



EDB

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EDB: CONTRIBUTING TOWARDS SRI LANKA'S ECONOMIC DEVELOPMENT FOR 44 YEARS



The 1st of August, 2023, marks the 44th anniversary of the Sri Lanka Export Development Board (EDB). The EDB was established in 1979 with the objective of establishing a strong government-level institutional framework to develop and promote Sri Lanka's exports in order to integrate with the global economy consequent to the adoption of liberal economic policies in 1977, and it has been at the vanguard in terms of promoting and developing exports in Sri Lanka for over four decades.

Before Sri Lanka embraced open economic policies in 1977, its economy had predominantly relied on plantation crops in terms of export income. However, with the liberalisation of the economy post-1977, the Island has diversified its export portfolio to become a reliable supplier of apparel, high-quality spices, gems and jewellery, coconut-based value-added products, footwear and leather, rubber-based products (such as gloves and tyres), etc. It has also become a sought-after destination for software development, IT services as well as Business Process Outsourcing functions due to its highly skilled labour force. The EDB, as the nation's premier export promotion agency, from its formation in 1979, has played a pivotal role in this transformation by serving as a policy adviser, monitor, promoter, facilitator, and knowledge provider for the promotion and development of Sri Lanka's exports. The EDB has extended numerous services to Sri Lankan exporters for their capacity building, product compliance with international standards & regulations, market access, branding & promotion, diversification of products/markets, resolving industry issues and non-tariff barriers in the export markets.

Evolving to meet the nation's requirements

Over the last four decades, the world has evolved at a rapid pace. Identifying the necessity to adapt to the developments brought about by globalisation, technological advancement, and the progress of the country, the EDB too has transformed its scope, focus, as well as the nature of activities to stay in pace with the ever-changing business and commercial environment, both locally and globally.

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Realising the tremendous potential Sri Lanka has got in the provision of services, a separate division called Export Services was launched in 2012 to promote sectors such as ICT/BPM, Electronics and Electrical components, Wellness Tourism, Construction, Education Services, and Marine and Offshore services. In yet another manifestation of the Board's virtue of responding to the timely requirements of the country's economy, it developed the National Export Strategy (NES 2018-2022) which empowered the emergence of new export industries and services beyond the traditional export industries of apparel, tea, gems and rubber. The Boat Building, Spices and Concentrates, Food and Beverages, ICT/BPM, Electronics and Electrical components, and Wellness Tourism were recognised as the focus sectors under this strategic plan. An E-commerce window – known as EDB-eMARKETPLACE – was launched to realise the benefits offered by E-commerce. The Board has also given a special focus to areas such as the development of women entrepreneurship and SMEs over the last decade in cognizance of Sri Lanka's socio-economic priorities.

Landmark achievements

Marking a moment of historical significance, Sri Lanka received its first ever Geographical Indication (GI) certification when the European Union (EU) Commission on 02 February, 2022, granted GI status to Ceylon Cinnamon. The outcome was a result of a painstaking, decade-long, arduous endeavour led by the Sri Lanka Export Development (EDB) with the support of numerous public and private stakeholders. GI registration enables to differentiate Ceylon Cinnamon in the EU market from its substitutes of lower quality. It also serves as a source of competitive advantage which will help to increase market differentiation, product turnover and allow for a premium price from the consumer.

Demonstrating its competency and excellence internationally, the EDB accomplished another valued achievement by becoming Runner-up at the World Trade Promotion Awards - 2022 under the category of Best initiative for inclusive and sustainable trade for its SME Export Coaching programme, which was conducted in late 2021. This award ceremony recognised innovative programmes launched by Trade Promotion Organisations that helped small firms to benefit from opportunities in the international trade at a time of uncertainty. The organisations had to demonstrate that their initiatives assisted micro, small and medium-sized enterprises to become competitive in international markets.

The National Organic Control Unit (NOCU) was established under the EDB in 2014, and all Organic Product Exporters, Importers, Traders, Producers, Processors, Certification bodies, Inspection bodies and Laboratories need to register with NOCU to ensure the credibility of Organic Agricultural Products traded within Sri Lanka and exported to the international market.

