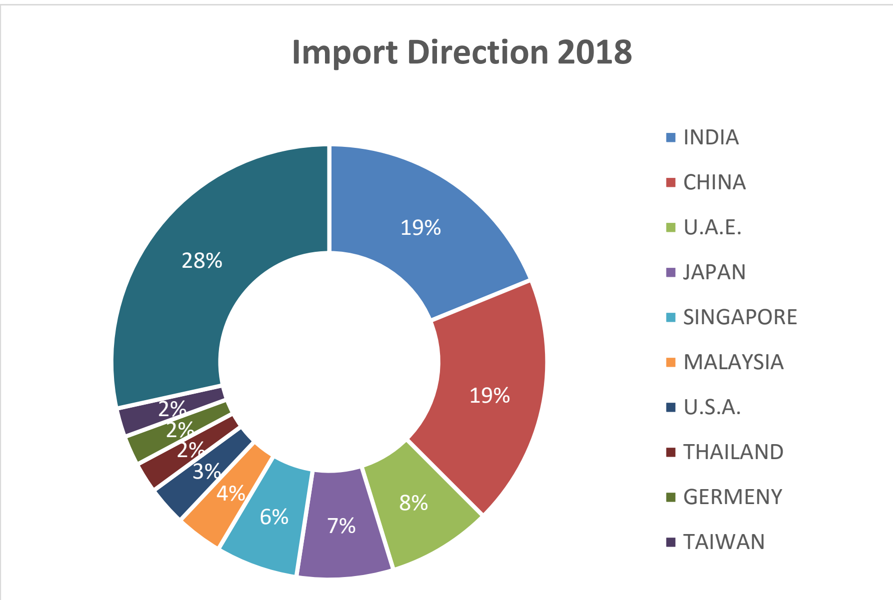
Sri Lanka's total export earnings during the year 2018 stood at US$ 11,687 million whereas the value for 2017 was US$ 11,411 million.

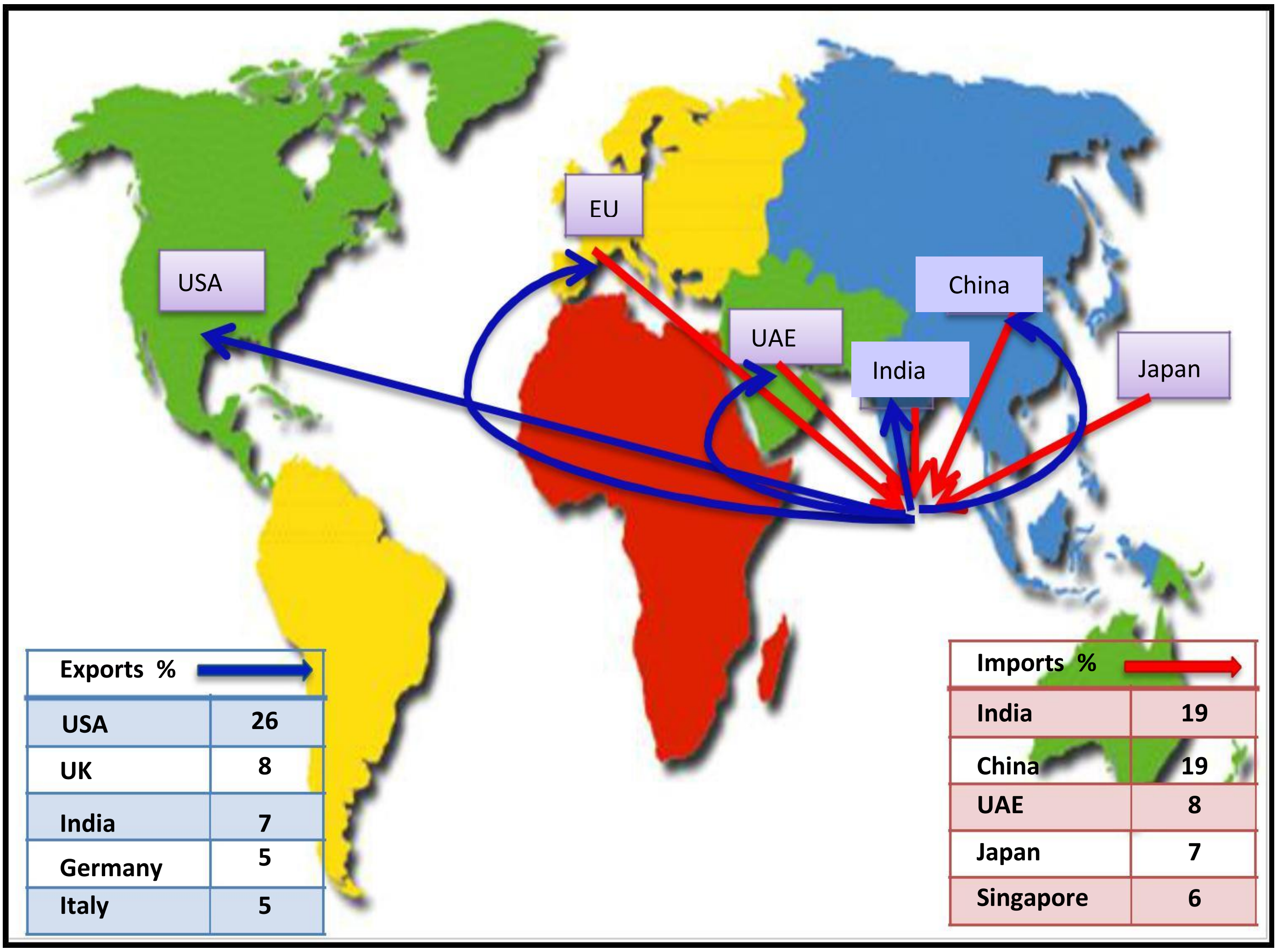
Sri Lanka's export earnings were led by Apparel, contributing 43% to total export earnings, marking slight increase compared to 2017 (1%). The second major export earner in 2018 was Tea (15%) followed by Rubber and Rubber products thereof (8%), Mineral products (3%) and Electrical machinery and equipment (3%).



Sri Lanka's total imports expenditure during the year 2018 has increased from US$ 21,324 million in 2017 to US$ 22,069 million in 2018 indicating 3.5% growth. Sri Lanka's import basket in 2018 has been dominated by Mineral and product thereof with a share of 18%. Other major import items are Vehicles & Parts (10%), Machinery & Equipment (7%), Electrical Machinery & Equipment (6%) and fabrics (4%).

2.2 Direction of Sri Lanka's Trade 2017-2018





Exports %	
USA	26
UK	8
India	7
Germany	5
Italy	5

Imports %	
India	19
China	19
UAE	8
Japan	7
Singapore	6

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;

3.1.1 Fulfilment of obligations under WTO Trade Facilitation Agreement (TFA)

Marking a major milestone for the global trading system, the first multilateral deal concluded in the 21-year history of the World Trade Organization was the Trade Facilitation Agreement signed on 22 February 2017. Sri Lanka, as the 81st member to do so, deposited her Ratification Instrument on 31 May 2016.

According to the Agreement, the countries who ratified the Agreement, need to make the notification of category commitments before completion of one year from the date of implementation of the Agreement, i.e. 22 February 2018. The National Trade Facilitation Committee (NTFC), with the assistance of the World Bank Group has prepared final category commitments of Sri Lanka, and submitted to the TFA Committee after obtaining the approval from the Cabinet before this deadline. By the end of the year, 114 countries have presented Category A notifications, while 75 and 65 of them have submitted Category B and C notifications respectively.

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.

