Country Report Sri Lanka

Italian Trade Commission Office

New Delhi

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English language version

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
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Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
General Overview

The Democratic Socialist Republic of Sri Lanka is an island country in South Asia. Sri Lanka has maritime borders with India to the northwest and the Maldives to the southwest. Sri Lanka’s documented history spans around 3,000 years, with evidence of prehistoric human settlements dating back to thousands of years. Its geographic location and deep harbours made it of great strategic importance from the time of the ancient Silk Road through to the World War II. Sri Lanka was known from the beginning of British colonial rule until 1972 as Ceylon. A diverse and multicultural country, Sri Lanka is home to many religions, ethnic groups, and languages.

Sri Lanka is a republic and a unitary state governed by a semi-presidential system. The administrative capital, Sri Jayawardenepura Kotte, is a suburb of the commercial capital and largest city, Colombo. Sri Lanka has had a long history of international engagement, as a founding member of the South Asian Association for Regional Cooperation (SAARC), and a member of the United Nations, the Commonwealth of Nations, the G77, and the Non-Aligned Movement. Along with the Maldives, Sri Lanka is one of the two countries in South Asia that are currently rated among those with high Human Development Index.

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
For administrative purposes, Sri Lanka is divided into nine provinces and twenty-five districts.

There have been provinces in Sri Lanka since the 19th century, but they had no legal status until 1987 when the 13th Amendment to the 1978 constitution established provincial councils after several decades of increasing demand for a decentralisation of the Government of Sri Lanka. Each provincial council is an autonomous body not under the authority of any Ministry. Some of its functions had been undertaken by central government ministries, departments, corporations, and statutory authorities, but authority over land and police is not as a rule given to provincial councils. Between 1989 and 2006, the Northern and Eastern provinces were temporarily merged to form the North-East Province. Prior to 1987, all administrative tasks for the provinces were handled by a district-based civil service which had been in place since colonial times.

Districts and local authorities Sri Lanka is also divided into 25 districts. Each district is administered under a District Secretariat. The districts are further subdivided into 256 divisional secretariats, and these, in turn, to approximately 14,008 Grama Niladhari divisions. The Districts are known in Sinhala as Disa and in Tamil as Māwaddam. Originally, a Disa (usually rendered into English as Dissavony) was a duchy, notably Matale and Uva. A government agent, who is known as District Secretary, administers a district.

There are three other types of local authorities: Municipal Councils (18), Urban councils (13) and Pradeshiya Sabha, also called Pradesha Sabhai. Local authorities were originally based on feudal counties named korale and rata, and were formerly known as 'D.R.O. divisions' after the 'Divisional Revenue Officer'. Later the D.R.O.s became 'Assistant Government Agents' and the divisions were known as 'A.G.A. divisions'. These Divisional Secretariats are currently administered by a 'Divisional Secretary'.

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
Political & Constitutional Overview

The Democratic Socialist Republic of Sri Lanka is a free, independent and sovereign state which is governed by a semi-presidential system introduced under the constitution of 1978. The President is the head of state and the head of government and is elected by the people for a term of six years. The executive power of the state is vested with the President and is assisted by the Cabinet of Ministers which is in charge of different subject matters important to development and the economy of the country. Legislative power is exercised by the Parliament, which consists of 225 members, is elected by people on a proportional representation basis. The provincial councils which are elected by people are the governing body at provincial level and local authorities are responsible for administrating the urban areas and the “Pradeshiya Sabha” areas. There is well established judicial system which is independent of the executive and the legislature to solve disputes and make jurisdiction on various legal issues arising day to day life of citizens. For decades, the party system has been dominated by the Socialist Sri Lanka Freedom Party and the conservative United National Party (UNP). The Politics of Sri Lanka reflect the historical and political differences between the three main ethnic groups, the majority Sinhala, the minorities Tamils, and Muslims. The two minority groups concentrated in the north and east of the island.

Executive Branch

Political power is divided between the legislative, executive, and judicial branches. The most powerful of them is the executive branch. The President is the Head of the State, Government, and the Armed Forces. He is elected by a direct vote of the people for 5 year terms as per the new amendment – 19th Amendment to the Constitution of Sri Lanka. The president still can appoint key government functionaries and judicial bodies. The President shall be responsible to Parliament, and can be impeached by a two-thirds majority in Parliament. The President may declare war and peace. He can place the country or any parts under a state of emergency, under which they can override any law passed and promulgate any regulation without needing legislative approval. However, to prolong the state of emergency for more than a month parliamentary approval is needed. Anyhow, no one can adorn the post of president for more than two times.

Legislative Branch

The Legislature of Sri Lanka is unicameral, with a Parliament of 226 members elected to 5-year terms by a direct vote. The members of Parliament then elect a Speaker, Deputy Speaker, and a Chair of Committees. The President can dissolve Parliament at any time, which significantly weakens their authority vis-a-vis the Executive branch. The main purpose of the Parliament is to pass bills and resolutions. This legislation becomes law upon a majority vote and the endorsement of the Speaker. If the Cabinet requires it, however, the bill may require a referendum, which the President must endorse. No court can question a law adopted in this way.

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
Judicial branch

The judicial branch of Sri Lanka is comprised of a Supreme Court, a Court of Appeals, a High Court, and other courts created by law. It is the task of these courts to protect and enforce individual rights of the people. The President appoints not only the Chief Justice and members of the Supreme Court, but also the President and Justices of the High Court. They may hold office only for 65 years, and while their appointments were subject to the approval of the Constitutional Council. The Supreme Court holds the sole power of constitutional review, and its jurisdiction also extends to matters concerning fundamental rights, final appeals, and election issues. It also has the power to review the actions of Parliamentary members and may advise Parliament in the legislative process.