Branding Sri Lankan Products

The EDB has initiated innovative measures to position Sri Lankan products attractively in the international marketplace. To strengthen quality and preserve originality, the Board implemented licencing of 'Ceylon Spices' trademark in 2020 for qualifying producers, processors and exporters of cinnamon, pepper, clove, nutmeg and mace as well as cardamom. Furthermore, a national branding initiative was undertaken in 2018 to promote the ICT/BPM sector in Sri Lanka under the theme Island of Ingenuity (IOI), in recognition of the immense potential ICT/BPM sector has to offer for Sri Lanka.

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Fostering a generation of exporters

Going beyond its comfort zone, the EDB has over the years taken numerous initiatives to propel the spirit of local entrepreneurship to the international marketplace. The New Exporter Development Programme (NEDP) is implemented by the Board with the aim of assisting Sri Lankan entrepreneurs with export potential to enter the export market by developing their capacities to suit the requirements of the international market. The inspirational success stories of the NEDP are aired every Saturday on Rupavahini News at 8.30 pm and Channel Eye News at 9 pm.

Having recognised the inherent potential of entrepreneurship in women, the EDB launched Women Entrepreneurship Development Program, which includes a multi-fold approach in order to address the obvious disparity between male and female SME business owners. Furthermore, the EDB has been able to assist Sri Lankan entrepreneurs to enter the European Union (EU) via its fruitful engagement with the Import Promotion Desk (IPD) – Germany since 2018. The IPD finds exporters in its partner countries and prepare them intensively for all the requirements of the EU market.

Forging a close relationship with the general public

In a ground-breaking initiative by a public-sector organisation, the Board successfully organised its inaugural “Open Day” program last June, aimed at providing guidance to innovative entrepreneurs and encouraging their participation in the export sector. The event was extremely successful and garnered a tremendous response with over a thousand budding entrepreneurs from across the island in attendance. Notably, the program witnessed a significant participation of young individuals who were passionate in exploring opportunities in the export market. The programme encompassed a range of activities and services tailored to meet the diverse needs of the participants. The key areas covered during the event included comprehensive explanations of export procedures, insights into agricultural and industrial product markets, strategies for product enhancement, identification of potential export linkages, and offering guidance on conforming to international standards.

Looking forward to the futures

The EDB is now in the process of developing a 5-year strategic plan from 2023 to 2027 with the objective of increasing Sri Lanka's exports to US\$ 31.3 billion by 2027. The plan also encompasses increasing the market share of Sri Lanka in the top 10 existing export markets by 10% annually (the USA, UK, India, Germany, Italy, the Netherlands, Canada, the UAE, Belgium and France), identifying 10-15 potential new markets and increasing the market share of the selected markets by 5% annually, promoting customised value added products and services to the identified niche markets with premium prices, and carrying out product – market analysis on high-end niche markets in addition to disseminating their findings with the exporter community.

The EDB is determined to serve the nation by undertaking its role as the nation's apex export promotion agency, as Sri Lanka embarks on its journey towards becoming a developed nation by 2048 in order to create a standard-of-living to its citizens which is filled with hope and prosperity.

NATIONAL PACKAGING CENTER WITH THE PACKAGING DESIGN DISPLAY UNIT ESTABLISHED AT EDB

The National Packaging Centre (NPC) has permanently been established in the Sri Lanka Export Development Board (EDB) premises to support the growth of the local manufacturing industry in Sri Lanka.

Additionally, a packaging design display unit has also been inaugurated to showcase innovative packaging designed locally by using indigenous packing materials.



The inauguration took place on 15th August 2023, at the Sri Lanka Export Development Board with the participation of Senior Additional Secretary to the President, Mr. A. R. Deshapriya, Secretary of the Ministry of Industries Mrs. Thilaka Jayasundara and Board of Directors of the EDB and NPC, Chairman of the EDB, Dr. Kingsley Barnard, Additional Secretary (Trust Area Development) Ministry of Industries Mr. Chaminda Pathirana & Acting Director General Mrs. Malini Baddegama.