3.1.2 Promoting Sri Lanka as a Multi-Country Consolidation Hub

Having identified Sri Lanka as strategically positioned to become an Indian Ocean logistics hub, the Global Alliance for Trade Facilitation (GATF) has selected Sri Lanka to promote the Multi-Country Consolidation Hub (MCCH) concept as a part of their assistance for the effective implementation of TFA. The Alliance has identified the country with great potential in developing the transhipment business with a majority of imports/exports to and from India and other neighbouring countries that currently passing via Colombo.

The project was launched officially at a ceremony held in Colombo on 3rd October 2018 with the participation of both private and public sector representatives directly and indirectly engaged with this project. The project will be implemented in three phases. Drafting a package of legal and regulatory measures that are required to allow for MCCH to thrive in the country will be done in the first phase. A mapping of the time and documentation requirements to move cargo from and to an MCC facility is also being undertaken during the first phase.

The Global Alliance is a public-private partnership that supports trade facilitation reforms in developing countries in line with the WTO Trade Facilitation Agreement. The Washington DC based Centre for International Private Enterprise (CIPE) is the host Organization for this project in Sri Lanka. Vérité Research and ICC Sri Lanka are local Alliance partners for this project, while the Ministry of Development Strategies and International Trade is the direct Government partner.

3.1.3 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.

Disciplining trade distorting subsidies comes under the preview of the Agreement on Subsidies and Countervailing Measures (SCM) of the World Trade Organization (WTO). Management and control of fisheries subsidies have been discussed in many Ministerial meetings of the WTO and, in particular, WTO Doha Ministerial Declaration of November 2001. Paragraphs 28 and 31 especially endorsed the WTO's engagement in disciplining subsidies.

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. The proposed subsidy disciplines are to be focused on four (04) areas.

- (a) Subsidies contributing to IUU fishing
- (b) Subsidies contributing to overfished stocks
- (c) Subsidies contributing to overfishing and overcapacity
- (d) Cross cutting issues such as transparency, dispute settlement, institutional arrangements etc.

Fisheries sector being the major source of livelihood nutrition, employment and export revenue of the country, Sri Lanka Mission to WTO continues to engage in the discussions actively to safeguard the national interest while contributing to the proposals on management and conservation of global fisheries resources.

Recognizing the active role played by Sri Lanka at the ongoing negotiations, Sri Lanka was selected as a country to be included in the incubator process, which was suggested to accelerate the process of disciplining fisheries subsidies with a view to arriving at an outcome by 2020. Only 38 countries were selected as incubator group members out of full WTO membership.

Further, Sri Lanka put forward a new proposal to conduct regional level capacity building workshops which bring together fisheries experts and WTO experts in developing countries regionally with a view to bridging existing knowledge gaps between two groups of experts on the disciplines to be developed. This proposal was successful in getting the attention of the whole membership at the Council level and the attraction of the Secretariat. Following this proposal, the Mission made a request to the Secretariat for organizing one workshop in Colombo for Asia and Pacific Region. This request was accepted and it was agreed to hold the Regional workshop for Asia in Colombo in May 2019.

3.1.4 Agriculture Negotiations in the WTO

WTO members have taken steps to reform the agriculture sector and to address the subsidies and high trade barriers that distort agricultural trade. The overall aim is to establish a fairer trading system that will increase market access and improve the livelihoods of farmers around the world.

During the year, Sri Lanka made Agriculture notifications pertaining to Domestic Support (2014-2016) and Export Subsidies (2015-2017).

3.2 Assessment of E-Commerce Readiness in Sri Lanka

With a view of benefitting from the rapidly changing industry and trading environment, particularly in view of the Government's 2025 development agenda, the need for addressing the country's digital infrastructure requirements, existing gaps and its e-commerce readiness is an identified priority. The UNCTAD has continuously propagated to address the digital divide in developing countries in order to ensure sustainable benefits from dynamic global trading environment. Donor agencies such as IMF, World Bank and developed countries have committed to assist developing countries to develop necessary digital enabling infrastructure for e-commerce. Accordingly, initial discussions were held with senior officials from UNCTAD and the World Bank Group, with a view to pursuing Government's development agenda 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 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.

The assessment of the e-commerce readiness requires a close coordination among the co-agencies involved in developing the country's digital infrastructure, such as Ministry of Industry and Commerce, Ministry of Telecommunication and Digital Infrastructure, Sri Lanka Customs and Central Bank of Sri Lanka.

3.2 Technical Assistance for capacity building

3.3.1 National Workshop on WTO Rules of Origin, 30 Oct – 01 Nov 2018 in Colombo

National Workshop on WTO Rules of Origin was organized by the Department of Commerce in collaboration with the expertise rendered by the WTO during 30 October to 01 November 2018 in Colombo. Participants both from the private and the public sector have been benefitted through this training programme. The Workshop was also attended by a resource personnel from World Customs Organization who covered the practical aspect of Rules of Origin including the verification process.

3.3.2 Proposed National Level Workshop on Trade and Development

Having identified the pressing need of enhancing the knowledge of policy makers on various special and differential provisions embodied in various WTO Agreements, a proposal was made to the WTO Secretariat for organizing a focused national level activity/workshop in Colombo. This programme was initially discussed to organize in the last quarter of 2018, however, the programme could not be organized as planned and was postponed to the first half of 2019. This focused workshop is expected to address the understanding gaps on special and differential provisions embodied in the WTO Agreements and how to effectively make use of such provisions in our efforts of integrating into world trade.

3.3.3 Regional Workshop for Asia and Pacific on Fisheries Subsidy negotiations

With a view to bridging existing knowledge gaps between Fisheries Authorities and Trade Negotiators in the Developing countries, a proposal was forwarded to conduct regional level capacity building workshops at the last General Council meeting held in 2018. Having taken good note of the importance of this proposal, the WTO Secretariat has allocated necessary funds to implement the proposal. Request from Sri Lanka to conduct a Regional Workshop for Asia in Colombo was also accepted by the Secretariat and arrangements are underway to organize this activity in May 2019 with WTO funding and expertise from WTO, FAO and other institutions involved in this process. Participants from Developing Countries in the Asian Region are expected to attend the Workshop in Colombo, while Sri Lanka being the host country, would be able to get the benefit of the presence of expertise in town to arrange constructive meetings.

3.3.4 Participation at other WTO Technical Assistance Programmes

A total of 21 officials and policy-makers from the Department of Commerce and other respective institutions in Colombo participated at 16 technical assistance programmes sponsored by the WTO and other international economic organizations based in Geneva during the year 2018.

The topics covered through these technical assistance programmes include WTO related technical matters such as Agreement on Agriculture, Intellectual Property, Trade in Services, Trade and Environment, SPS, Government Procurement, Global Value Chains, etc as well as a Regional Trade Policy Course which covers all technical matters on WTO.

3.4 Sri Lanka's engagement with the UNCTAD:

The UNCTAD hosted the 10th Anniversary of the World Investment Forum from 22 to 26 October 2018 at the Palais des Nations. The Forum has drawn over 6,000 participants from 186 countries, including 11 Heads of States, 55 Ministers, leaders of Investment Promotion Agencies, and more than 1,700 private sector participants from multinationals and stock exchanges. Hon. Minister of Development Strategies and International Trade was scheduled to participate at the Forum and to co-chair the High-Level International Investment Agreements Conference which was to be held in the margins of the Forum. However, Hon. Minister's visit was cancelled. On his absence, the Attorney General, Hon. Jayantha Jayasuriya co-chaired the High-level Conference while attending the Investment Forum together with Officials from Attorney General's Department and the Board of Investment of Sri Lanka.

At the meeting of 17th Session of the Intergovernmental Group of Experts on Competition Law and Policy held in July 2018, Sri Lanka extended its support for the proposal put forward by the Russian Federation on the development of a Toolkit on International Cooperation of Competition Authorities.