Recent Political Developments

A political crisis in late 2018 broke the almost four-year alliance between UNP, which is led by the Prime Minister, Ranil Wickremesinghe, and the Sri Lanka Freedom Party (SLFP), led by the president, Maithripala Sirisena. The crisis started on 26 October 2018, when President Sirisena abruptly sacked Prime Minister Wikremesinghe and replaced him with Mr. Rajapaksa, a former President. Sirisena then dissolved parliament and called for new elections. There were protests and lawsuits to challenge his decision. The crisis ended after the Supreme Court, on 13 December 2018, ruled that Sirisena’s actions were unconstitutional citing the 19th Amendment (Constitutional) of 2015. Rajapaksa stepped down as prime minister and Wickremesinghe re-appointed on 16 December 2018.

19th Amendment to the Constitution of Sri Lanka\(^1\)

The passing of 19th Amendment to the Constitution of Sri Lanka is marked as beginning of a new chapter in the contemporary political history of the country. The legislation envisages the dilution of many powers of Executive Presidency, which had been in force since 1978. Among the important features of the Bill are: the reduction in the terms of President and Parliament from six years to five years; re-introduction of a two-term limit that a person can have as President; the power of President to dissolve Parliament only after four and a half years [unlike one year, as prevalent now]; the revival of Constitutional Council and the establishment of independent commissions. Though the abolition of the Executive Presidency was the major electoral promise of Mr Sirisena, it never realized. Furthermore, the Supreme Court held that certain presidential provisions, such as those making Prime Minister the head of Cabinet and empowering PM to determine the size of Cabinet, would require a referendum. So, the President remains the head of Cabinet. However, he can appoint Ministers on the advice of Prime Minister.


Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
Macro-Economic Indicators

Sri Lanka is a lower middle-income country with a population of 21 million. The International Monetary Fund has forecasted a 4.3% Sri Lankan GDP growth for the year 2019, on the back of a recovery in the agriculture and services sectors and last year’s recovery from adverse weather conditions. The growth activity will be supported by robust domestic demand as consumption rebounds following natural disasters, and investment is boosted by infrastructure projects. Continued growth in private consumption and a modest increase in government consumption owing to election-related spending will support overall growth momentum in 2019. Structural constraints such as a shortage of skilled labour, poor infrastructure and a low female labourforce participation rate will preclude stronger growth.

In the index “Ease of doing business 2019” (EODB), Sri Lanka is ranked 100th out of 190 countries, moving up 11 positions compared to 2018. The country aims to be ranked among the top 70 in the Ease of Doing Business Index by 2020.

Statistics

According to the latest Central Bank of Sri Lanka’s figures, Sri Lanka’s GDP has increased from $53.3 billion in 2017 to $55 billion in 2018.

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP (USD Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>49.3</td>
</tr>
<tr>
<td>2016</td>
<td>51.5</td>
</tr>
<tr>
<td>2017</td>
<td>53.3</td>
</tr>
<tr>
<td>2018</td>
<td>55</td>
</tr>
</tbody>
</table>

Sri Lanka’s Real GDP growth rate has decreased from 3.3% in 2017 to 3.2% in 2018 and is further expected to grow to 4.5%. and 4.7% in 2019 and 2020, respectively.

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
Analysing the distribution of GDP, official data from IMF confirms that Sri Lanka’s Nominal Per Capita GDP in 2019 is forecasted to be 4,469.77 USD, compared to 4,265.28 USD in the year 2018, thus registering growth of 4.79%.

As per the data available from IMF, in 2018, India’s GDP (PPP-Purchasing Power Parity) is 13,500.41 USD and is further estimated to rise to 14,219.28 in 2019.

With regards to GDP composition\(^2\), in the year 2017, the service sector contributes 56.8% to Sri Lanka’s GDP, industry contributes 26.8 and agriculture 6.9%.

In 2018, the workforce in Sri Lanka stands at 7,991 thousands workers and 367 thousand unemployed persons with an unemployment rate of 4.6% which is expected to decrease to 4.4% in 2019.

According to Central Bank of Sri Lanka, Consumer Price Inflation had the following yearly averages, 6.6% in 2017, 4.3% in 2018, and is estimated to be 4.8% in 2019 and 4.9% in 2020.

\(^2\)Central Bank of Sri Lanka

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
In the recent years, the Sri Lankan Rupee (LKR) underwent huge variations in the exchange rate. From an annual average of 150.93 Rupees per Euro in 2015, it rose to an average of 161.75 Rupee per Euro and 172.38 Rupee per Euro in 2016 and 2017, respectively. The average rate in 2018 was 191.66 Rupee per euro.

<table>
<thead>
<tr>
<th>SUMMARY TABLE</th>
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<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>2015</td>
</tr>
<tr>
<td>GDP($ Billion)</td>
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<tr>
<td>GDP Growth Rate(%)</td>
</tr>
<tr>
<td>Per-Capita Nominal GDP ($)</td>
</tr>
<tr>
<td>GDP Per Capita PPP Based ($)</td>
</tr>
<tr>
<td>Net Public Debt (% of GDP)</td>
</tr>
<tr>
<td>External Debt ($ Billion)</td>
</tr>
<tr>
<td>Inflation CPI(%)</td>
</tr>
<tr>
<td>Population (Million)</td>
</tr>
<tr>
<td>Employment (Thousand)</td>
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<tr>
<td>Unemployment (Thousand)</td>
</tr>
<tr>
<td>Unemployment rate (%)</td>
</tr>
<tr>
<td>Exports ($ Billion)</td>
</tr>
<tr>
<td>Imports ($ Billion)</td>
</tr>
<tr>
<td>EODB Position</td>
</tr>
<tr>
<td>Average Annual Exchange Rate(LKR/EURO)</td>
</tr>
</tbody>
</table>

Sources:
(1) International Monetary Fund (IMF)- World Economic Outlook
(2) Central Bank of Sri Lanka
(3) Economist Intelligence Unit

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
Sri Lanka’s Foreign Trade

According to Sri Lankan official sources, during calendar year 2018 the total exports stood at € 9.88 billion whereas, total imports stood at € 18.7 billion, posting a negative trade balance of € 8.8 billion, taking the total trade to € 28.64 billion.

