

Roundtable on Expanding India – Sri Lanka Trade and Investment Links

Thursday, 10th May 2018 at PHD Chamber, New Delhi

Trade and Investment Facilitation Services (TIFS), PHD Chamber of Commerce and Industry in collaboration with **High Commission of Sri Lanka in India** organized a Roundtable on Expanding India – Sri Lanka Trade and Investment Links on Thursday, 10th May 2018, 04:00 pm at PHD Chamber, New Delhi. The meeting was aimed to allow an exchange of information which could contribute to the enhancement of the trade and investment links in the focused sectors between the two countries.

The eminent speakers of the Open House Discussion were Her Excellency Mrs. Chitranganee Wagiswara High Commissioner of Sri Lanka; Ms. Upekka Samarasinghe, Minister (Commercial), High Commission of Sri Lanka; Mr. S Krishna Kumar, Former Cabinet Minister, Government of India Co-President, India-Sri Lanka Chamber of Commerce and Industry; Mr. Naresh Bana, Executive Vice Chairman, Indo-Sri Lanka Chamber of Commerce and Industry; Mr. D K Aggarwal, Vice President, PHD Chamber; Mr. K V Rajan, Convenor, PHD Ambassadors' Economic Forum; Shri Saurabh Sanyal, Secretary General, PHD Chamber; and Dr. S P Sharma, Chief Economist, PHD Chamber.

Glimpses of the Roundtable on Expanding India – Sri Lanka Trade and Investment Links



From Left to Right: Shri Vishal Jindal, Chairman, Skill Development Committee, PHD Chamber; Dr. SP Sharma Chief Economist, PHD Chamber; Ms. Upekka Samarasinghe, Minister (Commercial), High Commission of Sri Lanka; Ambassador K V Rajan, Convenor, PHD Ambassadors' Economic Forum; Her Excellency Mrs. Chitrangenee Wagiswara High Commissioner of Sri Lanka; Shri D K Aggarwal, Vice President, PHD Chamber; Mr. S Krishna Kumar, Former Cabinet Minister, Government of India and Co-President, India-Sri Lanka Chamber of Commerce and Industry; and Shri Saurabh Sanyal, Secretary General, PHD Chamber.

Highlights of the Roundtable

While presenting the welcome remarks **Shri D K Aggarwal, Vice President, PHD Chamber** stated that the Sri Lanka is not only India's closest neighbor but also close to India's heart. He stated that the relationship is a long standing relationship which is growing year after year. India is the largest trading partner of Sri Lanka. He highlighted that the business environment is highly conducive in Sri Lanka wherein India is among the top five

investors in Sri Lanka. He emphasized on the main sectors in which investments flow from India to Sri Lanka such as petroleum retail, hospitals, telecom, vanaspati, copper and other metal industries, real estate, telecommunication, hospitality and tourism, banking and financial services, IT and food processing among others. While the flow of investments from Sri Lanka to India are in the areas of telecommunications, banking and finance, protective and decorative coatings, telecom, glass containers for packaging, cement, IT, tyre manufacturing, among others. He advocated about the enormous potential to expand cooperation with Sri Lanka in areas like agriculture, education, health, science and technology, tourism, telecom, automobiles, apparels, banking and financial services and space. He suggested that both nations should engage on one-to-one basis to strengthen the business, trade and investment relations between the two nations.

Her Excellency Mrs. Chitrangane Wagiswara, High Commissioner of Sri Lanka highlighted that Sri Lanka is situated at the crossroads of major shipping roads and as the transshipment hub. She emphasized on the growing relationship with India, the world's fastest growing economy, as a gateway to India for the rest of the world. She highlighted that trade is an important component between India and Sri Lanka's relations. She mentioned that Sri Lanka was one of the first nations in South Asia to be liberalized. Since 2015, Sri Lanka is in a new transformation phase focusing on more trade and foreign investor friendly policies. She emphasized that the efforts of the government is to create an economy firmly based on foreign and domestic private investment driven by dynamic and forward looking private sector and target investment in high value products. She highlighted the number of significant steps taken by the Sri Lankan government to stabilize the economy which lead to a sustainable GDP growth at 4.4%, unemployment rate at 4.2% , and reduced the budget deficit to 5.4% in 2017. She delineated the steps taken by the government to boost the investment climate in Sri Lanka like Inland Revenue Act with a simplified tax system and foreign exchange act. Her Excellency highlighted that the Sri Lankan government is taking all the necessary steps to strengthen the Ease of Doing business climate in Sri Lanka.