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

After carrying out a lengthy process of consulting stakeholders and expert organizations, the Department of Commerce with the assistance of relevant agencies finalized Sri Lanka's national trade remedy laws in 2018. Two legislations containing Sri Lanka's trade remedy laws i.e. the Anti-Dumping and Countervailing Duty Act and the Safeguard Measures Act were approved by the Sri Lanka Parliament in March 2018 and the Acts were published as a Supplement to Part II of the Gazette of the Democratic Socialist Republic of Sri Lanka on March 23, 2018. By passing the Acts, Sri Lanka now aligns itself with the majority of its fellow WTO members who also have trade remedy laws.

The Department of Commerce (DoC) of Sri Lanka, as the focal point of WTO in Sri Lanka, is responsible for the operationalization of the recently enacted trade remedy legislations in the country. The DoC is setting up a dedicated Trade Remedy Unit in the Department which is vested with the responsibility of conducting investigations and making recommendation of remedial action on possible unfair trade practices by trading partners. This dedicated unit is staffed with an economist, a legal officer and a team of officials from the DOC.

Providing a comprehensive training on all the aspects of the trade remedies to the staff of the unit has been identified as a vital component in order to achieve expected outcome from the new legislations. In addition, general awareness among the business community and supporting organizations about the instances that the trade remedy instruments can be used is also important to successful implementation of the laws. The Department of Commerce, through the trade chambers, has organized a series of awareness programmes on the newly enacted laws. At the same time the Department with the assistance of donor agencies has organized well-structured technical trainings giving much essential comprehensive technical knowledge to the officials of the Trade Remedy Unit and the private sector participants on operationalization and the usage of trade remedy instruments.

3.6 Subsidies and Countervailing Duty (CVD Appeal)

Based on a countervailing duty petition filed by US industry at the US Department of Commerce (USDOC) and US International Trade Commission (USITC) alleging that producers of off-the-road tires in Sri Lanka benefits from subsidies provided by the government and the subsidized imports cause injury to the domestic rubber industry of the United States, the US Department of Commerce initiated a subsidies and countervailing duty (CVD) investigation aiming at imposition of countervailing duty on imports of OTR tyres from Sri Lanka to the United States.

After the investigations, the US Department of Commerce on January 4, 2017, announced its affirmative final determinations in the countervailing duty (CVD) investigations and imposed 2.18 per cent countervailing duty on imports of OTR tyres from Sri Lanka.

On behalf of the Sri Lanka government, the Department of Commerce of Sri Lanka, in collaboration with the Attorney General's Department and the affected exporter in Sri Lanka, made number of submissions to the US Department of Commerce and the International Trade Commission in the investigation stage rebutting the petitioner's claims. After imposition of the countervailing duty of 2.18 percent, the Department of Commerce of Sri Lanka, with the assistance of other line agencies and the local company, took necessary measures to challenge the decision by the USDOC at the US Court of International Trade. As a result of effective interventions in the appeal procedures by the Sri Lankan government, the US Court of International Trade on 11th July 2018 ruled that the 0.95 percent countervailing duty attributed to one of Sri Lanka's subsidy schemes be removed. With this removal, the overall countervailing duty rate on import of OTR tyres from Sri Lanka to the US imposed by the USDOC fell down below the minimum threshold of 2 percent to impose countervailing duty on developing countries as specified in the WTO Agreements. This paved the way to terminate the imposition of 2.18 percent countervailing duty on export of OTR Tyres from Sri Lanka to the USA. However, the US Department of Commerce made an appeal against the decision. The Department in collaboration with other relevant institutions made necessary submissions to the appeal process appropriately. The US appealed was subsequently disqualified.

3.7 Trade Remedies Unit

The Department of Commerce established a trade remedies unit to carry out the functions set out in the Anti-Dumping and Countervailing Duties Act and Safeguard Measures Act, which were enacted in March 2018. Both Acts empower Director General of Commerce to undertake investigations into allegations of dumped goods, subsidized goods and import surges, and to recommend measures to counter the effects of such acts.

The trade remedies unit is composed of eight officers from the regular cadre of the Department, and will also have two dedicated officers, namely a legal officer and an economist permanently attached to the unit once they are recruited.

The Department of Commerce has been undertaking the following activities with respect to the establishment of the unit;

1) Recruitment of legal officer and economist
2) Finalization of regulations related to the Act
3) Finalization of documents relating to the investigations
4) Training of officers of the unit on carrying out investigations, including calculations, data collection, legal requirements
5) Training for the private sector on the use of these Acts

Related to this is the preparation of a non-preferential rules of origin framework, which would be necessary in order to identify the origin of goods against which measures have been imposed under the above Acts. Sri Lanka does not presently have a framework for non-preferential rules of origin. Therefore, the Department of Commerce will be engaging with Sri Lanka Customs and other relevant organizations for the preparation of such a scheme within the next year.

3.8 The Sri Lanka Trade information portal (SLTIP)

The Sri Lanka Trade information portal is the single stop point for all information relating to import and export to and from Sri Lanka. This Trade information Portal is hosted by the Department of Commerce on behalf of all the Government and semi-government agencies involved in the import/export process. In this portal, traders will be able to get information about all the regulatory requirements they need to fulfill in order to carry out their transactions. These regulatory requirements may involve a number of government and semi-government agencies.

The DOC has appointed a dedicated team of eight officers, who got the 100% validation of the TIP from its stakeholders who provided information to SLTIP. Further MOUs have been signed with organizations providing information to SLTIP to ensure that they provide information continuously.

The Department of Commerce, in collaboration with the Regional Chamber of Commerce and Industries of Central province and Wayamba and the International Trade Centre (ITC), funded by the European Union (EU) conducted a series of awareness programs on SL Trade Information Portal in 4th quarter 2018. Further, there were three workshops organized by the Department in collaboration with Trade Chambers in Colombo, making awareness among the exporters on the benefits of SLTIP who are located in urban and regional areas in the country.

In December 2018, The Department of Commerce in collaboration with ITC, conducted several technical assistance sessions in order to improve the user-friendliness of the existing SLTIP website by mapping of products in the step-by-step process.

4. BILATERAL TRADE AND ECONOMIC CO-OPERATION

4.1 Indo-Lanka Free Trade Agreement

The Indo-Sri Lanka Free Trade Agreement (ISFTA), which has been in force since 2000, continues to make a significant contribution in enhancing Sri Lanka's exports to the Indian market. Total value of Sri Lanka's exports to India has increased to USD 768.71 million in 2018 from USD 689.48 million in 2017 registering a year-on-year growth of 11%. It is pertinent to mention that almost 63% of Sri Lankas's exports to India in 2018 have taken place under the ISFTA concessions. Accordingly, Sri Lanka has exported around US$ 481 million worth goods to India under the ISFTA in 2018 registering a notable growth of 47% over the corresponding period last year.

Furniture, MDF boards, insulated copper wires & cables, bottle coolers, electrical machinery & equipment parts, polished marbles, apparel, glass bottles, rubber gloves, pneumatic tyres, bicycles, cocoa products, processed meat products, ceramic tableware & tiles, various food preparations, spices, animal feed etc., feature among the main items of export from Sri Lanka that enjoy the ISFTA benefits.

The Department of 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. The key issues addressed in this context include removal quantitative restrictions imposed by India on products such as apparel and black pepper, Customs clearance and sample testing procedures relating to tea exports, excessive documentation charges and delays, securing Indian Government procurement tenders for Sri Lanka's shipbuilding industry and certain other non-tariff measures.

In close collaboration with the High Commission of India, the Department of Commerce also facilitated a seminar on the recently introduced Goods and Services Tax (GST) of India for the benefit of the Sri Lankan export community. The seminar held on 23rd March 2018 in Colombo was conducted by a team of officials from the GST Policy Wing of the Central Board of Excise & Customs of India. The numerous different taxes previously collected at the Central and the State Government level in India had been one of the major difficulties Sri Lankan exporters had encountered in the Indian market. However, with the introduction of GST, most of such issues would no longer be hampering Sri Lankan exports to India.