- For the calendar year 2018, the top commodities exported to the world were articles of apparel and clothing accessories (knitted or crocheted) worth € 2.36 bn (share of 23.9% out of total exports) and posting a negative growth of 1.7% with respect to the previous year, Articles of apparel and clothing accessories (not knitted or crocheted) worth € 1.83 bn (with share of 18.59% and posting an increase of 2.91% from previous year), Coffee, tea, mate & spices worth € 1.48 Bn (share of 15%) posting a decline of 10.3%, Rubber & Articles worth € 768.5 Mn (share of 7.7%) posting a decline of 0.65%, Mineral fuels & oils etc. worth € 318.9 Mn (share of 3.2%) posting an increase of 24.6%; and Electrical Machinery & Equipments worth € 262.4 Mn (share of 2.65%), posting an increase of 20.54%

- The top commodities imported from the world were Mineral Fuels, oils and products worth € 3.28 Bn (share of 17.5% out of total imports) posting an increase of almost 15.1% with respect to the previous year, Automotive & parts worth 1.88 Bn (share of 10%), which posted an increase of 42.2%, Machinery & Mechanical Appliances worth € 1.3 Bn with a share of 7.2% registering a negative growth of 8.1%, Electrical machinery and equipments worth € 1.11 Bn (share of 5.9%) posting a decline of almost 9.1%, Knitted or crocheted fabrics worth € 753.4 Mn (4%) posting an increase of almost 0.92%, Iron & Steel worth € 702.6 Mn (share of 3.7%) posting a decline of 0.83% and Plastic and articles worth € 690.6 Mn (share of 3.6%), posting an increase of almost 7.89%.

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
As per the latest available data by the Sri Lankan Customs’ office, Sri Lanka’s main suppliers in 2018 were: India with € 3.5 billion with a market share of 18.7%, China ranked second with € 3.4 billion with a share of 18.6%, UAE at the third place for a value of € 1.4 billion with a share of 7.7%. Italy ranked 15th country in terms of suppliers to Sri Lanka during the year 2018.

Whereas, Sri Lanka’s main export destinations in 2018 were United States worth € 2.60 billion with a share of 26.39%, followed by UK worth € 830.5 Mn with a share of 8.4% and India worth € 651.3 Mn with a share of 6.5%. Italy ranked as 5th destination for Sri Lankan’s exports.

As for the total trade (imports and exports), Italy is ranked 9 (3rd EU country, after UK & Germany) with € 759 million and a market share of 2.6%. UK at 7th place holds a market share of 4% (€ 1.14 Billion and Germany which occupies the 9th position has a market share of 3.3%, which equals to € 935 million.

Moreover, during the calendar year 2017 the total exports stood at € 10.1 billion, marking an increase of 9.9% in comparison to the previous year of 2016. Imports stood at € 18.9 billion, marking an increase of 7.1% as compared to 2016.

- For the calendar year 2017, the top commodities exported to the world were articles of apparel and clothing accessories (knitted or crocheted) worth € 2.4 bn (share of 23.7% out of total exports) and posting a negative growth of 1.4% with respect to the previous year, Articles of apparel and clothing accessories (not knitted or crocheted) worth € 1.7 bn (with share of 17.6%) (posting an increase of 4.2%), Coffee, tea, mate & spices worth € 1.65 Bn (share of 16.3%) posting an increase of 20.2 %, Rubber & Articles worth € 773.5 Mn (share of 7.6%) posting an increase of 6.9%, Mineral fuels & oils etc. worth € 255.8 Mn (share of 2.5%) posting an increase of 73.2%; and Electrical Machinery & Equipments worth € 217.6 Mn (share of 2.1%), posting an increase of 9.7%.

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
The top commodities imported from the world were Mineral Fuels, oils and products worth € 2.85 Bn (share of 15% out of total imports) posting an increase of 35.24% with respect to the previous year, Automotive & parts worth 1.32 Bn (share of 7%), which posted a decline of 2.1%, Machinery & Mechanical Appliances worth € 1.48 Bn with a share of 7.8% registering a negative growth of 6%, Knitted or crocheted fabrics worth € 746.6 Mn (3.9%) posting an increase of 3.6%, Iron & Steel worth € 708.5 Mn (share of 3.7%) posting an increase of 31% and Plastic and articles worth € 640.1 Mn (share of 3.4%), posting a decline of 0.26%.

Sri Lanka’s main suppliers in 2017 were: India with € 3.98 billion with a market share of 21%, China ranked second with € 3.7 billion with a share of 19.6 and UAE at the third place for a value of €1.38 billion with a share of 7.3%. Whereas, Sri Lanka’s main export destinations in 2017 were United States worth €2.57 billion with a share of 25.4%, followed by UK worth €918 million with a share of 9% and India worth € 610 million with a share of 6%.

In comparison, during the calendar year 2016, the total exports stood at € 9.23 billion, posting an increase 0.2% in comparison to the previous year of 2015 whereas, imports stood at € 17.63 billion, marking an increase of 3% as compared to 2015.

For the calendar year 2016, the top commodities exported to the world were articles of apparel and clothing accessories (knitted or crocheted) worth € 2.4 bn (share of 26.4% out of total exports) and posting a growth of 5.7% with respect to the previous year, Articles of apparel and clothing accessories (not knitted or crocheted) worth € 1.7 bn (with share of 18.5%) (posting a decrease of 4.3%), Coffee, tea, mate & spices worth € 1.37 Bn (share of 14.9%) posting a decrease of 8.3 %, Rubber & Articles worth € 724 Mn (share of 7.8%) posting an increase of 2%, and Electrical Machinery & Equipments worth € 198 Mn (share of 2.1%), posting an increase of 3.7%.

