



Ministry of Development Strategies & International Trade

Annual Performance Report 2015

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Vision

To make Sri Lanka the most preferred investment destination in the region and to be among the most globally competitive trading nations by 2020

Mission

To promote and strategize Sri Lanka's global competitiveness in international trade by providing high value added goods and services.

This Annual Performance Report – 2015 of the Ministry of Development Strategies and International Trade has been prepared according to the requirement of the Treasury Circular No: 402 of 12 September, 2002.

Chandanie Wijayawardhana

Secretary

Ministry of Development Strategies and International Trade

31.12.2015

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1. Introduction

1.1 Background

In terms of the Extraordinary Gazette notification No. 1933/13 of Monday 21st September 2015, the portfolio of development strategies and affairs related to international trade have been assigned to this Ministry as per the National Policy of the Government. Board of Investment, Sri Lanka Export Development Board, Department of Import and Export Control and Mahapola Higher Education Scholarship Trust Fund have been brought under the purview of this Ministry.

1.2 Objectives & Functions

Specific Duties and Functions of the Ministry as per the Gazette Notification are as follows;

1. Formulation of policies, programmes and projects, monitoring and evaluation in regard to the subjects of development strategies and international trade, and those subjects that come under the purview of Departments, Statutory Institutions and Public Corporations.
2. Formulation of investment promotion programmes and projects
3. Promotion of economic potential in Sri Lanka and thereby promote foreign direct investment and private sector investment
4. Development of strategies for expansion of international market opportunities for local produce
5. Adoption of necessary measures for strengthening international trade relations
6. Formulation of policies, strategies, programmes and projects for the promotion of regional economic cooperation
7. Matters relating to multi-lateral and bi-lateral economic agreements
8. Promotion, regulation and monitoring of economic development zones
9. Encouragement of export diversification, export development and advisory services
10. Representation of Sri Lanka's trade affairs abroad
11. Provision of facilities for higher education to youth community

12. Matters relating to all other subjects assigned to Institutions under the purview of the Ministry

13. Supervision of the Institutions under the purview of the Ministry

Subsequently, the government has decided to follow the actions related to Prime Ministers' bilateral and multilateral economic negotiations through the Ministry of Development Strategies and International Trade.

2. Policy Context

2.1 Background

Overarching objective of the establishment of the Ministry is formation of sustainable, coherent investment climate and enabling environment for local producers to engage in global market for higher income. In this context, the role of the ministry is formulation of conducive policy derivatives with strategic directions. Make necessary reforms and developing appropriate regulations, guiding respective agencies to develop procedures to harmonized and coordinated service provision are among the main responsibilities of the ministry.

2.2 Basic Policies

All activities of the ministry have been considered in four broad policy pillars:

- Promoting FDI and Private Investments
- Expansion of international market opportunities for local producers
- Strengthening the international trade through bi-lateral and multilateral trade and economic corporations
- Expanding facilities for higher education for youth

3. Development Initiatives

3.1 Background

The Economic Policy Framework and the Budget Speech 2016 provide strategic policy directions in terms of the development strategies and international trade. The ministry has initiated several specific programmes to facilitate and coordinate respective agencies with the view to achieving overall objectives.

3.1.1 Establishment of One Stop Shop at BOI

The objective of establishing One Stop Shop at BOI is to eliminate regulatory obstacles and procedural delays for investments since minimization of barriers for FDIs' will facilitate the government's effort to increase investment to the country.

It is intended to provide a wide range of services including approving projects; granting incentives; providing legal advice; arranging utilities such as water, energy and waste treatment; assisting in obtaining visas for business personal; and facilitating import and export clearances. Fourteen institutions have been identified for the One Stop Shop and officers with delegated authority have been appointed from each agency to serve in the One Stop Shop.

One Stop Shop is a coordinating mechanism which allows various agencies to function within their mandate and responsibilities in well-coordinated manner. The idea is not only speeding up the process but also improve transparency to eradicate informalities in the field. Procedural delays can be reduced through intra-agency coordination to a greater extent which also needs automation as well as creating compatible systems across agencies to share information to eliminate possible redundancies.

One of the other objectives is identifying and providing feedback on anomalies and inconsistencies among regulations, Acts, administrative setup etc. Critical path for proceeding different kind of investment has to be identified to reduce slack time. Institutional arrangements are being made and all the members will meet at least once a week to discuss the matters initially.

Accordingly, in the future investors do not need to visit each stakeholder agency for obtaining approvals and the liaison officers will make necessary arrangements in time on behalf of the investor.