4.2 Pakistan- Sri Lanka Free Trade Agreement

Sri Lanka – Pakistan Free Trade Agreement (PSFTA), which entered into force in 2005, has also contributed to the enhancement of bilateral trade between the two countries. The value of exports to Pakistan in 2018 was US $ 75.94 Million out of which US $ 50.72 million worth of exports have taken place under the PSFTA. The major products exported by Sri Lanka under the 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 wheat, meslin, rice, float glass, citrus fruits, steel tubes, etc.

4.3 Trade and Investment Facilitation Agreement (TIFA) with the USA

13th Session of the Joint Council Meeting (JCM) under the USA- Sri Lanka Trade and Investment Framework Agreement (TIFA) was scheduled to be held in December 2018 in Sri Lanka. However, due to some unavoidable circumstances, the USA side requested to reschedule the JCM during the first quarter of 2019.

After a shift in trade policy of the USA, the office of the United States Trade Representative (USTR) is now seeking to revise the Joint Action plan, which was adopted during the 12th Session of the Joint Council Meeting to boost trade and investment between Sri Lanka and USA. As a result, USTR had inquired on Sri Lanka’s position on six key areas before Scheduling the 13th Session of the Joint Council Meeting.

Department of Commerce submitted a position paper explaining Sri Lanka’s position on following key areas.

i. Joining the WTO Information Technology Agreement (ITA)
ii. Implementation of the Trade Facilitation Agreement (TFA)
iii. Rationalization of Para Tariffs and Cesses
iv. Intellectual Property Rights (IPRs) Enforcement and Innovation.
v. Ease of doing business concerns

4.4 Singapore – Sri Lanka Free Trade Agreement

The Department of Commerce provided necessary technical expertise in respect of a few subject areas such as trade remedies, goods and services to the Ministry of Development Strategies & International Trade.

4.5 Joint Commissions:

4.5.1 Kuwait-Sri Lanka Joint Ministerial Committee on Trade & Technical Cooperation

The 2nd Session of the Kuwait-Sri Lanka Joint Ministerial Committee on Trade & Technical Cooperation (JMCTT) was held from 8-11 October 2018 in Kuwait.

Both sides reached several important conclusions with regard to enhancing bilateral ties, especially in the areas of trade and investment. Accordingly, Sri Lanka will look into the possibility of organizing export promotional events and participating in selected international trade shows in Kuwait.

Sri Lanka will submit investment proposals for consideration by Kuwait Chamber of Commerce and Industry (KCCI). It was also decided to carryout awareness programmes for potential Kuwaiti investors. In order to enhance the relations between the business community of both countries, The National Chamber of Commerce (NCC) and Kuwait Chamber of Commerce and Industry (KCCI) agreed to enter into an MOU. The draft MOU in this regard has already been submitted to the Kuwaiti side. To ensure the speedy implementation of the decisions reached during the 2nd Session of the JMCTT, a Follow-Up Meeting with relevant stakeholders was also held in October 2018.

4.5.2 Sri Lanka- Iran Joint Commission for Economic Cooperation

The Follow-Up Committee Meeting on the 11th Session of the Joint Commission for Economic Cooperation (JCEC) was held on 7th & 8th February 2018 in Colombo. During this meeting both sides reviewed the progress of the activities initiated under the 11th round of discussions and agreed to implement pending decisions before the 12th round of Joint Commission Meeting. One of the major issues highlighted during the meeting was unavailability of a proper Banking & payment System to conduct commercial transactions between the two countries. The Department of Commerce is pursuing this matter with the Central Bank of Sri Lanka.

The actions pursued under this follow up committee meeting served as one of the bases for H.E. the President's Visit to Tehran on 13th May 2018, where five MoUs were signed between the two countries.
The 12th Session of the Joint Commission Meeting was initially scheduled to be held on 27th and 28th August 2018 and later it was postponed to 2019.

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 SAARC Preferential Trading Arrangement (SAPTA)

The South Asian Association for Regional Cooperation (SAARC) was established in 1985. The member states of SAARC are Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. SAARC was limited to soft areas such as Health, Population, Meteorology, Telecommunication, Sports, Culture etc. at the initial stage. The Fourth SAARC Summit held in Islamabad in December 1988 emphasized the need for concrete and result oriented activities within the SAARC framework. Accordingly, the idea of liberalizing trade among SAARC countries was first mooted by Sri Lanka at the Sixth SAARC Summit held in Colombo in December 1991. South Asian Preferential Trading Arrangement (SAPTA) was signed on 11 April 1993 and entered into force on 7 December 1995. The Agreement reflected the desire of the Member States to promote and sustain mutual trade and economic cooperation within the SAARC region through the exchange of concessions. SAPTA was envisaged primarily as the first step towards the transition to a South Asian Free Trade Area (SAFTA) leading subsequently towards a Customs Union. Hence SAPTA is scheduled to be gradually replaced by the South Asian Free Trade Area (SAFTA). Thus, the usage of tariff preference under the SAPTA is gradually decreasing.

Exports of Sri Lanka under SAPTA stood at USD 4.49 Mn and 3.52 Mn for 2017 and 2018 respectively. The main exported item under SAPTA is non-cellular rubber sheets followed by Warp Knit Fabrics. During 2018 the Department of Commerce has issued 241 Certificates of Origin under SAPTA.

5.2 Agreement on South Asian Free Trade Area (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 programme of regional economic integration through promotion of preferential trade, which commenced with the establishment of South Asian Preferential Trading Arrangement (SAPTA) in 1995.

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 12thSAARC Summit held in Islamabad and it entered in to force on 1stJanuary 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.

5.2.1 Reductions in Tariffs and the Sensitive Lists under SAFTA (Phase-I, II and III)

SAFTA has identified India, Pakistan and Sri Lanka as Non Least Developed Countries (NLDCs) and Least Developed Countries (LDCs) are Afghanistan, Bangladesh, Bhutan, Maldives and Nepal. The number of products at six digit level (H.S.2002 version) on the Sri Lanka's Sensitive list under SAFTA (Negative list) is 1065 and Sri Lanka completed her tariff liberalization commitment under the first phase of Trade Liberalization Program (TLP) on 21st Nov 2015. The second phase of TLP (Reduction of Sensitive List) was also successfully negotiated and implemented by all the member states. Under this phase, the members agreed for a minimum 20% reduction of their initial sensitive lists. Third Meeting of Working Group on Reduction in the Sensitive Lists under SAFTA (Phase-III) was held in Islamabad on 6 July 2015. It considered the matter relating to further reduction in the Sensitive Lists under SAFTA (Phase-III). The delegates from Member States of Afghanistan, Bangladesh, Nepal and Pakistan agreed to reduce their Sensitive Lists under SAFTA by 20%. India reduced 20% only for NLDCs and Sri Lanka agreed to reduce the Sensitive List under SAFTA by 10% at this meeting.

Under the topic of "Special Proposal on Reduction of Negative List of SAFTA", member countries came up with their proposals either on confirmed or provisional basis at the meetings held at SAARC Secretariat in Kathmandu on 18 June 2012 and at the Special Meeting of the SAFTA Committee of Experts in Islamabad on 4 July 2015.

5.2.3 South Asian Economic Union (SAEU): Regional Economic Integration Study (Phase-II)

The Forty-first Session of Standing Committee held in Kathmandu on 23-24 November 2014 considered and approved the First Draft of the Regional Economic Integration Study concluded with the financial and technical assistance of Asian Development Bank. It is important to emphasize that the study does not envisage SAEU as encompassing common external tariffs (as in a Customs Union) or a common currency (as in a Monetary Union) in the immediate term.

