

### Foreign Trade

Sri Lanka, a founder member of the GATT/WTO, is the first South Asian country to effectively open up its economy through market-oriented reforms. The unilateral reforms initiated in late 1970s and numerous free-market measures introduced thereafter by the successive governments have made Sri Lanka one of the most liberal destinations for trade and investment.

The pro-business environment of Sri Lanka also include a range of other salutary dynamics such as the strategic location of the island, improved infrastructure with sea & air connectivity, well-educated and easily trainable workforce and higher living standards.

In addition to its commitments under the WTO, Sri Lanka continues to advance its integration into the global economy by liberalising its trade regime through a number of bilateral and regional trade agreements. Sri Lanka has already concluded free trade agreements with India and Pakistan, while negotiations are now underway for a similar agreement with China. The three agreements provide duty free access to a huge export market, which accommodate almost 40% of the entire world population.

Sri Lanka has been a founder member of two regional agreements, namely, South Asia Free Trade Area (SAFTA) and Asia-Pacific Preferential Trade Agreement (APTA), which was formerly known as the Bangkok Agreement. It is currently in the process negotiating another regional free trade agreement within the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC).



## **European Commission grants Duty-Free Market Access to Sri Lanka**

With the resumption of EU "GSP Plus" facility for Sri Lanka with effect from 19th May 2017, a majority of Sri Lankan products, including apparel & leather goods, rubber products, fish, coconut products, tea, spices, fruits & vegetables, gems & jewellery, toys & games ceramic ware etc., can now be imported into the twenty eight members states of the EU, including the UK, on duty free basis. ( [For complete list of products, please click here](#) )

The "Generalised System of Preferences (GSP) Plus" is a scheme of non-reciprocal tariff concessions, which grants duty-free market access for a large number of products imported from developing countries, which are committed to ratify and implement a total of twenty seven international conventions on human rights, labour conditions, protection of environment and good governance. These concessions support developing countries to enhance their economic development through increased trade with the Europe Union. For more details, please contact the Commercial Section, High Commission of Sri Lanka - London.

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## **Sri Lanka - UK Trade .... At a glance**

Accounting for about 10% of Sri Lanka's total exports to the world, the United Kingdom ranks the second largest export market for Sri Lanka after the USA. The total value of Sri Lanka's exports to the UK in 2014 stood around US\$ 1,115 millions. Sharing over 80% of this figure, articles of apparel and clothing accessories have been the largest item of export, while the other main items to the UK include rubber & articles thereof (4%), tea & spices (1.2%), footwear, animal/vegetable fats, fishery products, toys & games, essential oils etc.

The value of Sri Lanka imports from the UK has been averaging around US\$ 290 millions. Sri Lanka's import basket includes a variety of products such as parts and accessories for aircrafts,

machinery and mechanical appliances, articles of iron and steel, paper and paper boards, beverages and sprits, pharmaceutical products, plastic and plastic products, man-made fibres etc.