The top commodities imported from the world were Mineral Fuels, oils and products worth € 2.1 Bn (share of 11.9% out of total imports) posting a decrease of 11.9% with respect to the previous year, Machinery & Mechanical Appliances worth € 1.58 Bn with a share of 8.9% registering a negative growth of 12.9 6%, Automotive & parts worth € 1.35 Bn (share of 7.6%), which posted a decline of 34.4%, Electrical machinery and equipment worth € 1.24 Bn with a share of 7% posting an increase of 29.2%, Knitted or crocheted fabrics worth € 721 Mn (4%) posting an increase of 15.6% and Plastic and articles worth € 642 Mn (share of 3.6%), posting a decline of 2.5%.

Sri Lanka’s main suppliers in 2016 were: China with € 3.86 billion with a market share of 21.8%, India ranked second with € 3.45 billion with a share of 19.6%, UAE at the third place for a value of €966 million with a share of 5.4%. Whereas, Sri Lanka’s main export destinations in 2016 were United States worth €2.53 Bn with a share of 27.4%, followed by UK worth €943 Mn with a share of 10.2% and India worth € 498 Mn with a share of 5.39%.

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
Sri Lanka's Trade With Rest of the World

<table>
<thead>
<tr>
<th>Year</th>
<th>Export</th>
<th>Import</th>
<th>Total Trade</th>
<th>Balance of Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>9.2</td>
<td>17.6</td>
<td>26.8</td>
<td>-8.4</td>
</tr>
<tr>
<td>2017</td>
<td>10.1</td>
<td>18.9</td>
<td>29</td>
<td>-8.7</td>
</tr>
<tr>
<td>2018</td>
<td>9.9</td>
<td>18.7</td>
<td>28.6</td>
<td>-8.8</td>
</tr>
</tbody>
</table>

All Values in € Billion

Source: Sri Lanka’s Customs’ Office

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
Bilateral Trade Relations

According to the latest ISTAT data available, for the calendar year 2018 the total trade exchange between Sri Lanka & Italy reached € 687 Million which posted a growth of 5.1% over the last year, with Italy’s exports valued at € 253 million (posting a decrease of 1.26% compared to the same period of 2017) and imports from Sri Lanka valued at € 434 Million Euro (posting an increase of 9.2% compared to 2017).

The top commodities exported were: Machinery and Mechanical Appliances (29.8%), Knitted or Crocheted fabrics (17.8%), Special woven fabrics, tufted textiles fabrics (10.6%), Manmade filaments (including yarns & woven fabrics) (6.2%), Electrical Machinery & equipment (3.7%) Plastics & articles (3.3%), Rubber & Articles (3.3%).

As far as Imports are concerned, during 2018, Italy mainly imported products related to apparel & clothing accessories (Knitted or crocheted) 40.1%, followed by apparel & clothing accessories (not Knitted or crocheted) 33.6%, rubber and articles (8.8%), precious metals & stones (6%), fish & other aquatic invertebrates (4.9%), coffee, tea, mate & spices (1.5%) and fertilizers (0.7%)

As per the latest ISTAT data, Italy’s main suppliers in 2018 were: Germany with € 70.27 billion with a market share of 16.6%, France ranked second with € 36.41 billion with a share of 8.6%, China at the third place for a value of €30.72 billion with a share of 7.2%. In terms of market shares, the top three countries (Germany, France & China) add up to 32.4%. Sri Lanka came at distant 72nd with €434 Mn with 0.1% share.

Whereas, Italy’s main export destinations in 2018 were Germany worth € 57.85 Bn with a share of 12.57%, followed by France worth € 48.17 Bn with a share of 10.46% and United States worth € 42.33 Bn with a share of 9.2%. Sri Lanka ranked 88th with €253 Mn with 0.06% share.

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
Whereas, In the calendar year 2017 the total trade exchange between Sri Lanka & Italy reached € 653 Million which had increased by 13.7% over the last year, with Italy’s exports valued at € 256 Million (an increase of 8.7% compared to the last year) and imports from Sri Lanka valued at € 397 Million (posting an increase of 17% compared to 2016).

The top commodities Italy exported to Sri Lanka in 2017 were Machinery & Mechanical Appliances worth € 61.8 Mn (recording a decrease of 1.3% as compared to 2016), Knitted or crocheted fabrics worth € 54.9 Mn (posting a decline of 1.6%), Special woven fabrics worth € 22.8 Mn (growth of 29.9%), Electrical Machinery & Equipment worth € 14.37 Mn (increase of 30.6%) and Manmade filaments worth € 12.4 Mn (growth of 1.4%)

Whereas, the main commodities Italy Imported from Sri Lanka in 2017 were apparel & clothing accessories (Knitted or crocheted) worth € 174.6 Mn (recording an increase of 8.4% as compared to 2016), apparel & clothing accessories (not Knitted or crocheted) worth € 127.8 Mn which posted a growth of 30.5%, Rubber and articles worth € 34.5 Mn (posting a decline of -0.4%), Precious metals & stones worth € 15.5 Mn (18.78%), fish & other aquatic invertebrates worth € 13.7 Mn (134.27%) and coffee, tea, mate & spices worth € 5.73 Mn (-25.2%)

In comparison, during the calendar year 2016 the total trade exchange between Sri Lanka & Italy stood at € 574 Million which increased by 3.9% over the previous year 2015, with Italy’s exports valued at € 235 Million (an increase of 26.6% compared to the previous year) and imports from Sri Lanka valued at € 339 Million (posting a decrease of 7.2% compared to 2015).

