



EDB

EXPO NEWS

MONTHLY BULLETIN

VOLUME 20 | ISSUE NO. 09

SEPTEMBER 2020



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The screenshot displays the EDB Exporters' Forum website. At the top left is the EDB logo. To the right, it says "Online Alert for Trade Obstacle (OATO)" with social media icons for Twitter, Facebook, LinkedIn, Google+, YouTube, and Pinterest. Below this is a navigation bar with a green header "Previous Exporters' Forum Recap" and a video player showing a forum session. On the right side, there is a "Members log in" section with fields for "User Name" and "Password", a "Login" button, and a link for "Forgotten password click here". Below the login section is a "Sign up" button for users who don't have an account. At the bottom, there are two sections: "Report Trade Issues" with a description and a "View the Reports" section with a description and a "Read more" button.

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**Online Alert for Trade Obstacle
(OATO)**

EXPORTS DEVELOPMENT COUNCIL CONVENES UNDER THE PATRONAGE OF THE PRESIDENT AFTER 28 YEARS



- President says many signed trade agreements not favourable for SL, stresses need to review expeditiously to be beneficial to the economy
- Removes para tariffs on industrial raw materials to make exports more competitive
- Introduces Export Reward Scheme from 1 October to 31 March 2021 to encourage export community
- Mulls to promotes export processing villages to enhance capacity
- PM highlights need to expand airport facilities to make it investor-friendly
- Basil suggests to remove unnecessary regulations discouraging exporters
- EDB Chief says EDC amplifies importance of exports in economic revival

The first meeting of the Export Development Council (EDC) was held under the patronage of President Gotabaya Rajapaksa, focused on resolving issues related to exports in tandem with the National Export Strategy (NES) to be a game-changer in the post-COVID-19 economic transformation of Sri Lanka.

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This was the first discussion the EDC held in 28 years, after it was established in 1972.

President Rajapaksa outlined the responsibility of the Council in creating new market opportunities, need for diversification in markets and products, adding that many of the signed international trade agreements are not favourable for Sri Lanka, stressing the need to review these agreements expeditiously in a manner that would be constructive and beneficial to the economy.

Confirming the continuity of the NES, he also pointed out the need to revise and modernise the strategy to swiftly address the issues relating to export sector and its progress.

Evaluating export data over the last couple of decades, it was pointed out that although exports have grown, exports to the gross domestic production (GDP) has not increased. Thereby, the Council has initiated several initiatives to increase the capacity of the local export sector, improve trade performance and competitiveness in the immediate future.

The measures include; removal of para tariffs on industrial raw materials to make exports more competitive, introduce an Export Reward Scheme to encourage export community, appointment a Trade Facilitation Committee to address issues swiftly, establish One-Stop-Shop (OSS) to expedite trade facilitation and promotion of export processing villages countrywide to enhance capacity.

Accordingly, the Export Reward Scheme will be applicable from 1 October 2020 to 31 March 2021, where SME exporters will get 3.5% of the incremental export turnover of the same period a year ago and 2% for large exporters of the incremental export turnover for the same period. The Export Development Board (EDB) will make a formal announcement with all details in the immediate future for the export community.

“The damage done to the export sector by re-exports in the past was serious. Re-exports should be designed to ensure the safety of the farmers, producer and high quality crops endemic to the country. Import of raw materials required for value added products should be of the highest standard and under strict supervision,” President pointed out.

President also said he had personally instructed the foreign missions to work diligently to promote local products in the world market and attract investors. He said the goals to be achieved in the future will be set for all and pointed out the need to improve the efficiency of the marketing officers at the overseas missions.

Cont. >>>

Prime Minister Mahinda Rajapaksa pointed out the need to expand airport facilities and create an attractive environment for businessmen and investors.

Presidential Task Force on Economic Revival Chairman Basil Rajapaksa highlighted unnecessary regulations that discourage exporters should be removed.

“It was a great day for the entire export sector of Sri Lanka, to have the Export Development Council chaired by the President and Prime Minister along with the key ministers. We were able to discuss progressive policies on how to grow exports along with a strong focus on export development. The EDC will certainly be a game-changer for the export community and economic transformation of Sri Lanka,” EDB Chairman Prabhash Subasinghe told.

In August, President Gotabaya Rajapaksa gazetted the establishment of an EDC of Ministers in terms of the EDB Act No. 2 (1). The EDC is subject to any general or special directions given by the Cabinet of Ministers, and is responsible for the formulation and implementation of NES policies and programs.