3.1.2 Exporters Forum

In a bid to revive the country's export manufacturing, the Exporters Forum was recommenced with a new commitment to exporters that the Ministry and EDB will intervene in their issues at any time. The 7th Exporters Forum focused on 52 export related critical issues involving 29 firms. EDB as country's apex export facilitator coordinated this event. Since most of the problems faced by the exporters are multifaceted it requires multi-institutional involvement and cannot be solved by one institution alone. It requires the joint efforts of several institutions. The Exporters' Forum is the effort where a coordinated attempt is made to solve different issues that the exporters have faced.

3.1.3 Agency for Development and Agency for International Trade

The Agency for Development will be established under the Ministry of Development Strategies and International Trade. The objective of setting up the Agency is to give effects to the National Economic Policy Framework through facilitating, guiding the Ministries and relevant institutions and executing high level coordination among them to align their Plans, Programmes and Projects with the overall policy. The operational modalities of the Agency are being formulated taking international best practices into account. A General Affairs Committee consisting of sector experts is appointed as advisory group which will meet regularly.

In similar way a separate agency will be established to strengthen the international trade policy framework. The Committee will be comprised of public as well as private sector representatives. International trade affairs which is currently scattered across various agencies will be streamlined under a national trade policy agenda.

3.1.4 Free Trade Zones a Closer Supervision

Government has already announced the new programme to commence 45 investment zones in the country. Measures are to be taken to upgrade the facilities at the existing investment zones. There are 12 EPZ operating all over the country under the Board of Investment of Sri Lanka. Six Free Trade Zones were visited recently. Decisions were taken to properly assess Un-utilized lands and non-functioning factories. Also immediate measures are to be taken to setup a 'Job Bank' to cater the available employment opportunities and issues of solid waste disposal.

3.1.5 Improving Doing Business Index and Investment Climate

The country was able to maintain comparatively high GDP growth rate during 2002 to 2013 period (6.3% on average) against regional peers. However, this has not been complemented by increased investment levels of the economy while generating more employment opportunities with increases income of the people at the desired level. Apart from economic conditions such as market size and macroeconomic settings, regulations, procedures, access and intra-agency coordination are important factors for attracting investments. World Bank's Ease of Doing Business indicator provides comparative measurement for country's status with respect to selected ten areas that affect firms for doing business.

While facilitating FDI, local investment and exports sectors through the institutions under the purview of the Ministry, measures have been taken to trigger necessary reforms by the ministry in coordination with relevant stakeholders. A committee co-chaired by Central Bank and the Ministry organized consultations with the relevant agencies under each of ten topics of ease of doing business index to prepare a road map with concrete reform measures with agreed outcomes.

3.1.6 Improving Export Competitiveness of SMEs' through technology and innovations

Economic Policy Framework of the Government gives high priority for enhancing the space for local products in the world market and one of the strategies identified towards this is increasing competitiveness of SMEs and creating background needed for them to enter into global value chain.

The Ministry has taken initiatives to prepare a road-map for enhancing export competitiveness of SMEs through innovation and technical upgradation to match with global demand. One of the focusses is improving linkages of domestic enterprises with large scale enterprises including FDI investments. There can be several perquisites such as customized training and skills development along with the technology upgradation for this kind of partnerships. The Export Development Board will be the focal point for implementing this programme.

3.1.7 Economic and Technological Cooperation Agreement with India

Preliminary work has been initiated on the preparation of the Indo-Sri Lanka Economic & Technological Agreement to harness the much wider trade potentials in a market like India. A Steering Committee comprised of Secretary/Ministry of Industry & Trade, Secretary/Ministry of Development Strategies & International Trade, Secretary/Ministry of Technology & Research, Director General Commerce, Representatives of the Ministry of Foreign Affairs, Treasury, BOI, EDB and Institute of Policy Studies (IPS) etc. has been entrusted with the task of formulating fresh agreement in a more transparent manner where the private sector's and views of the general public are incorporated right throughout the preparatory process. The non-favorable elements of previous CEPA agreement are being reviewed. There will be a delegation from Sri Lanka to India in late December 2015 focusing on the content and scope of a Framework Agreement and an early harvest of addressing some non-tariff barriers which have been constraining Sri Lankan exports to India.

3.1.8 Overarching Supervision on Issues of National Importance

➤ GSP+

The government believes that the GSP+ concession is a significant economic turn of the regional economic development. The Ministry is constantly working with the Ministry of Foreign Affairs, Ministry of Industry and Commerce and the Department of Commerce to re-obtain the concession by the mid-2016.