The top commodities Italy exported to Sri Lanka in 2016 were Machinery & Mechanical Appliances worth € 62.6 Mn (recording an increase of 53.4% as compared to 2015), Knitted or crocheted fabrics worth € 55.8 Mn (posting a growth of 17.8%), Special woven fabrics worth € 17.5 Mn (growth of 1.5%), Electrical Machinery & Equipment worth € 11 Mn (increase of 39.3%) and Manmade filaments worth € 12.3 Mn (growth of 25.5%)

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
Whereas, the main commodities Italy imported from Sri Lanka in 2016 were apparel & clothing accessories (Knitted or crocheted) worth € 161 Mn (recording a decrease of 5.3% as compared to 2015), apparel & clothing accessories (not Knitted or crocheted) worth € 97.9 Mn which posted a decline of 16.3%, Rubber and articles worth € 34.7 Mn (posting a decline of -0.09%), Precious metals & stones worth € 13.1 Mn (-13.2%), fish & other aquatic invertebrates worth € 5.8 Mn (544.81%) and coffee, tea, mate & spices worth € 7.6 Mn (-13.7%)

**Sri Lanka – Italy Trade Exchange**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total trade with Italy</td>
<td>523</td>
<td>614</td>
<td>552</td>
<td>574</td>
<td>653</td>
<td>687</td>
</tr>
<tr>
<td>% Percentage Change</td>
<td>(-)6.16</td>
<td>17.4</td>
<td>(-) 10.1</td>
<td>3.9</td>
<td>13.7</td>
<td>5.1</td>
</tr>
<tr>
<td>Italy’s Export to Sri Lanka</td>
<td>206</td>
<td>219</td>
<td>186</td>
<td>235</td>
<td>256</td>
<td>253</td>
</tr>
<tr>
<td>% Percentage Change</td>
<td>0.3</td>
<td>6.1</td>
<td>(-) 15</td>
<td>26.6</td>
<td>8.7</td>
<td>(-) 1.26</td>
</tr>
<tr>
<td>Italy’s Import from Sri Lanka</td>
<td>317</td>
<td>395</td>
<td>366</td>
<td>339</td>
<td>397</td>
<td>434</td>
</tr>
<tr>
<td>% Percentage Change</td>
<td>(-) 9.9</td>
<td>24.6</td>
<td>(-) 7.4</td>
<td>(-) 7.2</td>
<td>17</td>
<td>9.2</td>
</tr>
<tr>
<td>Balance of Trade</td>
<td>(-)111</td>
<td>(-)176</td>
<td>(-)180</td>
<td>(-)104</td>
<td>(-)141</td>
<td>(-)181</td>
</tr>
<tr>
<td>% Percentage</td>
<td>(-) 21.2</td>
<td>(-) 28.7</td>
<td>(-) 32.6</td>
<td>(-) 18.1</td>
<td>(-) 21.7</td>
<td>(-) 26.8</td>
</tr>
</tbody>
</table>

Source: Istat data

Recorded history speaks of emissaries between Sri Lanka and Rome in the 1st century. In modern times, the Embassy of Sri Lanka in Italy was established in 1952. Both countries are maintaining Missions headed by a resident Ambassador in each others’ capitals. There have been a number of high level visits between the two countries over the years. Bilateral relations between our two countries have been close and cordial. Strong people-to-people contacts have been an important element of the bilateral relations. There are an estimated 80,000 Sri Lankan expatriates in Italy.

The Bilateral Air Services Agreement signed in 1959 and subsequently revised to reflect new realities, has been an important conduit for intensified people to people interaction and facilitating business. Flights between Colombo, Milan and Rome operate 3 days of the week. An Investment Protection Agreement and an Agreement on Avoidance of Double Taxation was concluded in 1990 facilitate an important area of business. The Italy – Sri Lanka Business Council was established in 1997 and the Establishment of this Council has contributed to increase Italian investments in Sri Lanka.

Relief assistance in the aftermath of the tsunami disaster symbolizes the warm and generous goodwill Italy extends to Sri Lanka. Italy has been particularly forthcoming in Sri Lanka’s times of need. Almost 50 million Euros were provided as Tsunami relief and reconstruction assistance following the December 2004 tsunami. Italian funds financed 48 critical projects in Sri Lanka and the Italian Government flights were among the first to land at the Katunayake Airport within 24 hours of the Tsunami striking Sri Lanka.

The varied nature of existing bilateral agreements is indicative of the vibrancy of the relationship between Italy and Sri Lanka. The agreements signed as of present include, among others:

**Source:** Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
• Air Services Agreement signed in 1959 and subsequent commercial arrangement revisions
• Investment Promotion & Protection Agreement signed in 1987
• Agreement on Avoidance of Double Taxation signed in 1984 and concluded in 1990
• Agreement for Cultural, Scientific and Technological Cooperation
• Memorandum to amend the 1873 Extradition Treaty dated August 1999
• Exchange of Notes on Anchorage
• Exchange of Notes for the Re-admission of illegal immigrants

The two countries enjoy a consolidated trade and investment relationship. There is growing interest and initiatives to further intensify trade and investment between the two countries, including in the tourism sector. Overall, the relationship between Sri Lanka and Italy is a strong and abiding one. The ancient links, coupled with the positive political relationship and supplemented by vibrant activity in the cultural sphere, and intense people to people contacts have resulted in a dynamic, mutually rewarding relationship. The relationship with Italy is considered to be one of the most positive and helpful engagements Sri Lanka enjoys in the European sector.

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
At the time of independence in 1948, Sri Lanka was predominantly an agricultural economy with a modern plantation sector, much of which was owned by foreign investors. However, Foreign Direct Investment (FDI) was negligible until the 1980s, when it picked up to about $50 million per year. There have been two significant developments in the investment environment since the liberalization phase began in 1977. However, in the recent past, the economy was marred with violence emanated from the domestic disruptions and insurgency. Its only recently, that the country is looking forward to attract foreign investment in different sectors.