Renewing EDB’s confidence that exports will continue to grow in the post-COVID era, Subasinghe said the reactivation of the EDC amplifies the importance of the sector in economic revival.

“This (EDC) will be a game-changer for the export community,” Subasinghe said, adding that he believes President Rajapaksa will guide Sri Lanka’s economy through directions given to EDC while also attending to the inter-ministerial coordination.

Trade Minister Bandula Gunawardena, Foreign Affairs Minister Dinesh Gunawardena, Ports and Shipping Minister Rohitha Abeygunawardena, Industries Minister Wimal Weerawansa, Agriculture Minister Mahindananda Aluthgamage, Plantation Industries Minister Dr. Ramesh Pathirana, Fisheries Minister Douglas Devananda, State Minister of Batik, Handloom and Local Apparel Products Dayasiri Jayasekara, Rural Industrial Promotion Prasanna Ranaweera, EDB Chairman Prabhash Subasinghe, Secretary to the President Dr. P.B. Jayasundara and Cabinet and State Ministry Secretaries also participated at the meeting.

EDB TARGETS OVER USD 13 BILLION EXPORT INCOME THIS YEAR



The revised export target of the Export Development Board for 2020 is US\$ 13.39 billion and of that we expect US\$ 9.57 billion from merchandise exports and US\$ 3.82 billion from services exports, EDB Chairman Prabhash Subasinghe said. He said the EDB has presented 11 project proposals for the 2021 Budget while continuing the National Export Strategy to develop a vibrant export industry.

The project proposals for 2021 comprise a program to set up export production villages (EPV), export oriented supply chain development through organic certification as per the Sri Lanka Organic Standard SLS 1324:2018, facilitation of Ceylon Cinnamon Geographical Indication (CCGI) Registration, implementation and promotion, development of a sustainable supply base to enhance export earnings of value added rubber products, development and promotion of ICT/BPM sector, developing holistic branding strategy, development and promotion of the electronics and electrical sector, proposal for National Export Brand Development Program to build Sri Lankan brands in overseas markets, intensive farming of Vannamei shrimps in the Puttalam district, under a interest-free one-year loan scheme, (a joint project with NAQDA), organising a training program for young graduates as Export Development Officers and organise two international trade fairs per year in Sri Lanka.

He said seafood and aquaculture sector, coconut based products, electronics and electrical components, ICT/BPM sector and rubber products will be developed as thrust industries.

Exports touched the USD one billion mark for the third consecutive month since June recording close to USD 1 billion in August.

However, this was a dip of 19.2% to US\$ 947.7 million compared to US\$ 1,033.3 million recorded the corresponding month last year.

Despite the decline in exports coconut-based products, electrical and electronic components, spices and essential oils and food and beverages recorded a positive growth of 22.88%, 8.32%, 19.4% and 11.45% in August compared to the corresponding period last year.

The EDB, following the outbreak of the pandemic, presented proposals to the Government to help exporters manage their cash flow issue and be competitive in the post Covid-19 global market.

However, the progress of certain sector under the National Export Strategy was not satisfactory according to data.

Experts of the export industry said there should be greater focus on the IT-BPM sector given the unexpected boost of digitisation as a result of the global pandemic to exploit the changing work ecosystems.

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MINISTRY OF TRADE

SRI LANKA PLANS INCENTIVES OF UP TO 3.5-PCT TO SPUR EXPORTS IN CORONAVIRUS CRISIS



Sri Lanka is planning incentives of up to 3.5 percent for incremental exports over the next two quarters, which could bring up to 600 million dollars in extra revenues, the Sri Lanka Export Development Board said.

Large exporters with a turnover in excess of 750 million rupees will be paid 2 percent of incremental revenues over the same period last year.

Small and medium exporters will be paid 3.5 percent.

The EDBs proposal was presented to a newly set up Export Development Council of Ministers which is chaired by President Gotabaya Rajapaksa on September 23.

EDB says the scheme is expected to bring additional expected to bring additional export income of 600 million dollars between October 01 and March 2021.

“Although the Government is doing its utmost to alleviate the hardships faced by exporters, they have been adversely hit by the cancellation of orders and declining product demands,” the EDB said.

“However, the exporters are diversifying their production lines grabbing the global new emerging opportunities due to the COVID 19, while some other companies are diversifying markets to avoid the uncertainties.

“Such positive changes can make a progressive difference in the country’s export earnings.”