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Recognizing the significance of promoting the local packaging industry, the government, under the guidance of the President, has decided to reactivate the National Packaging Center.

The government under its Interim Budget 2022 (Budget proposal No 32) identified that the NPC of the EDB need to be reactivated for the promotion and development of the packaging Industry, especially the indigenous/local packaging materials/products, Packaging designs developed by the professional institutions in Sri Lanka to cater in the international market.

The objective is to enhance the value of export products through the utilization of local packaging solutions and to minimize post-harvest losses.

At present Packaging in Sri Lanka was traditionally seen as an inevitable cost factor was seldom given a proper and active attention in production, marketing and distribution in terms of domestic and export trade. As a result, planning and development of packaging was often delegated to low level of importance in the society in general.

Further the packaging industry in Sri Lanka operates in a virtual seller's market. The competitiveness of the industry is often affected due to high cost of raw materials, inadequate quality of raw materials and finished packages, low productivity, high waste generation and some environmental problems associated with packaging. Bulk of Sri Lankan traditional exports are still in the low value-added forms.

Postharvest losses in agricultural produce run high from the farm-gate up to the consumers. Inadequate packaging has been identified as a major cause of postharvest losses. Research on the development of appropriate packaging systems with the use of indigenous packaging materials which could perhaps be more eco-friendly, are virtually non-existent, despite of having number of private and public agencies operated in designing and manufacturing of promotional packaging designs. Absence of an independent third-party packaging performance certification authority has affected the reliability of many of the packaging forms that are locally made.

This National intervention in establishing a strategic collaboration between Public and Private sector stakeholders (PPP) would support for developing and promoting of the packaging industry in Sri Lanka

The Sri Lanka National Packaging Centre (NPC) is a unique collaboration between the Sri Lanka Export Development Board (EDB) and the packaging industry stakeholders of Sri Lanka, represented by the Ministry of Industries (MoI), Ministry of Investment Promotion (MoIP), Sri Lanka Standards Institution (SLSI), Industrial Technology Institute (ITI), National Craft Council (NCC), Industrial Development Board (IDB), National Design Centre (NDC), Palmyrah Development Board (PDB), University of Moratuwa (UoM), National Engineering Research and Development Centre (NERD), National Institute of Post-Harvest Management (NIPHM), Sri Lanka Institute of Nano Technology(SLINTEC), Lanka Corrugated Carton Manufacturers Association (LCCMA) & Sri Lanka Institute of Packaging (SLIP).

The National Packaging Center aims to benefit various stakeholders, such as exporters, packaging industry players, manufacturers, designers, potential entrepreneurs, small and medium enterprises, women entrepreneurs, other government agencies, university and school students, research and development institutes, and logistics service providers. It serves as the national focal point for packaging development projects.

For more information about the services offered by the National Packaging Center, contact the following individuals: NPC at 011 2303975, Mr. Indika Sugathadasa (Assistant Director) at 071 8246762, Ms. Helmalie Vitharana (Assistant Director) at 077 7215911, or email npc@edb.gov.lk.

EXPORT EARNINGS SURPASS \$ 1 BN MARK IN JULY

Sri Lanka's export sector in July managed to sustain over \$ 1 billion performance compared to June 2023, though on a year-on-year (YoY) basis, it fell by 12% due to sluggish demand in major markets.

As per the provisional data released by the Export Development Board (EDB) yesterday, earnings from merchandise exports increased by 2.18% month-on-month to \$ 1.02 billion in July 2023, but down by 11.79% YoY.

The EDB said the drop in merchandise exports is due to the lower demand shown in export products, especially in apparel and textiles, rubber and rubber-based products and coconut and coconut-based products.

From January to July 2023, cumulative merchandise exports saw a substantial decline of 10.26% to \$ 6.89 billion compared to the corresponding period of 2022.

The estimated value of services exports for the period of January to July 2023 was \$ 1.22 billion, registering an increase of 17.32% over the corresponding period of 2022. The services export estimated by EDB consists of ICT/BPM, construction, financial services and transport and logistics.