The Standing Committee recommended that a Special Meeting of representatives of Commerce and Finance Ministries may be held in the first quarter of 2015 to prioritize the recommendations contained in the Study for the purpose of implementation for moving towards South Asian Economic Union (SAEU). Further, two SAARC-ADB Special Meetings on Regional Economic Integration Study, have been held. The first meeting was held in Goa, India on 14-15 April 2015 and the Second SAARC-ADB Special Meeting was held in the Maldives on 27-28 January 2016.

After the Meetings in Islamabad in July 2015, No COE Meetings were held and hardly any developments took place under SAFTA.

Sri Lanka's trade under SAFTA has been insignificant; 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.

5.3 Asia Pacific Trade Agreement (APTA)

The Asia Pacific Trade Agreement (APTA), previously named as the Bangkok Agreement, was signed in 1975 as an initiative of United Nations Economic and Social Commission for Asia and the Pacific (UN-ESCAP). This is the oldest preferential trade agreement among developing countries in the Asia Pacific region. APTA aims to promote economic development through the adoption of mutually beneficial trade liberalization measures that will contribute to intra-regional trade expansion and provides for economic integration through coverage of merchandise goods, services, investment and trade facilitation. Sri Lanka is one of the founder members of the Bangkok Agreement and the APTA. The current Participating States of the Agreement are Bangladesh, China, India, Republic of Korea, Lao PDR and Sri Lanka. Mongolia has concluded its accession negotiations on tariff concessions with the current Participating States and is soon to become the seventh member of APTA.

The Second Amendment of the Asia Pacific Trade Agreement which is the outcome document of the 4th round of APTA negotiations officially entered into force on July 1, 2018 giving effect to general tariff reduction for 10,312 products with an average margin of preference of 33%. In addition, the developing APTA participating states i.e. China, Republic of Korea and Sri Lanka extended Bangladesh and Lao PDR, the least developed participating States, a preferential tariff for 1,259 and 1,251 products with an average margin of preference of 86%. Sri Lanka implemented its tariff concession commitments agreed in the 4th round of APTA negotiations by an official notification published in the Government Gazette number 2062/45 dated 16.03.2018.

The 52nd and 53rd Sessions of the Standing Committee (SC) together with the Working Group meetings on Investment, Trade Facilitation, Services and Rules of Origin under the Asia Pacific Trade Agreement were held in March and September 2018 respectively. During these meetings, the working Groups mainly engaged in finalizing Terms of References and Modalities for the respective working group negotiations.

Exports of Sri Lanka under APTA stood at USD 151.09 Mn and 156.25 Mn for 2017 and 2018 respectively. The main exported item under APTA is Tea followed by coconut and activated carbon. During 2018 the Department of Commerce has issued 4,297 Certificates of Origin under APTA. Main trading partners under APTA are China, Republic of Korea and India.

5.4 The Global System of Trade Preferences (GSTP)

The Global System of Trade Preferences (GSTP) initiated by the UNCTAD to develop trading opportunities among the developing countries, came into force on 19 April 1989. There were 43 GSTP participating members until the withdrawal of Colombia in 2017. The current member states are, Algeria, Argentina, Bangladesh, Benin, Bolivia, Brazil, Cameroon, Chile, Cuba, Ecuador, Egypt, Macedonia, Ghana, Guinea, Guyana, India, Indonesia, Iran, Iraq, North Korea, South Korea, Libya, Malaysia, Mexico, Morocco, Mozambique, Myanmar, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Singapore, Sri Lanka, Sudan, Tanzania, Thailand, Trinidad and Tobago, Tunisia, Venezuela, Vietnam and Zimbabwe. Economies of these countries represent nearly 20% of total world trade with a market value estimated at US$11 trillion in 2010.

So far, three rounds of trade negotiations have been conducted among the participating members of GSTP. The "São Paulo Round" launched in 2004 on the occasion of UNCTAD XI held in São Paulo, Brazil was concluded on 15 December 2010 after six years of intense negotiations. 22 GSTP members participated in the Sao Paulo Round of trade negotiations, but among them only 11 countries signed the final protocol of the Sao Paulo Third Round in 2010.

During 2018, exports of Sri Lanka under GSTP increased compared to 2017 figures. Exports in 2018 is recorded as USD 92.58 Mn compared to USD 81.20 Mn in 2017. Cinnamon is the main export item accounting to 95% of the total exports under GSTP, followed by tea, coconut, packing containers of paper paperboard and oil cake.

During 2018 the Department of Commerce has issued 142 Certificates of Origin under GSTP. The main trading partners under GSTP are Mexico and Peru.

5.5 Other International Trade Agreements

5.5.1 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) is a regional organization comprising seven Member States lying in the littoral and adjacent areas of the Bay of Bengal constituting a contiguous regional unity. This sub regional organization came into being on 6 June 1997 through the Bangkok Declaration. It constitutes seven Member States, five deriving from South Asia, including Bangladesh, Bhutan, India, Nepal, Sri Lanka, and two from Southeast Asia, including Myanmar and Thailand.

The 21st Trade Negotiation Committee of BIMSTEC FTA, held in Dhaka Bangladesh from 18-19 November 2018. Meeting discussed and progressed on the Agreement on Trade in Goods, text of Rules of Origin and Product specific Rules. The meeting agreed to expedite the implementation of Agreement on Goods. The Agreement on Customs Corporation was one of the areas that a progress being made during the meeting. Further the meeting discussed the areas of Dispute Settlement, Trade Facilitation, Investment and Services. Meeting agreed to hold the next meetings on ROO and Investment related working groups separately as an interim meeting with a view to expediting the finalization of the BIMSTEC FTA.

5.5.2 Indian Ocean Rim Association (IORA)

The Indian Ocean Rim Association is an intergovernmental organization aimed at strengthening regional cooperation and ensuring sustainable development within the Indian region. There are 21 Member States (Australia, Bangladesh, Comoros, India, Indonesia, Iran, Kenya, Madagascar, Malaysia, Mauritius, Somalia, Mozambique, Oman, Seychelles, Singapore, South Africa, Sri Lanka, Tanzania, Thailand, United Arab Emirates and Yemen) and 7 Dialogue partners (China, Egypt, France, Germany, Japan, United Kingdom and United States). South Africa is the current chair.

This regional forum brings together tripartite interaction among government, business and academia representatives within the region. The highest authority of the Association rests with the Council of (Foreign) Ministers (COM), which meets annually or more often, as collectively decided. The Committee of Senior Officials (CSO) comprise of senior Government Officials of Member States also meet at least once a year. They review the implementation of the decisions taken by the COM and administer outcomes of the three Working Groups namely, Working Group on Trade and Investment (WGTI), the Indian Ocean Rim Business Forum (IORBF) and the Indian Ocean Academic Group (IORAG). There are 8 priority or focus areas for regional cooperation identified by the IORA to promote sustained growth and balanced development in region. These are, Maritime Safety & Security, Trade & Investment Facilitation, Fisheries Management, Disaster Risk Management, Tourism & Cultural Exchange, Academic, Science & Technology cooperation, Blue Economy and Women' s Economic Empowerment. During the year more focus has been given to blue economy related events.

Indonesia hosted the first ever IORA Leaders' Summit on 07 March 2017 in Jakarta under the theme "Strengthening maritime cooperation for a peaceful, stable and prosperous Indian Ocean". H.E the President represented Sri Lanka at the Leaders' Summit. In addition, during 2017, 17th IORA Council of Ministers' Meeting was held 14-18 October in Durban South Africa and 4th Indian Ocean Dialogue was organized on 9 and 10 October in Abu Dhabi, UAE.

