



ITC SURVEY ON NTMS: SRI LANKA EXPERIENCE

**PERMANENT MISSION OF SRI LANKA TO THE WTO
GENEVA, OCTOBER 23, 2013**



SRI LANKA AT A GLANCE

- **65,610 sq. km of area**
- **21 million people**
- **US \$ 60 billion economy**
- **US \$ 10 billion exports**
- **US \$ 20 billion imports**




Main Exports:

Apparel, tea, rubber & rubber goods, gems and jewellery, sea food, coconut products, spices, ceramic products

Main Imports:


Petroleum products, textiles, machinery and transportation equipment, building materials, mineral products, foodstuffs

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- **A pioneer member of the GATT / WTO**
 - **First South Asian economy to introduce market-oriented reforms (1977)**
 - **Heavy reliance on international trade**
 - **A major role by the Private sector**



ITC Survey on Sri Lanka:

- **Conducted between Feb. – Aug. 2010**
- **By a local research body, trained by ITC**
- **Business register compiled by ITC**
- **Information by Customs, CCC, SLEDB**

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- Phone interviews with 512 companies
 - Face-to-face interviews with 177 companies
 - **Scope:**
 - Government-imposed NTMs
 - Procedural Obstacles (POs)
 - Trade-related Business Environment (TBE)



Most affected Sectors:

- Fresh food
- Processed Agriculture Commodities
- Textile and clothing
- Chemicals, plastics, rubber products
- Other manufacturers

SHARE OF EXPORTERS AFFECTED BY NTMS OR OTHER OBSTACLES TO TRADE, BY SECTOR

Main export sector (as reported during phone screens)	Total export value in 2009 (US\$ '000) ^{a/}	Sector's share in total export	Number of companies interviewed on the phone	Number of companies affected by NTMs or other obstacles	Share of affected companies
Fresh food and raw agro-based products	1,851,980	28.3%	31	25	80.6%
Processed food and agro-based products	245,353	3.7%	74	56	75.7%
Textiles and clothing	681,521	10.4%	55	39	70.9%
Chemicals, plastics and rubber based products	346,623	5.3%	10	6	60.0%
Other manufacturing	3,409,469	52.2%	242	161	66.5%
Total	6,534,946	100%	412	287	69.7%

NTMS APPLIED BY PARTNER COUNTRIES

Partner country	Export value		Surveyed companies			Reported NTM cases	
	Sri Lankan export value in 2009 (US\$ '000)	Share in total Sri Lankan export value	No. of surveyed companies that export to this destination	No. of surveyed companies that reported NTMs applied by this export destination	Share of affected companies among those exporting to this destination	No. of product-specific NTM cases reported to be applied by this destination	Share in total reported product-specific NTM cases
European Union	2,480,802	38.0%	173	33	19.1%	94	37.6%
United States	1,561,316	23.9%	68	16	23.5%	31	12.4%
India	311,932	4.8%	30	8	26.7%	16	6.4%
U. A. E.	207,089	3.2%	18	3	16.7%	12	4.8%
Russian Federation	192,779	2.9%	12	1	8.3%	1	0.4%
Iran	145,918	2.2%	5	1	20.0%	2	0.8%
Japan	133,898	2.0%	42	6	14.3%	16	6.4%
Syria	131,953	2.0%	2	2	100.0%	2	0.8%
Turkey	112,520	1.7%	7	3	42.9%	9	3.6%
Singapore	82,101	1.3%	17	3	17.6%	2	0.8%
Australia	80,667	1.2%	30	7	23.3%	10	4.0%
Canada	72,487	1.1%	18	2	11.1%	2	0.8%
Hong Kong SAR	62,408	1.0%	7	2	28.6%	2	0.8%
Mexico	58,941	0.9%	4	2	50.0%	12	4.8%
Pakistan	54,152	0.8%	9	2	22.2%	11	4.4%
Other	845,983	12.9%	160	28	17.5%	28	11.2%
Total	6,534,946	100%	602	119	19.8%	250	100%

PROCEDURAL OBSTACLES AND INEFFICIENT TRADE-RELATED BUSINESS ENVIRONMENT IN PARTNER COUNTRIES

POs/TBE affecting exports			POs/TBE affecting imports		
Location of obstacles	Number of obstacles reported	Share in total obstacles	Location of obstacles	Number of obstacles reported	Share in total obstacles
European Union*	57	42.54%	China	3	27.27%
United States	15	11.19%	India	3	27.27%
India	14	10.45%	Bangladesh	1	9.09%
Mexico	12	8.96%	Hong Kong SAR	1	9.09%
Pakistan	12	8.96%	Malaysia	1	9.09%
United Arab Emirates	12	8.96%	Singapore	1	9.09%
Australia	4	2.99%	Chinese Taipei	1	9.09%
Japan	3	2.24%			
China	1	0.75%			
Malaysia	1	0.75%			
Maldives	1	0.75%			
Singapore	1	0.75%			
Republic of Korea	1	0.75%			
Total	134	100%	Total	11	100%

PROCEDURAL OBSTACLES AND INEFFICIENT TRADE-RELATED BUSINESS ENVIRONMENT IN SRI LANKAN AGENCIES

POs/TBE affecting exports			POs/TBE affecting imports		
Location of obstacles	Number of obstacles reported	Share in total obstacles	Location of obstacles	Number of obstacles reported	Share in total obstacles
Customs	93	40.79%	Customs	246	55.91%
Forest Authority	12	5.26%	Port Authorities	27	6.14%
Port Authorities	11	4.82%	Dept. of Import and Export Control	7	1.59%
BOI	6	2.63%	Min. of Defence and CPC	6	1.36%
Plant Quarantine Service	6	2.63%	Chamber of Commerce	5	1.14%
EDB	2	0.88%	SLSI	5	1.14%
Airport Authority	2	0.88%	Dept. of Commerce	4	0.91%
CDA	2	0.88%	TRC	4	0.91%
Dept. of Agriculture	2	0.88%	CDD	3	0.68%
Dept. of Commerce	2	0.88%	Dept. of Inland Revenue	3	0.68%
Fisheries Dept.	2	0.88%	Health Ministry	2	0.45%
Chamber of Commerce	1	0.44%	Sri Lankan Airlines	2	0.45%
Finance Ministry	1	0.44%	BOI	1	0.23%
Dept. of Inland Revenue	1	0.44%	Gem and Jewellery Authority	1	0.23%
Sri Lankan Airlines	1	0.44%	Environment Ministry	1	0.23%
Imp. & Exp. Control Dept.	1	0.44%	Agency not specified	123	27.95%
Agency not specified	83	36.40%			
Total	228	100.0%	Total	440	100.0%



Most cited Issues:

- **Technical requirements**
- **Conformity assessment**

Most NTMs reported in:

- **The US, the EU, India, Australia, Mexico, Pakistan, Turkey**



Domestic Burdens

(for both exports and imports)

- **Procedural Obstacles**
- **Trade-related Business Environment**

Mostly cited reasons:

- **Lack of testing and certification facilities**
- **Undue delays**
- **Excessive physical checking of cargo**



The Way forward:

- Improving testing/certifying infrastructure
- Prioritizing mandatory standards of most important markets
- Steps under the FTAs / RTAs
- Simplifying / Streamlining procedures
- Improving border facilities
- Addressing unfavorable payment terms
- Continuous Public-Private Partnership



Thank You