➤ Review of Progress of the Implementation of decisions in Bi-lateral Meetings with India and Japan

Follow – up actions with regards to the Prime Minister's Indian and Japan visits are being carried out by the Ministry. Implementation progress is called at progress review meetings with relevant parties. Currently, six such meetings have been held and progress has been periodically reported to the Economic Management Committee.

4. General Administration

4.2 Background

The newly established, Ministry of Development Strategies and International Trade is intended to achieve specific development milestones in terms of national economic development and external trade development. It is expected that the Sri Lankan economy will boost within a shorter period of time with the measures to ease of doing business in the country. Simultaneous process developments, shortening the critical path, avoidance of unnecessary steps and usage of Information Technology will simply improve the doing business parameters and the Ministry is persistently carrying-out facilitation, supervision, coordination and monitoring functions. Formulation & implementation of policies, programmes and projects related to Investments and International Trade are undertaken by the Ministry in line with the national policies. Ministry administration is devoted; for the publication of gazette notifications, to taken-up of operations matters, to carry out audit & management supervisions and to facilitate in carder management & capacity development of the institutions under the preview of the Ministry. Also the Ministry is dedicated to attend public grievances and a designated officer is available to attend such matters immediately.

4.2 Staff of the Ministry

Table – 4.1 Details of the Carder as at 31.12.2015

Designation	Approved cadre on 28 th October 2015	Existing cadre as at 1 st December 2015
Secretary	1	1
Additional Secretary	2	2
Senior Assistant secretary	1	-
Director	2	-
Chief Accountant	1	1
Accountant	1	-
Assistant Secretary	2	-
Assistant Director	4	2
Legal Officer	1	1
Internal Auditor	1	-
Coordinating Secretary to the Secretary	1	1
Administrative Officer	1	-
Development Officer	8	8
IT Officer	1	-
Public Management Assistant	8	4
Photographer	1	-
Video Photographer	1	-
Video Photographer Assistant	1	-
Office Assistant	7	5
Driver	8	6
Total	53	31

Sources: Ministry of Development Strategies & International Trade

Schedule - 01

Office Staff Details to 31.12.2015

No.	Name	Designation
01	Mrs.Chandanie Wijayawardhana	Secretary
02	Mr.W.A.D.S.Gunasinghe	Additional Secretary
03	Mr.W.M.R.P.Weerasinghe	Additional Secretary
04	Mrs.G.C.N.Fonseka	Chief Accountant
05	Ms.N.M.A.D.K.Nawarathne	Assistant Director
06	Mr.Samitha Dayasekara	Assistant Director
07	Mr.R.G.P. da Silva	Assistant Director
08	Ms.R.M.M.B.Kumari	Legal Officer
09	Mrs.W.A.C.A.Rodrigo	Co-ordinating Secretary
10	Ms.K.W.P.P. Dilrukshi	Development Assistant
11	Ms.R.W.Roshini	Development Assistant
12	Ms.J.R.A.M.P.Jayaweera	Development Officer
13	Ms.K.M.Wickramage	Development Officer
14	Mr.S.M.P.B.Senanayake	Development Assistant
15	Mrs.D.R.L.Periyapperuma	Development Assistant
16	Ms.L.D.S.Sanjeewani	Development Officer
17	Mrs.W.S.Hatharasinghe	Development Officer
18	Mrs.D.G.D.S.Marasinghe	Public Management Assistant
19	Ms.L.K.Anjalika	Public Management Assistant
20	Ms.H.D.Sandamali	Public Management Assistant
21	Ms.Munasinghe	Public Management Assistant
22	Mr.L.A.P.K.Sampath	Driver
23	Mr.K.S.P.Pushpakumara	Driver
24	Mr.K.H.Priyantha	Driver
25	Mr.A.Chandana Perera	Driver
26	Mr.R.Abeywickrama	Driver
27	Ms.C.U.W.Rathnayake	Office Assistant
28	Mr.G.A.C.Fernando	Office Assistant
29	Mr.M.P.Maddumage	Office Assistant
30	Ms.I.K.W.Sirisalani	Office Assistant
31	Mr.M.M.C.Wijayabandara	Office Assistant

Sources: Ministry of Development Strategies & International Trade

Officers who left the Ministry on transfers in 2015

Serial No	Name	Post	Date of Transfer
01.	Mr. H.P. Jayananda	Additional Secretary	30.12.2015
02.	Mr. G.D.S.P. Kumara	Assistant Secretary	30.12.2015
03.	Mr. M.A. Amarasinghe	Management Assistant	05.02.2015
04.	Mrs. C.M. Thanthirige	Development Officer	09.03.2015
05.	Mr. I.S. Vidanapathirana	Driver	02.07.2015
06.	Mr. K.S. Lokuge	Driver	07.09.2015
07.	Mr. N.M. Alriyad	Driver	03.09.2015
08.	Mr. A.D. Gunawardana	Office Assistant	11.11.2015
09.	Mr. W.S.P.K. Amarasekera	Office Assistant	29.01.2015