The EDB has set a forecast performance of \$ 18.51 billion in merchandise and service exports in 2023. This comprises \$ 15.93 billion from merchandise exports up from \$ 13.01 billion achieved in 2022 and \$ 2.58 billion from services exports.

Major Exports in July 2023

Export earnings of coconut kernel products and coconut fibre products increased by 3.95% and 0.92% respectively in July 2023 compared to July 2022.

Export earnings from coconut milk powder, coconut cream and liquid coconut milk which are categorised under the coconut kernel products increased by 41.64 %, 23.05% and 10.16% respectively in July 2023 compared to July 2022.

Being the largest contributor to the coconut-based sector, coco peat, fibre pith and moulded products which are categorised under the coconut fibre products, increased by 1.99% to \$ 15.35 million in July 2023 in comparison to July 2022.

In addition, export earnings from spices and essential oils increased by 10.68% to \$ 37.53 million in the month of July 2023 compared to the month of July 2022 with a strong performance in the export of pepper (222.27%).

Export earnings from ornamental fish increased by 32.35% to \$ 1.80 million in July 2023 compared to July 2022.

The value of ICT exports is estimated to increase by 45.5% to \$ 132.25 million in July 2023 compared to July 2022. In addition, the value of transport and logistics services exports is estimated to increase by 26.45% in July 2023 compared with July 2022.

Export earnings from apparel and textiles have decreased by 22.28% YoY to \$ 427.48 million in July 2023 compared to July 2022.

In addition, export earnings from tea which made up 12% of merchandise exports, decreased by 1.97% YoY to \$ 115.2 million in July 2023 compared to July 2022. The earnings from the export of tea packets decreased by 1.93% YoY to \$ 55.49 million.

Export earnings from rubber and rubber finished products have decreased by 11.13% YoY to \$ 79.31 million in July 2023, with negative performance in exports of pneumatic and retreaded rubber tyres and tubes (-5.76 %) and industrial and surgical gloves of rubber (-25.08%).

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In addition, export earnings from the EEC decreased by 1.04%YoYto \$ 40.82 million in July 2023 with poor performance in exports of electrical transformers (-32.13 %).

Export earnings from seafood decreased by 16.46% to \$ 17.25 million in July 2023 compared to July 2022. This decrease was mainly due to the poor performance in the export of shrimps (-70.51%) and frozen fish (-4.27%).

On monthly analysis, export earnings of coconut-based products decreased by 5.67% in July 2023 compared to July 2022. Export earnings of coconut shell products decreased by 31.14% to \$ 11.52 million in July 2023 compared to July 2022. Earnings from activated carbon, which is categorised under the coconut shell products decreased by 30.37% to \$ 10.64 million in July 2023 compared to July 2022.

Major exports during January - July

Earnings from the export of tea, spices and concentrates, gems and jewellery and EEC increased by 8.03%, 11.57%, 19.06 %and 10.0% respectively during the period of January - July 2023 compared with the corresponding period of 2022.

Earnings from the export of tea increased by 8.03% to \$ 750.72 million due to the increase of all the subcategories of the tea sector except bulk tea and tea bags. earnings from tea packets, instant tea, green tea and other tea increased by 13.5%,44.71 %, 57.65% and 48.41% in the period of January-July 2023.

In addition, export earnings from spices and essential oils increased YoY by 11.57% to \$ 216.73 million in the period of January to July 2023. Export earnings from cloves increased YoY by 247.25% to \$ 35.94 million in the period of January to July 2023.

Meanwhile, earnings from the export of EEC increased by 10.0% to \$ 296.58 million in the period of January to July 2023 compared to the corresponding period of 2022.

earnings from export of printed circuits, switches/boards and panels, boilers/ piston engines/ pumps and vacuum pumps and other EEC increased by 49.86%, 13.28% and 827.71%respectively in the period of January to July 2023 compared to the corresponding period of 2022.

The value of ICT exports is estimated to increase by 17.78% to \$ 793.8 million in the first seven months of 2023 compared to the corresponding period of 2022. In addition, construction and financial services exports are estimated to increase by 130.21%and 37.77% respectively in the period of January to July 2023 compared with the corresponding period of 2022.