FDI inflows to Sri Lanka have increased steadily in recent years driven by the end of the conflict and economic recovery. Manufacturing, IT, tourism and infrastructure recorded the highest growth rates in terms of FDI infusion in the recent past. As per the official data released by the Economic Research Department of the Central Bank of Sri Lanka, FDI inflow to Sri Lanka in 2018 (up to September) amounts to 1.60 Million Euros. In the previous year, the FDI was 1.23 Billion Euros. As the country’s FDI inflow data is showing promising figures in 2018 up to the month of September, and it is highly likely that the final figure for the calendar year would be much more higher than the total FDI received in 2017.

The Sri Lanka’s inward FDIs has been on an upward trajectory from 2010, however, the momentum was lost after 2014 when the external investment flow began to slowdown. The trend remained there for the two years – 2015 & 2016 – before regaining the essential forward momentum. In 2017, a

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3 Central Bank of Sri Lanka

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
whopping 77 per cent growth was registered in 2017, where the total amount crossed 1.2 Billion Euro mark.

According to international sources, the FDI inflows to Sri Lanka for the year 2017 stand at 1.22 billion euros. It is a steep climb from the year 2015 where the FDI was 604.9 Million Euros. At the same time, the FDI outflows from Sri Lanka to other countries stood at 63.7 Million Euros in 2017 and 47.2 Million Euros in the year 2015.

Sri Lankan sources claim different data on outward FDI flow from Sri Lanka, as depicted in the chart below.

### OUTWARD DIRECT INVESTMENT FROM SRI LANKA
(Values in Million Euros)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>56.9</td>
<td>57.9</td>
<td>59.5</td>
<td>47.2</td>
<td>210.8</td>
<td>63.7</td>
</tr>
</tbody>
</table>

Source: UNCTAD

Sri Lanka, being a country looking for development and investment is not big player in the global investment arena. However, the outward investment from Sri Lanka has also been showing good improvements in the past decade. In the current year (2019), the outward investment is estimated to be 222.83 Million Euros and in 2020, it is expected to grow further at 255.81 Million Euros.

### Investments between Sri Lanka & Italy
(Values in Euro Millions)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Italian FDI in Sri Lanka</td>
<td>27</td>
<td>-34</td>
<td>21</td>
<td>0</td>
<td>-4</td>
<td>84</td>
<td>5</td>
<td>153</td>
</tr>
<tr>
<td>Sri Lankan FDI in Italy</td>
<td>111</td>
<td>-49</td>
<td>23</td>
<td>7</td>
<td>-5</td>
<td>-56</td>
<td>1</td>
<td>39</td>
</tr>
</tbody>
</table>

Source: MISE, Italy.

As per the data available with the Italian Ministry of Economic Development (MISE), the total Italian investment up until the end of 2017 amounts to 153 Million Euros. At the same time, investment from Sri Lanka to Italy stands at 39 Million Euros.

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
Sri Lanka has certain elements with which the nation leverage and attract more investments:

**Strategic Access to Key Markets in the World**

- Only country in the world that has Free Trade Agreements with both India & Pakistan.
- Already giving you Free Trade access to approximately 25% of world’s population.
- Free Trade Agreement being negotiated with China which is expected to be finalized.

**Geo-Strategic Location**

- Situated at the crossroads of major shipping routes connecting South Asia, Far East, Pacific, Europe and America.
- 50% of all container traffic and 70% of the world’s energy supplies pass within sight of the Sri Lankan coast.

**Strong Booming Economy**

- Maintaining strong GDP growth rates consistently in the past 4 years.
- Recently graduated to the middle-income country category.
- Government aims to Make Sri Lanka a global strategic hub in five key areas: knowledge, commercial, naval & maritime, aviation, energy.

**Attractive Business Environment & Government Policies**

- Most liberalized economy in South Asia.
- Open market Free Economic policies.
- Foreign investors are allowed 100% ownership of their investment.

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*Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)*
Sector Analysis and Opportunities

Textile & Apparel

The export-oriented production of clothing (readymade garments) began in 1970s and expanded rapidly after the liberalization of the economy in 1977. When Sri Lanka liberalized its economy in 1977 the country’s garment industry took off immediately. This encouraged local business community to commence its own garment enterprises to exploit markets guaranteed by quotas assisted by the liberal trade regime for importations and subsequently incentives granted by the Board of Investment of Sri Lanka (BOI) including tax holidays and other fiscal and non-fiscal concessions.

During 1980s garment exports were growing rapidly and by 1986 garment exports accounted for the largest share of all exports (27%). In 1992, the government offered an attractive incentive package to all garment manufacturers to move into the rural areas of Sri Lanka under 200 garment factory programme which is considered as the turning point of the apparel industry. It was able to set up 163 factories under the said programme by 1995. By 1992, the garment industry had become the largest foreign exchange earner in the country (US$400Mn) overtaking the tea industry.

The apparel sector is the highest industrial employment generator and the highest foreign exchange earner. Apparel manufacturers comprise nearly 90% of the textile/apparel sector in Sri Lanka. They produce a wide range of international branded clothing such as Victoria’s Secret, Liz Claiborne, Pierre Cardin, Nike, Gap etc. The most number of apparel projects operate in the Western Province. This shows that opportunities for apparel factories are available in emerging areas. Therefore, prospective investors could set up their projects in emerging areas including the Northern Province.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>World</td>
<td>74.65</td>
<td>75.61</td>
<td>55.93</td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>14.54</td>
<td>15.02</td>
<td>16.66</td>
</tr>
<tr>
<td>3</td>
<td>India</td>
<td>32.55</td>
<td>31.40</td>
<td>16.24</td>
</tr>
<tr>
<td>6</td>
<td>Myanmar</td>
<td>0</td>
<td>0.17</td>
<td>3.72</td>
</tr>
<tr>
<td>6</td>
<td>Italy</td>
<td>1.84</td>
<td>2.20</td>
<td>2.50</td>
</tr>
</tbody>
</table>

Source: Sri Lanka Customs Office

Fisheries

Seafood product sector plays an important role in Sri Lanka’s Social and economic life. The Sector contributes about 2.7% to country’s GDP. End of the civil unrest detained three decades in the country, fisheries sector has a significant scope to increase the level of contribution through exploiting high seas for tuna fishing & value addition. Sri Lanka has emerged as a quality tuna

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
exporter - predominantly yellow fin and big eye species to international markets. These include sashimi quality tuna, tuna loins, fresh tuna steaks, tuna topping and tuna saku blocks, to name a few. The seafood sector has shown a growth rate of 5% within the last 5 years with key buyers from UK, France, Italy, Japan, Netherlands and the USA. With the opening up of the Northern and Eastern areas of the island nation, 65% of oceanic area is now free for fishing.