Sources: Ministry of Development Strategies & International Trade

Table – 4.2 Age and Gender wise Classification of Staff – 2015

Serial No	Age group	Female	Male
01.	25>	4	0
02.	26-35	4	6
03.	36-45	6	4
04.	46-50	2	1
05.	51-55	0	2
06.	55<	1	1
Total		17	14

Sources: Ministry of Development Strategies & International Trade

5. Finance Division

Financial progress for the year 2014-2015

Table – 5.1 Minister's Office

Vote				Description	Allocation (Rs.)	Expenditure (Rs.)	Savings/Excess (Rs.)
				Personal Emoluments	3,650,000.00	1,430,325.75	2,219,674.25
1	0	1001	11	Salaries & Wages	1,500,000.00	687,647.99	812,352.01
1	0	1002	11	Overtime & Holiday Payments	500,000.00	112,298.04	387,701.96
1	0	1003	11	Other Allowances	1,650,000.00	630,379.72	1,019,620.28
				Travelling Expenses	650,000.00	16,866.00	633,134.00
1	0	1101	11	Domestic	150,000.00	16,866.00	133,134.00
1	0	1102	11	Foreign	500,000.00	-	500,000.00
				Supplies	1,620,000.00	607,057.34	1,012,942.66
1	0	1201	11	Stationary & Office Requisites	250,000.00	80,619.00	169,381.00
1	0	1202	11	Fuel	1,350,000.00	507,023.34	842,976.66
1	0	1203	11	Diets & Uniforms	20,000.00	19,415.00	585.00
				Maintenance Expenses	1,305,000.00	1,260,903.89	44,096.11
1	0	1301	11	Vehicles	1,250,000.00	1,246,503.89	3,496.11
1	0	1302	11	Plant & Machinery	25,000.00	-	25,000.00
1	0	1303	11	Building & Structures	30,000.00	14,400.00	15,600.00
				Services	955,000.00	608,063.36	346,936.64
1	0	1401	11	Transport	150,000.00	3,750.00	146,250.00
1	0	1402	11	Postal & Communication	450,000.00	274,765.32	175,234.68
1	0	1403	11	Electricity & Water	25,000.00	1,902.10	23,097.90
1	0	1405	11	Other	330,000.00	327,645.94	2,354.06
				Transfers	75,000.00	-	75,000.00
1	0	1502	11	Retirements Benefits	75,000.00	-	75,000.00
				Rehabilitation & Improvement Of Capital Assets	1,250,000.00	-	1,250,000.00
1	0	2001	11	Building & Structures	1,000,000.00	-	1,000,000.00
1	0	2002	11	Plant & Machinery & Equipment	50,000.00	-	50,000.00
1	0	2003	11	Vehicles	200,000.00	-	200,000.00
				Acquisition of Capital Assets	1,840,000.00	1,688,874.50	151,125.50
1	0	2102	11	Furniture & Office Equipment	1,690,000.00	1,688,874.50	1,125.50
1	0	2103	11	Plant, Machinery & Equipment	150,000.00	-	150,000.00
Total					11,345,000.00	5,612,090.84	5,732,909.16