Earnings from export of apparel and textiles decreased by 18.10% to \$ 2.88 billion during the period of January -July 2023 compared to the same period of 2022. The export of apparel declined by 18.98% and the export of textiles declined by 7.64% from January to July 2023.

in addition, export earnings from rubber and rubber finished products decreased by 12.67%to \$ 529.08 million in January-July 2023 compared with the same period of 2022 attributed to lower exports of industrial and surgical gloves of rubber (-26.49%) and pneumatic and retreated rubber tyres and tubes (-6.02%).

For the period of January to July 2023, export earnings from coconut and coconut-based products decreased by 19.68% to \$ 402.80 million from the same period last year. earnings from all the major categories of coconut-based products decreased in the period of January – July 2023 compared with the corresponding period of 2022 due to the poor performance in the export of coconut oil (-24.96 %), desiccated coconut (-35.75%), coconut milk powder (-12.37 %), coconut cream (-21.13 %), liquid coconut milk (-12.28%), cocopeat (-16.61%) and activated carbon (-16.81%).

Further, export earnings from seafood decreased by 8.10% to \$ 149.63 million during the period of January to July 2023 compared to the year 2022 due to the poor performance in frozen fish (-6.74 %), fresh fish (-5.93 %) and shrimps (-38.02%)

Export performance in major markets

Out of the top 10 export markets, only UAE has shown strong performance during the month of July 2023 and the period of January to July 2023 compared to the corresponding period in the previous year.

Further, India, UAE and France have shown strong performance during the month of July 2023 compared to July 2022.

Exports to the US – Sri Lanka's single largest export destination, decreased 15.60% to \$ 253.79 million in July 2023 compared to July 2022. Further, exports to the US decreased by 18.5% to \$ 1.62 billion in the period of January to July 2023 compared to the same period in 2022.

Exports to FTA partners

Exports to Free Trade Agreement (FTA) partners accounted for 6.5% of total merchandise exports and have increased by 27.99% to \$ 87.98 million in July 2023 compared to July 2022.

Exports to India increased by 29% while exports to Pakistan increased by 16.93% in July 2023 compared to July 2022.

Strong performance recorded in India led by increased exports of pepper (240.44 %) and areca nut (75.13%). Better performance recorded in Pakistan led by increased exports of sheet rubber and desiccated coconut.

During the period of January to July 2023 exports to FTA partners accounted for 7.2% of total merchandise exports decreased by 2.37% to \$ 534.45 million compared with the corresponding period of the previous year.

Exports to India and Pakistan decreased by 1.37% and 13.01% respectively during the period of January to July 2023 when compared with the corresponding period of 2022.

Decreased exports to India led by poor export performance of animal feed (-2.24%), pepper (-12.53%), areca nut (-7.92%) and wood pulp (-47.79%) and decreased exports to Pakistan led by export of sheet rubber (-18.49%) and desiccated coconut (22.98%).

Sri Lanka's export performance in regions

Exports to the European Union (EU) which comprised 21% of Sri Lanka's exports during the month of July 2023 fell by 16.18% YoY to \$ 230.47 million. Further, during the first seven months, exports to the European Union (EU) decreased by 12.79% YoY to \$ 1.54 billion compared to the corresponding period of the previous year.

During the period of January to July 2023, the breakdown of exports to the top five EU markets which accounted for 78% of Sri Lanka's total exports to the EU were; Germany \$ 349.9 million (down by 22.33%), Italy \$ 381.23 million (up by 6.13 %), Netherlands \$ 197.11 million (down by 15.72%), Belgium \$ 132.51 million (down by 28.89%) and France \$ 152.25 million. (down by 1%).

BOC AND EDB FORGE A STRATEGIC ALLIANCE TO BOOST SRI LANKA'S EXPORT SECTOR



The Bank of Ceylon, recently signed a Memorandum of Understanding (MoU) with the country's apex institute to promote Sri Lankan exports, Export Development Board (EDB) marking a significantly important strategic partnership to foster export-related indigenous SMEs.