In the year 2018, IORA Renewable Energy Experts Meeting and the 2nd IORA Renewable Energy Ministerial Meeting in October in New Delhi, India, Initial Workshop on the establishment of the IORA Maritime Safety and Security Working Group in September in Colombo, Sri Lanka, IORA Ministerial Conference on “Women’s Economic Empowerment - A Pre-requisite for Sustainable Development" in August in Mauritius, 8th Bi-Annual Committee of Senior Officials (CSO) Meeting in July in Durban, South Africa and IORA Indian Ocean Conference on Blue Carbon in March in Western Australia were held.

6. TRADE, INVESTMENT AND TOURISM PROMOTION

6.1 Overseas Trade Representation

The Department of Commerce's Commercial Representation comprises of 30 officers in 28 Sri Lanka Missions aboard, 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 followings;

- 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 for promoting Sri Lankan exports.
- Arranging inward 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 vise-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.

Summary of activities undertaken by Commercial Officers stationed abroad during the period are listed in Table 02.

Table 02

	Activity		Total
1	Staged Sri Lanka specific (single-country) promotional campaigns in host countries		112
2	Delegations to Sri Lanka	Number of delegations	78
		Number of delegates	1017
3	Delegations to the host country	Number of delegations	167
		Number of delegates	1680
4	Individual visits to Sri Lanka		344
5	Individual visits to the host country		397
6	Exhibitions promoted in the host country		198
7	Promotional fair participation from the host in Sri Lanka	Number of fairs	49
		Number of exhibitors / visitors	460
8	Number of inquiries served (Trade/ investment/tourism)		1,948
9	Number of trade complaints attended		138
10	Number of product sector promoted		134
11	No of trade fairs visited by trade officers		67
12	Sri Lanka's participation in Trade Fairs and Business Network meetings at host country		112
13	Representing Sri Lanka at International Organizations/Fora		46
14	Promotion of Investment and Tourism		168
15	Market Intelligence Reports		19

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	

2. **Investment and Tourism Promotion**

In a similar way, a Sri Lankan Mission abroad does not handle an investment or tourism inquiry from initiation to realization. Some components of the process are left to the private sector parties concerned to negotiate and achieve a mutually beneficial conclusion.

Therefore it is suggested that the performance of a Mission should be measured in term of volume, intensity and goal – congruency of the initiatives taken by the respective Mission.

Selected key trade promotional activities performed by the Commercial Officers in the year are listed below;

- Organized an event titled "Facets of Sri Lanka" from 04th to 09th February 2018 In Geneva, Switzerland, coinciding with the celebration of 70th Anniversary of the Independence of Sri Lanka to promote Ceylon tea, spices, handicrafts, handlooms, Ayurveda products, ceramic products and Sri Lanka Gems including sapphires and jewellery made of precious stones under the theme 'Buy and Invest with Sri Lanka' including making awareness of Investment opportunities available in Sri Lanka and Sri Lanka as a Tourism Destination.

- Sri Lanka High Commission in Pretoria, South Africa organized country pavilions with the assistance of Sri Lanka Tea Board and Coconut Development Authority at Southern African International Trade Exhibition (SAITEX 2018) held in Gallagher Convention Centre in Midrand, Johannesburg from 24th to 26th June 2018.

- The Coconut Development Authority of Sri Lanka (CDA), in association with the Consulate General of Sri Lanka in Sydney, organized a well-attended Business Breakfast Meeting on 11 September 2018 in Melbourne for Coconut Products Exporters participated in Fine Food Australia Exhibition 2018 to promote Sri Lankan coconut products and to interact with potential business partners and buyers in Australia. The event provided an opportunity for over 60 participants to interact and discuss trade, business and investment opportunities.

- Initiated by the Commercial Division of the Embassy of Sri Lanka Beijing and supported by the Department of Commerce, Sri Lanka, Fruits and Vegetable Exporters Association and the Sea Food Exporters Association of Sri Lanka signed a Memorandum of Understanding (MOU) with the Chinese Agricultural Wholesale Market Association (CAWA) on the sideline of the First China Import Expo held in Shanghai from 5th to 10th November 2018..

- The Sri Lanka High Commission in South Africa and Ministry of Industry and Commerce of Sri Lanka in collaboration with Johannesburg Chamber of Commerce and Industry (JCCI) successfully organized "Sri Lanka South Africa Business Forum' on 16th November 2018 at JCCI Auditorium. This forum was organized with the objective of facilitating B2B meetings for visiting Sri Lankan rubber and plastic exporters who participated at COMPLAST 2018 held in Gallagher Convention Centre in Johannesburg from 13th to 15th November 2018. This was followed by the networking B2B session where over 50 South African Businesses interacted and held successful discussions with the Sri Lankan delegation.

- Sri Lanka Consulate in Sydney and Melbourne organized a business delegation to visit International Sourcing expo held in Melbourne Australia in collaboration with the National Chamber of Exporters of Sri Lanka (NCE). The visit was followed by a number of B2B meetings with Trade Chambers & Associations in Australia.

- Sri Lanka Embassy in Saudi Arabia assisted Sri Lanka Tea Board and other individual company participants from Sri Lanka to successfully promote Ceylon Tea and other food products at Saudi Horeca Food and Beverage Exhibition 2018 in Riyadh and Saudi Foodex Exhibition 2018 in November in Jeddah.

- The Embassy of Sri Lanka in Brazil with the assistance of the Commercial Association of Parana organized a Mini Exhibition, Tea testing event and delivered presentations during the first week of December 2018 in view of promoting Sri Lanka as a trade and tourism destination.

- Commercial section of the Embassy of Sri Lanka in Paris, France in collaboration with the Export Development Board organized Sri Lanka's participation at "Apparel Sourcing Fair" for the second time which was held from 17th to 20th September 2018. Six Apparel exporters and 2 designers were attended. Sri Lanka was attended the Press Conference and at the Sri Lanka's Catwalk. The companies have developed B2B connection and some of them have got their orders finalized.

- The Commonwealth Business Forum 2018 was held from 16-18 April in London alongside with the Commonwealth Heads of Governments Meeting 2018(CHOGM 2018). The Department of Commerce with the Export Development Board, Ministry of Foreign Affairs and the Sri Lanka High Commission in London organized the participation of more than 40 SMEs representing IT/BPO, Electronics, Apparel, handicraft, coconut, tourism, Gem and Jewellery, Maritime and Boat Building, medical, logistics and consultancy sectors. Being the largest business delegation to the CBF Sri Lanka participants played a significant role in sharing the knowledge and made many business contacts that would help promoting intra commonwealth trade and Investment between Sri Lanka and other member states.

- The Consulate General of Sri Lanka in Toronto together with Sri Lanka Export Development Board, Sri Lanka Tea Board and other relevant agencies coordinated the participation of Sri Lanka at SIAL Canada 2018, one of the largest food and beverage sector international exhibition. B2B meetings organized during the exhibition ensured establishment of useful trade contacts for Sri Lankan participants.

In addition to organizing trade promotional events, the commercial officers visited trade fairs held in respective/ accredited countries regularly with the purpose of exploring business opportunities for Sri Lankan exporters.

6.2. 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 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.

Accordingly, during the period under review, the Commercial Officers had met with 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;

- The Embassy of Sri Lanka in South Korea organized a programme for a 10-member delegation from the NFFC headed by its Chairman, Mr. Kim Im-kweon to Sri Lanka from 15th to 19th January 2018 to strengthen cooperation between the fisheries industries in Sri

Lanka and Korea. The delegation explored possibilities of strengthening cooperation mainly in Marine and Coastal Aquaculture, Fish processing and Fishing boat industry.

- Sri Lanka Deputy High Commission in Chennai facilitated the visit of Directors of OEG Pharma to Sri Lanka enabling them to meet the Chairman of Board of Investment of Sri Lanka and discuss their project proposals. Also, the High Commission in Chennai facilitated the participation of five Sri Lankan companies at CII Partnership Summit 2018 held in Vishakpatnum from 24th -26th February, 2018.