Sources: Ministry of Development Strategies & International Trade

Table – 5. 2 Ministry Office

Vote				Description	Allocation (Rs.)	Expenditure (Rs.)	Savings/Excess
				Personal Emoluments	12,995,000.00	11,682,157.25	1,312,842.75
2	0	1001	11	Salaries & Wages	6,500,000.00	5,192,808.68	1,307,191.32
2	0	1002	11	Overtime & Holiday Payments	325,000.00	320,212.41	4,787.59
2	0	1003	11	Other Allowances	6,170,000.00	6,169,136.16	863.84
				Travelling Expenses	1,100,000.00	885,691.05	214,308.95
2	0	1101	11	Domestic	300,000.00	106,842.13	193,157.87
2	0	1102	11	Foreign	800,000.00	778,848.92	21,151.08
				Supplies	1,535,000.00	1,073,236.19	461,763.81
2	0	1201	11	Stationary & Office Requisites	700,000.00	432,709.46	267,290.54
2	0	1202	11	Fuel	585,000.00	513,411.62	71,588.38
2	0	1203	11	Diets & Uniforms	50,000.00	16,092.00	33,908.00
2	0	1205	11	Other	200,000.00	111,023.11	88,976.89
				Maintenance Expenses	1,070,000.00	960,356.63	109,643.37
2	0	1301	11	Vehicles	920,000.00	914,004.14	5,995.86
2	0	1302	11	Plant & Machinery	100,000.00	46,352.49	53,647.51
2	0	1303	11	Building & Structures	50,000.00	-	50,000.00
				Services	51,110,000.00	50,854,177.45	255,822.55
2	0	1401	11	Transport	250,000.00	207,365.95	42,634.05
2	0	1402	11	Postal & Communication	800,000.00	666,344.27	133,655.73
2	0	1403	11	Electricity & Water	50,000.00	39,995.80	10,004.20
2	0	1404	11	Rents & Local Taxes	49,760,000.00	49,741,315.46	18,684.54
2	0	1405	11	Other	250,000.00	199,155.97	50,844.03
				Transfers	175,000.00	56,141.34	118,858.66
2	0	1506	11	Property Loan Interst to Public Servants	175,000.00	56,141.34	118,858.66
				Rehabilitation & Improvement Of Capital Assets	4,100,000.00	782,142.01	3,317,857.99
2	0	2001	11	Building & Structures	1,100,000.00		1,100,000.00
2	0	2002	11	Plant & Machinery & Equipment	2,000,000.00	71,864.36	1,928,135.64
2	0	2003	11	Vehicles	1,000,000.00	710,277.65	289,722.35
				Acquisition of Capital Assets	250,000.00	113,114.32	136,885.68
2	0	2102	11	Furniture & Office Equipment	250,000.00	113,114.32	136,885.68
				Capacity Building	300,000.00	164,000.00	136,000.00
2	0	2401	11	Staff Training	300,000.00	164,000.00	136,000.00
Total					72,635,000.00	66,571,016.24	6,063,983.76

Sources: Ministry of Development Strategies & International Trade

Table – 5.3 State Minister's Office

Vote				Description	Allocation (Rs.)	Expenditure (Rs.)	Savings/Excess
				Personal Emoluments	3,650,000.00	2,555,257.01	1,094,742.99
11	0	1001	11	Salaries & Wages	1,500,000.00	1,200,689.98	299,310.02
11	0	1002	11	Overtime & Holiday Payments	500,000.00	88,258.19	411,741.81
11	0	1003	11	Other Allowances	1,650,000.00	1,266,308.84	383,691.16
				Travelling Expenses	650,000.00	462,482.00	187,518.00
11	0	1101	11	Domestic	150,000.00	15,100.00	134,900.00
11	0	1102	11	Foreign	500,000.00	447,382.00	52,618.00
				Supplies	1,620,000.00	892,432.81	727,567.19
11	0	1201	11	Stationary & Office Requisites	250,000.00	92,307.93	157,692.07
11	0	1202	11	Fuel	1,350,000.00	780,487.01	569,512.99
11	0	1203	11	Diets & Uniforms	20,000.00	19,637.87	362.13
				Maintenance Expenses	555,000.00	189,531.93	365,468.07
11	0	1301	11	Vehicles	500,000.00	189,531.93	310,468.07
11	0	1302	11	Plant & Machinery	25,000.00		25,000.00
11	0	1303	11	Building & Structures	30,000.00		30,000.00
				Services	805,000.00	259,784.24	545,215.76
11	0	1401	11	Transport	150,000.00	620.00	149,380.00
11	0	1402	11	Postal & Communication	450,000.00	77,789.95	372,210.05
11	0	1403	11	Electricity & Water	25,000.00	5,704.29	19,295.71
11	0	1405	11	other	180,000.00	175,670.00	4,330.00
				Transfers	75,000.00		75,000.00
11	0	1502	11	Retirements Benefits	75,000.00		75,000.00
				Rehabilitation & Improvement Of Capital Assets	1,250,000.00	191,383.32	1,058,616.68
11	0	2001	11	Building & Structures	1,000,000.00		1,000,000.00
11	0	2002	11	Plant & Machinery & Equipment	50,000.00		50,000.00
11	0	2003	11	Vehicles	200,000.00	191,383.32	8,616.68
				Acquisition of Capital Assets	500,000.00	263,405.00	236,595.00
11	0	2102	11	Furniture & Office Equipment	350,000.00	263,405.00	86,595.00
11	0	2103	11	Plant, Machinery & Equipment	150,000.00		150,000.00
Total					9,105,000.00	4,814,276.31	4,290,723.69

Sources: Ministry of Development Strategies & International Trade

6. Schedule

Organization Structure – Ministry of Development Strategies & International Trade

Organizational Structure