A fishing fleet of 1700 boats operate around the island's waters and supply approximately to 75 medium and large scale export companies, 32 of which utilize the EU-approved processing plants. The sector has generated close to 2.4 million direct and indirect jobs. United Kingdom is the main market for Sri Lankan tuna followed by France, Italy, Netherlands, and Germany.

**Plastics and plastic articles**

Sri Lanka resorts to import of Plastics and plastic articles. In the recent past the import value under this category ranged over 700-800 USD Millions. China is the largest source country for Sri Lanka in import of plastics, which claims around 17 per cent of the total import market, followed by India with 15 per cent. Italy’s share of Sri Lanka’s market is considerably low with 12 USD Millions in the year 2018. Germany, UK and France are the other major European players ahead of Italy in this market. However, Asian states dominate the import market of Sri Lanka in the Plastics and plastic articles segment.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>World</td>
<td>641.75</td>
<td>640.11</td>
<td>690.61</td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>96.03</td>
<td>101.78</td>
<td>108.92</td>
</tr>
<tr>
<td>3</td>
<td>India</td>
<td>92.11</td>
<td>89.07</td>
<td>96.87</td>
</tr>
<tr>
<td>19</td>
<td>Saudi Arabia</td>
<td>87.73</td>
<td>76.07</td>
<td>81.23</td>
</tr>
<tr>
<td></td>
<td>Italy</td>
<td>8.28</td>
<td>7.61</td>
<td>10.29</td>
</tr>
</tbody>
</table>

Source: Sri Lanka Customs Office

**Rubber and rubber articles**

Another major item that constitutes the imports list of Sri Lanka is Rubber and rubber articles. In the year 2018, as per the data available with the Sri Lanka Customs office, the total import of rubber into Sri Lanka stands at 369 USD Million, registering 20 USD Million decline as compared to the previous calendar year. Pure rubber forms around 10 per cent of the total import in this category, and the share of tires is between 6 to 7 per cent. Major source countries for import of rubber into Sri Lanka are India, China and Thailand. Italy ranks 9th in the list with 12 USD Million.

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
Nuclear Reactors and Machinery

Sri Lanka’s machinery sector promises more opportunities for external players as the island country relies on imports of heavy machinery, reactors, boilers and mechanical appliances. It is a billion dollar market as far as import is concerned, having imported 1616 USD billions in the year under the category. Sri Lanka’s reliance on China and India is highly visible in this category as well, having half of the imports are coming from the two countries. Italy fares well in the category ranking 7th in the list.

Other major sectors in Sri Lanka that promise to be high yielding and growth are listed as below.

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
<table>
<thead>
<tr>
<th>SECTOR</th>
<th>AREAS OF INVESTMENT</th>
</tr>
</thead>
</table>
| **Manufacturing** | • Value added Tea  
• Coconut based products  
• Textile & Apparel  
• Electronic Products  
• Machinery & Appliances  
• Paper & Leather Products  
• Precious Stones  
• Boats  
• Ceramic & Glassware  
• Cosmetic Products  
• Motor Spare Parts  
• Mineral Based Products  
• Pharmaceuticals  
• Rubber based Products |
| **IT & BPO (Information Technology & Business Process Outsourcing)** | • Software Development  
• KPO  
• Hardware Manufacturing  
• BPO |

With a significant contribution of 30% to the GDP and 25% to the workforce, the industrial sector in Sri Lanka has become the prime force of value creation in the economic development of the country. The major contributors of the Manufacturing sector in the context are apparel, rubber, petroleum products, diamond & jewelry, food & beverage and machinery & equipment.

Sri Lanka is fast emerging as a top off shoring destination for IT and BPO services globally. The continuous improvement of macroeconomic conditions has enabled the country to be increasingly recognized as one of the leading outsourcing hubs in the region. This has been substantiated by a Global consulting giant, A.T. Kearney’s 2011 Global Services Location Index, where the country is ranked at 21 among the top 50 outsourcing destinations and Colombo was ranked among the top 10 emerging outsourcing cities by Global Service Magazine.

*Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)*
### Infrastructure

Good quality infrastructure is vital for the economic development of any country. Recognizing the growing demand for infrastructure arising from the growth and transformation of the Sri Lankan economy, infrastructure development strategies of the government are to expand infrastructure facilities to keep abreast of the demand. Sri Lankan construction industry accounts for nearly 7.1% of the Gross Domestic Product. Growth of private sector credit for construction purposes has increased significantly by 15.8% in the year 2011, which reflects the increased involvement of private sector in the construction industry.

- Commercial Buildings / office complexes / hospitals
- Urban Housing / Town centre development
- Water Services
- Industrial estate, special economic zones or knowledge cities
- Sanitation / Waste Management
- Investment Incentives
- Warehousing and Storage facility
- Internal Water ways / Transport

### Agriculture

Sri Lanka being an agricultural country, the sector still plays a key role in the economic development of the country. At present, agriculture sector contributes about 12.1 percent to the national GDP out of which fisheries sector contributes around 1.7 per cent and livestock sector accounted for 0.9 per cent. Sri Lanka is a fertile tropical land with full of natural resources that has the potential to cultivation and processing of variety of crops. Developed irrigation facilities in the country facilitate the provision of adequate water for cultivation during the off-monsoon periods.