SCHEDULE
RATES OF EXCHANGE
EFFECTIVE FROM 28.09.2020 TO 04.10.2020

	Country	Country Code	Currency	Currency Code	Rate of Exchange (Rs.)
1	Australia	AU	Dollar	AUD	132.2057
2	Bahrain	BH	Dinar	BHD	496.6523
3	Bangladesh	BD	Taka	BDT	2.2098
4	Brazil	BR	Brazil Real	BRL	33.9934
5	Brunei	BN	Brunei Dollar	BND	136.2727
6	Canada	CA	Canadian Dollar	CAD	140.2681
7	China	CN	Renminbi	CNY	27.4928
8	China	CN	Offshore	CNH	27.4724
9	Czechoslovakia	CZ	Koruna	CZK	8.0623
10	Denmark	DK	Kroner	DKK	29.3629
11	Egypt	EG	Pound	EGP	11.8732
12	Euro Zone		Euro	EUR	218.5791
13	Ghana	GH	Cedi	GHS	32.3489
14	Hongkong	HK	Dollar	HKD	24.1670
15	Hungary	HU	Forint	HUF	0.6022
16	India	IN	Rupee	INR	2.5342
17	Indonesia	ID	Rupiah	IDR	0.0126
18	Iran	IR	Riyal	IRR	0.0045
19	Japan	JP	Yen	JPY	1.7754
20	Jordan	JO	Dinar	JOD	264.1749
21	Korea	KR	Won	KRW	0.1601
22	Kuwait	KW	Dinar	KWD	611.4321
23	Macau	MO	Pataca	MOP	23.4771
24	Malaysia	MY	Ringgit	MYR	44.9484
25	Maldives	MV	Rufiya	MVR	12.1151
26	Mauritius	MU	Rupee	MUR	4.6942
27	Myanmar	MM	Kyat	MMK	0.1431
28	Nepal	NP	Rupee	NPR	1.5841
29	New Zealand	NZ	Dollar	NZD	122.7939
30	Nigeria	NG	Naira	NGN	0.4915
31	Norway	NO	Kroner	NOK	19.7297
32	Oman	OM	Riyal	OMR	486.4809
33	Pakistan	PK	Rupee	PKR	1.1276
34	Papua New Guinea	PG	Kina	PGK	53.5678
35	Philippines	PH	Peso	PHP	3.8665
36	Poland	PL	Zloty	PLN	48.0293
37	Qatar	QA	Riyal	QAR	51.4313
38	Russia	RU	Rouble	RUB	2.4283
39	Saudi Arabia	SA	Riyal	SAR	49.9367
40	Seychelles	SC	Rupee	SCR	10.4229
41	Singapore	SG	Dollar	SGD	136.2727
42	South Africa	ZA	Rand	ZAR	11.0654
43	Sweden	SE	Krona	SEK	20.5850
44	Switzerland	CH	Francs	CHF	202.0714
45	Taiwan	TW	Dollar	TWD	6.3960
46	Thailand	TH	Baht	THB	5.9451
47	U.A.E.	AE	Dirham	AED	50.9917
48	United Kingdom	GB	Sterling Pound	GBP	238.8918
49	United States of America	US	Dollar	USD	187.3000
50	Zambia (Old)	ZM	Kwacha	ZMK	0.0361
51	Zambia (New)	ZM	Kwacha	ZMW	9.3819
52	Zimbabwe	ZW	Dollar	ZWD	0.4935

SRI LANKAN EXPORTS TO CHINA GROW 34.47% IN AUGUST



Sri Lanka's exports to China grew 34.47 percent in August as a top official called on the island country to increase trade with Asian partners, Sri Lanka's Export Development Board (EDB) said on Saturday.

"Whilst appreciating that the U.S. and the EU are the largest markets, we need to now create a significant export market in Asia including China. The China FTA will certainly help in this regard," said EDB Chairman Prabhash Subasinghe.

"We also need to focus on export product and market diversification which is seriously lacking today," he said.

Sri Lanka's exports to China grew 34.47 percent in August due to increased sales of bulk tea, apparel and activated carbon. The country also saw an increase in exports to markets in Japan and Turkey.

However, the top five destinations for Sri Lankan exports this year include the United States, Britain, India, Germany and Italy, which together contributed over 50 percent of the island country's export revenue.

Sri Lanka's export revenue declined 19.2 percent to 947.7 million U.S. dollars year-on-year in August. However, the country's export revenue has stabilized at around 1 billion U.S. dollars for three consecutive months in the wake of the COVID-19 pandemic.