- The Embassy of Sri Lanka in France facilitated the visit of the Hon. Minister of Megapolis and Western Development to attend the Investment Forum organized at the MEDEF International with over 15 French companies who are interested in investing in Sri Lanka. Parallel to his visit several bilateral meetings were organized with French companies. As a result of the meetings held, a delegation from SNCF (French National Railway Company) visited Sri Lanka to gather information for preparing an investment proposal to invest in Sri Lanka.

- The Embassy of Sri Lanka in Japan had a meeting with M/s Boarderless Japan that creates a “platform for the social entrepreneurs.” The entity has agreed to invest 30 Mn Yen on entrepreneurs who are willing to create new social businesses that have the potential to change the society within a shorter period.

- Invest Sri Lanka Forum in Singapore was organized in collaboration with Singapore Sri Lanka Business Association, Colombo Stock Exchange on 1st March, 2018 at Four Seasons Hotel. Over 350 companies, investors and fund managers based in Singapore attended the forum at which Hon.Prime Minister Ranil Wickremesinghe was the Chief Guest and Singapore’s Minister of Trade and Industry S. Iswaran was the Guest of Honor.

- A Solid Waste Management Project proposal received from a Canadian company as a result of investor outreach programs conducted by the Consulate General of Sri Lanka in Canada is under discussion. The proposal is to convert solid waste into energy.

- “Partner Sri Lanka”- a special FDI promotional programme was organized by the Consulate General of Sri Lanka in Los Angeles in collaboration with the Ministry of Megapolis and Western Province Development. The programme lasted 4 days in the states of California and Nevada during April 2018. A four-member delegation led by the Minister of Megapolis and Western Province Development visited USA for this programme and had meetings with potential investors on investment opportunities in the areas of transport, energy, water, maritime and logistics, waste management etc.

- Sri Lanka Consulate in Frankfurt, Germany facilitated the visit of Hon. Minister of Development Strategies and International Trade and the Sri Lanka Investment Promotion Roadshows held in Frankfurt, Hamburg and Berlin from 24th-27th September 2018 with the assistance of Trade and Industry Chambers of Germany, the German Asia Pacific business Association and the Board of Investments of Sri Lanka. On the sidelines of the forum several one to one meetings with investment and trade promotional agencies and individual companies were held. Over 100 participants attended the forum in each city.

- A Round table discussion on was organized by Sri Lanka High Commission in London through Commonwealth Enterprise & Investment Council (CWEIC) on the topic "Establishing an International Financial Centre (IFC) in Sri Lanka - Opportunities and Challenges". The event was attended by number of legal consultants who have engaged in establishing IFCs in various parts of the world and other prospective parties. The purpose of the meeting was to promote the Colombo International Financial Centre (CIFC) to be established within Colombo port city and to get the ideas from the expertise.

6.3. 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.

Some of the key events organized by Sri Lankan missions abroad in collaboration with Sri Lanka Tourism Promotion Bureau, Sri Lanka Convention Bureau and other responsible Sri Lanka institutions in order to promote Sri Lanka as a tourist destination are given below;

- Sri Lanka High Commission in London facilitated Sri Lanka Tourism in launching its new destination brand identity entitled ‘So Sri Lanka’, on 5th November 2018 London, coinciding with the World Travel Market (WTM) 2018, a leading global event of Travel and Tourism industry, attracting more than 35,000 visitors, 5,000 exhibitors and over 2,000 travel agents and tour operators and the leading global travel media annually. It was launched in the presence of the Minister of Tourism and Wildlife of Sri Lanka and many other dignitaries. The WTM, held from 5 to 7 November 2018 at the Excel Exhibition Centre, London, was attended by over 60 industry partners from Sri Lanka, among others.

- The Sri Lanka Food Week from 09th to 15th, February, was organized by the Embassy of Sri Lanka, Rome, jointly with the Sri Lanka Tourism Promotion Bureau (SLTPB), Ministry of Foreign Affairs of Sri Lanka, Ministry of Internal Affairs, Wayamba Development and Cultural Affairs of Sri Lanka and Amaya Hills Hotel of Hayleys Group of Companies in Sri Lanka.

- Sri Lanka Tourism Promotion Bureau (SLTPB) in collaboration with the Consulate General of Sri Lanka in Jeddah and Sri Lanka Embassy in Riyadh, Saudi Arabia organized Sri Lanka Tourism Promotion Road Shows in three main cities of Saudi Arabia, Jeddah, Riyadh and Dammam in February and April, 2018.

- Sri Lanka Tourism Promotion Bureau (SLTPB) in collaboration with the Consulate General of Sri Lanka in Sydney, organized Sri Lanka's participation at the Travel Industry Exhibition held from 21st to 22nd August, 2018 at Dockside, Darling Harbour. On the first day of the exhibition, a Press Briefing over a Sri Lankan Breakfast was organized at the Dockside Cold Room and more than 40 media personnel and travel trade members attended the networking meeting.

- The Mission to the WTO in collaboration with Sri Lanka Tourism Promotion Bureau (SLTPB) organized Sri Lanka's participation at Swiss International Holiday Exhibition which was held from 01 to 04 November 2018 at the Lugano Exhibition Centre in Switzerland.

- The Embassy of Russia organized the Visiting Journalist Tour to Kalturi (Culture) channel which is a most prominent TV channel in Russia for the documentary videos in Sri Lanka and made the arrangement for the visit to Sri Lanka for the shooting of documentary.

- MICE 2018 "Meet in Sri Lanka "- a forum for the travel Tour and corporate sector clients to create awareness on Sri Lanka as a MICE destination was held on 16th October 2018. The forum was organized by the Embassy of Sri Lanka in Singapore in collaboration with Sri Lanka Convention Bureau (SLCB).

- The Embassy of Sri Lanka in Stockholm in collaboration with the Aeroflot Russian Airlines and Pacific Asia Travel Association (PATA) Sweden Chapter organized "A Sri Lanka Evening" for the travel companies based in Sweden. The objective of the event was to offer Sri Lanka as a travel destination to the Swedish travel agents by providing them with information on Sri Lanka's tourism as well as information on the newly resumed flights to Sri Lanka by Aeroflot Russian Airlines.

6.4. Some key trade promotional activities initiated by Department of Commerce

6.4.1 Sri Lanka's participation in Biofach 2018

The Department of Commerce organized a country pavilion together with the Trade Section of the Sri Lanka Consulate in Frankfurt at the Biofach 2018 held from February 15-18 in Nuremberg. Biofach is the world's leading trade fair for organic food and beverages. A total of 2,962 exhibitors presented a wide range of food products at this year's trade fair. It provided an excellent gateway for Sri Lankan exporters to establish contacts with leading importers throughout the world. Twenty five Sri Lankan exporters participated in this trade fair. Among them six companies successfully participated at the Sri Lankan pavilion sponsored by the Department of Commerce and the Ministry of Industry and Commerce. A large number of export orders were received by these companies during and after the fair.

6.4.2 Visit of Sri Lankan delegation to Belgian Boat show

Belgian Boat Show is the biggest trade fair for the boat sector in Belgium. It covers watersport, water recreation and water tourism from the smallest inflatable boat to real superyachts and all accessories. A delegation from Sri Lanka organized by the Department of Commerce visited the boat show held in Ghent from February,10-12 and 16-18, 2018. In parallel to the visit, commercial section of the Embassy of Sri Lanka in Belgium organized a series of fruitful meetings with representatives from Belgian boat sector. Head of the Belgian Boat Show organizer invited Sri Lanka to be the Guest Country at the next Belgian Boat Show and Belgian boat companies showed keen interest in having closer cooperation with Sri Lankan companies.