Around 500 Agriculture graduates, 65 Food Science graduates & 1,000 Agriculture Diploma holders enter into the job market annually.

- Cultivation of Crops
- Livestock
- Floriculture
- Medicinal Plants
- Fisheries
- Inland Fisheries
- Forestry

### Energy

Government policy direction is to diversifying the energy resources used in the country to minimize fossil fuel fired power generation. According to composition of future energy mix approximately 20% of the electricity supply is expected to be generated by the renewable sources such as wind, solar, and biomass by year 2020.

- Power Generation using Renewable Resources
- Hydro Power
- Power parks & Wind power parks
- Energy Management and conservation

### Tourism

Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
Sri Lanka has always been a world famous tourist destination. Today, the country offers leisure and business travelers a spectrum of attraction. Sri Lanka has received further praise as a tourist destination by the National Geographic Channel, which ranked Sri Lanka as the 2nd best island to visit and emphasized the fact that the island has “absolutely everything in a small space”. The country targets to receive annual arrival of 2.5 mn tourists by the year 2016 and 4mn by 2020. Tourists’ arrival in 2012 has increased by 17.5% up to highest ever record of 1,005,605 as against the target of 950,000 set for the year. Tourist Hotel Association of Sri Lanka is with an estimate of about 25,000 additional hotel rooms that will be required within next five years, in addition to the 22,700 rooms available in the formal and informal sectors, to provide facilities for the expected increase of tourist inflow within this period.

- Observation towers
- Water Parks / Theme Parks / Amusement Parks
- Adventure sports / Hot Air Balloons
- Agro Tourism / Eco Tourism establishments
- Domestic Air Travel / Sea Planes
- Golf Courses / Race Courses
- Entertainment Studios
- Cable Cars
- Construction of Hotels / Resorts / Villas
- Cruise Services
- Construction facilities for health care tourism (Ayurveda)
- Investment Incentives

*Source: Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)*
## Major Bodies & Trade Associations

<table>
<thead>
<tr>
<th>Association/ Body</th>
<th>Address</th>
<th>Tel. &amp; Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sri Lanka Board of Investment</td>
<td>Level 26, West Tower, World Trade Center, Colombo 01</td>
<td>Tel: (+94 11) 2385972-6,23461313 <a href="mailto:info@boi.lk">info@boi.lk</a></td>
</tr>
</tbody>
</table>

“Board of Investment” (BOI), whose charter is to act as the official investment promotion and facilitation organization. The BOI is structured to function as a central facilitation point for investors. Companies or projects that are setup as BOI projects enjoy a wide range of attractive benefits including tax holidays, import/export concessions, foreign investment protection support, etc.

<table>
<thead>
<tr>
<th>Sri Lanka Tourism Development Authority</th>
<th>No. 80, Galle road, Colombo 03</th>
<th>Tel: +94 112426800 / +94 112426900 / 2437055/59/60 <a href="mailto:admin@sltda.gov.lk">admin@sltda.gov.lk</a> / <a href="mailto:udanaweb@gmail.com">udanaweb@gmail.com</a></th>
</tr>
</thead>
</table>

The “Sri Lanka Tourism Development Authority” (SLTDA) is the primary government organization responsible for developing and promoting tourism sector in Sri Lanka. Some of its activities include:

- Identifying and developing tourism related projects, products, and services.
- Formulating & implementing tourism development guidelines.
- Facilitating & implementing the legal and administrative process for tourism related projects, products, and services.

<table>
<thead>
<tr>
<th>Sri Lanka Export Development Board</th>
<th>No. 42 Nawam Mawatha, Colombo-02</th>
<th>Tel: +94-11-230-0705 / 11 <a href="mailto:edb@edb.gov.lk">edb@edb.gov.lk</a></th>
</tr>
</thead>
</table>

The Sri Lanka Export Development Board (EDB) is the Sri Lankan government’s official organization for the development and promotion of exports. EDB’s primary objectives are:

- Advising the Government on export policies to create a conducive environment for exports.
- Monitoring the performance of the export sector.
- Implementing programs to promote Sri Lanka’s export products and services.
- Facilitating and coordinating export development activities.

Proving advisory services and information to exporters, manufacturers, and other stake holders.

<table>
<thead>
<tr>
<th>Sri Lanka Department of Commerce</th>
<th>4 th Floor, &quot;Rakshana Mandiraya&quot;, #21, Vauxhall Street, Colombo 02</th>
<th>Tel: +94 112 329 733/ 2 346 114 +94 112 327 191/ 2 325 524 <a href="mailto:fortrade@doc.gov.lk">fortrade@doc.gov.lk</a></th>
</tr>
</thead>
</table>

The DoC is responsible for foreign trade policy formulation, coordination, and implementation, with the objective of developing and promoting Sri Lanka’s foreign trade relations at bilateral, regional and multilateral levels.

**Source:** Board of Investment of Sri Lanka (BOI), UN Comtrade, Central Bank of Sri Lanka, Observatory for Economic complications (MIT)
<table>
<thead>
<tr>
<th>Sri Lanka Securities &amp; Exchange Commission</th>
<th>Level 28 and 29, East Tower, World Trade Centre, Echelon Square, Colombo 01</th>
<th>Tel: +94 11 2143843 <a href="mailto:vajira@sec.gov.lk">vajira@sec.gov.lk</a></th>
</tr>
</thead>
</table>

The SEC is responsible for: Creation and maintenance of a market in which securities can be issued and traded in an orderly and fair manner Protection of the interest of investors Operation of a Compensation Fund to protect investors from financial loss arising as a result of any licensed stock broker or licensed stock dealer being found incapable of meeting his contractual obligations. Regulation of the securities market and to ensure that professional standards are maintained.