According to the EDB, the export of key products declined year-on-year, including 11.9 percent for apparel and textiles, 2.1 percent for rubber and finished rubber products, and 13.27 percent for tea.

Growth was seen in the exports of coconut products, spices and essential oils, electrical and electronic components, switches, boards and panels.

E-COMMERCE READINESS ASSESSMENT REPORT SRI LANKA LAUNCHED



E-commerce Readiness Assessment Report Sri Lanka was launched by the Commonwealth Secretariat (COMSEC) in collaboration with the Sri Lanka Export Development Board (EDB). The report is the result of a request by the EDB in 2018 for technical assistance from COMSEC to conduct an e-readiness assessment for Sri Lanka and undertake capacity-building programmes on e-commerce for SMEs and women entrepreneurs.

The project was funded by COMSEC through the Commonwealth Fund for Technical Cooperation (CFTC). The publication comes at a time when businesses in Sri Lanka were compelled to exploit e-commerce mechanisms in the wake of lockdowns and travel restrictions due to COVID-19.

The project was led by Opeyemi Abebe, Adviser and Head - Trade Competitiveness Section, COMSEC. The input for the report was obtained from extensive consultations with several stakeholders, including government agencies and organized private sector business enterprises.

As part of compiling the report, a sample survey was undertaken to obtain data on e-commerce technology infrastructure, logistics and transportation, e-business modelling, technology uptake by businesses, availability of technology support services, and e-payment. The sample included 92 firms from various sectors, including banks, financial institutions, logistics and transport companies and e-commerce service providers.

Furthermore, the relevant policy and technical documents were also reviewed to collect the required data. Two stakeholder validation workshops were held to present the draft report to the stakeholders and obtain their feedback, which was then included in the final document. The data obtained from the sample survey and document study was assessed by a five-parameter model to determine the present state of maturity of e-commerce in Sri Lanka.

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The model covers **citizen maturity, business readiness, IT infrastructure and accessibility, logistics and delivery, policy and regulations**, and it gives five levels of maturity or readiness for each of the five parameters.

Overall, the study found that in spite of the optimism among businesses with regard to the use of e-commerce, the present state of e-commerce development in Sri Lanka is basic.

However, the report noted that the potential for expansion, both for the domestic market and cross-border trade, appears to be enormous. Citizen maturity for e-commerce was observed to be at the basic level and as per the report, challenges prevail with regard to low internet availability and low usage of e-payment due to lack of awareness, skill, and trust. Business readiness for e-commerce has also been ranked at the basic level, as businesses score low in terms of availability of skills, know-how and technology infrastructure as well as on the adoption of technology for selling and buying. In respect of logistics and delivery, the publication noted that although some logistic firms are using information and communication technology, it was not the case for the entire delivery chain.

“Lack of resources, skills, know-how and awareness, and indeed lack of automation in material handling is a major challenge facing firms in relation to effectively supporting e-commerce”, the report noted.

Nevertheless, IT infrastructure and accessibility and policy and regulations parameters have been assessed at a higher level of maturity than the other three parameters by the publication. According to the report, Sri Lanka’s internet penetration – which is currently at 30% - has to rise and high bandwidth must be made available to increase the digital population. “Meanwhile, although Sri Lanka has already enacted the necessary laws and policies on all the subjects relevant to e-commerce, a fresh review of these will be necessary to remove inconsistencies and conflicts that exist between these and the corresponding civil and criminal laws of the country, and to optimize them to meet the needs of the country”, the publication observed in relation to policy and regulations.

The report recommends a strategic plan for e-commerce development and added its implementation is necessary to overcome the challenges faced by the country. “The proposed strategic e-commerce development programme could bring under a single umbrella all policy, regulatory, skill development, awareness-raising, investment and other systemic actions that must be taken to unlock the considerable potential for e-commerce in Sri Lanka”, the publication emphasized.

The EDB’s IT division coordinated the necessary meetings and consultations to facilitate the development of the report. The publication can be viewed online from the EDB website – [**www.srilankabusiness.com\(https://bit.ly/33BDGDN\)**](http://www.srilankabusiness.com(https://bit.ly/33BDGDN))



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ISSN 2579-1680

EXPO NEWS

MONTHLY INFORMATION BULLETIN FOR SRI LANKAN EXPORTERS

Compiled By :

TRADE FACILITATION & TRADE INFORMATION DIVISION

Chandima Wanniarachchi

Tel : 011 2300705-11 (Ext. 317)