6.4.3 Trade & Investment Promotional visit to Genoa and Milan

The Department of Commerce (DOC), jointly with the Sri Lanka Embassy in Rome organized a trade promotional visit to Genoa and Milan from 22nd -26th September, 2018 consisting representatives of pioneer boat manufacturers in Sri Lanka. During this promotional event Sri Lankan delegation visited" Genoa international Boat show 2018". GIBS show is one of the biggest international boat shows in the European region that exhibits manufacturing of all kinds of boats, mainly yachts, pleasure crafts and boat accessories. Sri Lankan delegation also visited leading boat manufacturers in Italy. This visit provided an excellent opportunity for the Italian boat manufacturers to learn about the potentials and promising future of Sri Lanka's boat building and related manufacturing industry as well as to share knowledge, know-how and technology on the subject.

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 received from both local and foreign companies. The Commercial Officers serving abroad attend to trade, investment and tourism inquiries received by their respective Missions and Posts.

During the period under review, the Commercial Officers have received approximately 1948 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, investment and tourism related inquiries received by Commercial Officers from overseas buyers during the year were forwarded to Trade and Industry Chambers, Trade Associations, Sri Lanka Export Development Board and other relevant authorities as well as to respective Sri Lankan exporters for immediate action. The inquiries received by this Department and other trade related agencies were forwarded to the Commercial Officers stationed abroad for immediate follow up.

6.6 Assistance to Resolve Trade Disputes

The Department of Commerce acts as a mediator/facilitator for resolving export and import related trade disputes for amicable settlement between the disputed parties. During the period under review 137 such complaints were dealt with the assistance of the Commercial Officers based in overseas Missions.

6.7 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 2018 112 Sri Lanka specific programs were organized.

6.8 Recommendation for Residence Visas

The Department of Immigration and Emigration requests recommendations from the line ministries for the consideration of the issuance of Residence Visas Foreign companies whose presence and activities in Sri Lanka fall under the purview of the Ministry Industry and Commerce.

As delegated by the Secretary, Ministry of Industry & Commerce, the Department of Commerce issue recommendation letters for competent expatriates, consultants, specialists and their dependents employed in liaison offices, branch Offices or foreign companies, other trade and commercial ventures, taking into account the direct benefits of such employments for export trade, technology transfer and productivity improvement to the National Economy.

In the year 2018, the DoC has issued recommendation letters for entry and extension of residence visas for a period of one year for 146 applicants and their 114 dependents from 27 nationalities.

6.9 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.

In the year of 2018, the Department received 4 applications and out of these, one company was granted the status of approved credit agency based on the recommendation of the Board.

6.10 EU Funded Trade-Related Capacity Building Project

The "EU- Sri Lanka Trade Related Assistance: Increasing SME's Trade Competitiveness in Regional and EU Markets" project was initiated 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.

Accordingly, the project activities were launched 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 2018, the 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;

1. Round Table discussion and Public Privet Dialogue (PPD) on Maritime, Logistics and Transport reforms in collaboration with Ministry of Finance for participants from government agencies and shipping agencies in October 2018.

2. E-commerce Roadmap and recommendations for "Making the Digital Marketplace Fairer" PPD held in March 2018 for government agencies, industry organizations, university academics, Chambers, etc.

3. Trainings on “FTAs: Trends and Current Practices” and “Technical Capacity Building on Economics and Articulations of Trade” (Module Part II Training) in March 2018 for government agencies, university academics, Chambers, etc.

4. Video-based training for 34 Government and private sector representatives of Sri Lanka on “Substance & Procedure of Trade Remedies (organized with ACWL) in March 2018

5. Training on “Investment Negotiations and Dispute Settlement” for government agencies, trade chambers and research institutes in June 2018

6. WTO Sanitary and Phytosanitary(SPS) Agreement & Legal Concerns of Relevance To Sri Lanka’s Exporting Companies in September 2018

7. Participation of DoC and other senior official from Government agencies in Harvard Kennedy School Executive Course on Mastering Trade Policy in September 2018

8. Introductory trainings on Trade Remedies for the government and private sectors in October 2018

9. 4 Public Private Dialogues(PPD) on National Single Window(NSW) – 1st PPD on the functional scope of the NSW, 2nd PPD on the governance mechanism of the NSW in May, 3rd PPD on discussing operational models for the NSW in July and 4th PPD on the discussing implementation issues in September 2018 with NTFC member agencies and private parties

10. Regional workshops on EU GSP, Rex System and TIP at Kandy and Kurunegala in December 2018

11. Arranged a capacity building study tour of National Trade Facilitation Committee (NTFC) members to Australia in August and September 2018

12. Training of 5 National Export Marketing Planning (EMP) trainers and 9 participants from the Department of Commerce, Sri Lanka Export Development Board and SLASSCOM were trained on EMP training methodology in March 2018

13. Funded to 15 beneficiary companies to participate at 4 Trade Fairs/B2B events in 3 EU countries (4 business meetings held at London, November 2017; 4 at Barcelona, MWC, February 2018; 10 at CEBIT Hannover, June 2018, 3 at SheTrades, Liverpool, June 2018)

14. Training sessions on Trade Remedy for officers attached to the Trade Remedy Unit of the Department of Commerce in December 2018

15. Functionality Development Workshop for Trade Information Portal team at the Department of Commerce in December 2018.

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, 300 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.

Certificates of Origin Issued by the Department of Commerce (2016- 2018)

Agreements	2016		2017		2018	
	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	74,003	2,243.51	80,867	2473.91	43,680	2665.28
GSP Other Countries	12,495	1,150.22	12,468	1429.47	10,884	1262.42
ISFTA	12,621	375.16	12,864	442.29	12,882	481.00
PSFTA	6,673	51.52	6,703	60.33	5,265	51.00
APTA	4,508	125.6	6,038	150.8	4,290	156.98
SAFTA	149	6.89	679	41.07	557	35.42
SAPTA	288	3.4	277	4.49	239	3.54
GSTP	143	45.14	100	81.2	143	92.58
Total	**110,830**	**4,001.44**	**120,277**	**4,683.56**	**77,940**	**4748.22**

Source: *Department of Commerce*

8. ANNUAL ACCOUNTS – 2018

Head No: 295

Ministry / Department :- Department of Commerce

Programme No: 01

Project No: 01

Recurrent Expenditure

Description	2017 Actual Rs. 000	2018 Estimate Rs. 000	2018 Revised Estimate Rs. 000	2018 Actual Rs. 000	2018 Savings Rs. 000
Personal Emoluments	51,357	55,400	57,980	56,249	1,731
Other	64,408	73,150	78,870	75,576	3,294
Total	**115,765**	**128,550**	**136,850**	**131,825**	**5,025**

Capital Expenditure

Expenditure Description	2017 Actual Rs. 000	2018 Estimate Rs. 000	2018 Revised Estimate Rs. 000	2018 Actual Rs. 000	2018 Savings Rs. 000
Rehabilitation and Improvement of Capital Assets	**2,119**	**300**	**300**	**272**	**28**
Buildings and Structures (2001)	2,108	100	100	78	22
Vehicles (2003)	11	200	200	194	6
Acquisition of Capital Assets	**3,148**	**1,600**	**1,600**	**1,059**	**541**
Furniture & Office Equipment (2102)	991	800	800	583	217
Machinery (2103)	2,157	800	800	476	324
Human Resource Development	**2,077**	**2,500**	**4,000**	**3,800**	**200**
Staff Training (2401)	2,077	2,500	4,000	3,800	200
Other Capital Expenditure	**5,828**	**6,000**	**8,000**	**7,675**	**325**
Investments (2202) 01. Exploration of Export Markets	5,828	6,000	8,000	7,675	325
Total	**13,172**	**10,400**	**13,900**	**12,806**	**1,094**