Initiated by the bank's 'Consumer and Development Banking' division the objective of this strategic partnership is focused at empowering these SMEs through a series of programs to upscale their financial literacy and business intelligence, empowering them to meet with demands of international trade markets, eventually to elevate country's export sector.

The official ceremony took place at the BOC's head office with the participation of BOC Acting Chairman Naresh Abeysekera, General Manager Russel Fonseka, Export Development Board Chairman Dr. Kingsley Bernard, and other officials representing the two institutions.

The BOC bids its service as a good corporate citizen going beyond its mandate as a banking institution to enhance the potential of exporter SMEs. BOC Acting Chairman Abeysekera said that it was imperative to enhance the contribution of export interpreted SMEs as a strategic approach for a sustainable socioeconomic growth. He further stressed that BOC can comfortably leverage on the strength of its geographical and digital reach to approach these SMEs across the country. BOC's financial strength and resourcefulness in many fronts can assist the Government mandate to build an export-led economy.

The SLEDB undertakes various roles within the export sector, acting as a Policy Adviser, Promoter, Facilitator, and Knowledge Provider.

During the official announcement of the MoU, EDB Chairman Dr. Kingsley Bernard emphasised the imperative of adopting an export-led investment approach, rather than solely focusing on investment.

This strategic partnership between these two institutions signifies a collaborative commitment to nurturing the potential of SMEs in the export sector. BOC's own media unit TV BOC will be hosting the production of a series of knowledge sharing video's targeting export SMEs. By combining the expertise of the EDB in export promotion and policy guidance with the financial support and resources offered by the BOC, this initiative is poised to pave the way for a more vibrant and resilient export-oriented economy in Sri Lanka.

CEYLON CINNAMON GI ASSOCIATION HOLDS MAIDEN AGM



The Ceylon Cinnamon GI Association, a prominent advocate for preserving the authenticity and heritage of Ceylon Cinnamon, convened its inaugural Annual General Meeting (AGM) on August 4th. The event took place at The Kingsbury Hotel and was attended by a diverse assembly of over 200 participants representing various sectors of the cinnamon industry.

The significance of the AGM was heightened by the recent recognition of 'Ceylon Cinnamon' as a Protected Geographical Indication (PGI) by the European Union Commission. The designation was officially added to the register of Protected Designations of Origin and Protected Geographical Indications through the implementing regulation (EU) 2022/144, effective from February 2, 2022. This acknowledgement underscores the unique geographical origin and traditional production methods associated with Ceylon Cinnamon.

A pivotal role in facilitating the AGM was played by the Export Development Board (EDB) in collaboration with the Department of Export Agriculture (DEA). This cooperative effort was deemed necessary due to the AGM serving as a partial requirement for maintaining the integrity of the Geographical Indication (GI) status.

One of the key outcomes of the AGM is the empowerment of eligible stakeholders within the Ceylon Cinnamon value chain. Those who adhere to the stringent eligibility criteria will be entitled to display the coveted 'PGI Mark' on their value-added Ceylon Cinnamon products. This mark certifies that the product, whether it be Cinnamon cut quills, Cinnamon powder, Cinnamon leaf oil, or Cinnamon bark oil, contains 100 percent Pure Ceylon Cinnamon that has been cultivated, processed, and manufactured in Sri Lanka.

To gain access to the 'PGI Mark', stakeholders must fulfill the membership criteria of the Association for Ceylon Cinnamon Protected Geographical Indication (ACCPGI). This requirement serves to uphold the commitment to maintaining the exceptional quality and reputation associated with Ceylon Cinnamon.

The AGM marked a pivotal moment for the Ceylon Cinnamon GI Association and the broader cinnamon industry. With the recognition of Protected Geographical Indication status, Ceylon Cinnamon has received a well-deserved endorsement that not only safeguards its rich heritage but also opens doors to premium markets that value authenticity and traditional craftsmanship.

As the Ceylon Cinnamon GI Association moves forward, it is poised to strengthen its mission of preserving the unique attributes of Ceylon Cinnamon while fostering sustainable practices and elevating the global perception of this treasured spice.

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