In his remarks on India - Sri Lanka Bilateral Relations, **Ms. Upekka Samarathunga, Minister (Commercial), High Commission of Sri Lanka** focused on the opportunities in Sri Lanka related to business and investment. She mentioned that GDP of Sri Lanka was 4.4% in 2017, which is anticipated to increase to 5% in 2018 and total investment is 36.5% in 2018. She, further, focused on the trade segment wherein majority of the share of exports from Sri Lanka are from textile and apparel sector. She highlighted that the government has been

proactive in various sectors including education, logistics, infrastructure, health, among others. The areas where Sri Lanka is looking for investments include Colombo International Financial City, which is a mega project covering 269 hectares of reclaimed land of prime residential and business destination area; Commercial hub activity is another potential area, among others. She further delineated the benefits given by the Sri Lankan government to foreign investors including reduced tax rates, enhanced capital allowance, duty exemption on capital goods, among others.

While addressing the gathering **Shri S Krishna Kumar, Former Cabinet Minister, Government of India and Co-President, India-Sri Lanka Chamber of Commerce and Industry** advocated the role of India's Look East and Neighbourhood first foreign policies in strengthening the relations between India and Sri Lanka. He highlighted on the areas of key development in Sri Lanka such as animal husbandry; fisheries processing, deep sea fishing and exports; and agriculture sector wherein there is tremendous scope in the Eastern province of Sri Lanka for growing sugarcanes, food grains and various fruits and vegetables. Further, he highlighted the other key areas in Sri Lanka including tourism related infrastructure development such as development of hotels, among others. Going ahead, he reiterated the growing infrastructural demand in Sri Lanka in terms of expanding airports, ports, roads, railways, telecom connectivity, colleges/universities, housing, among others. He said that with the forward looking regime being followed by Sri Lanka and India, both nations can further strengthen their relationship in the coming times.

Ambassador K V Rajan, Convenor, PHD Ambassadors' Economic Forum shared his views that the Indo-Sri Lanka relations have become increasingly multi-faceted, including in areas like trade, investment, and sub-regional cooperation. He highlighted that a number of exciting new possibilities are emerging, for example in the context of India's pro-active Act East Policy and the reinvigoration of the Commonwealth for accelerating trade, technology flows, investment and development across the geographical spread. Further, he advocated the role of initiative of the Ambassadors' Economic Forum in focusing on opportunities for expanding and diversifying India-Sri Lanka business relations will hopefully lead to a proliferation of contacts, studies, discussions and seminars on achieving the true potential of the bilateral relationship.

Concluding Remarks and Vote of Thanks were proposed by **Shri Saurabh Sanyal, Secretary General, PHD Chamber**. In his remarks, he deliberated that focus should be on improvement in the business, trade and

investment relations between India and Sri Lanka. Further, he announced that 50 company members from PHD Chamber will be attending the 20th edition of the Lanka Pact Exhibition during 14th – 16th September 2018. He asserted on the growth of Packaging and Printing industry in Sri Lanka, which is likely to become the hub for South Asia. He appreciated the recommendations proposed by the panelists at the dais at the roundtable.

Dr. SP Sharma, Chief Economist, PHD Chamber moderated the roundtable discussion and stated that the growth prospects of two progressive economies of SAARC, viz. India and Sri Lanka, in terms of trade and investments have been growing. He highlighted that the global participation of both the economies have grown and macroeconomic indicators have displayed strong figures in the recent years. He mentioned that the trade between India and Sri Lanka grew very significantly from USD 1 billion in 2003 to USD 5 billion in 2017. Going forward, bilateral trade and investment prospects are bright for both the nations in terms of people to people contact and reforms in the trade environment.

Glimpses of the Roundtable on Expanding India – Sri Lanka Trade and Investment Links



Report Release on India – Sri Lanka Bilateral Relations:
Reinforcing Trade and Investment Prospects.



Dr. S P Sharma, Chief Economist, PHD Chamber highlighting on the expanded trade relations between India and Sri Lanka during his opening remarks.



Her Excellency Mrs. Chitrangane Wagiswara High Commissioner of Sri Lanka delivering her remarks on trade, business and investment opportunities between India and Sri Lanka.



Mr. S Krishna Kumar, Former Cabinet Minister, Government of India Co-President, India-Sri Lanka Chamber of Commerce and Industry emphasizing on the role of business community in strengthening India – Sri Lanka relations during his remarks.



Ms. Upekka Samararatunga, Minister (Commercial), High Commission of Sri Lanka highlighting on greater engagement of India and Sri Lanka over the years.



Shri D K Aggarwal, Vice President, PHD Chamber presenting a memento to Her Excellency Mrs. Chitrangane Wagiswara High Commissioner of Sri Lanka.



Shri D K Aggarwal, Vice President, PHD Chamber presenting a plant to Her Excellency Mrs. Chitrangane Wagiswara High Commissioner of Sri Lanka.



Shri D K Aggarwal, Vice President, PHD Chamber presenting a plant to Her Excellency Mrs. Chitrangane Wagiswara High Commissioner of Sri Lanka.



Ambassador K V Rajan, Convenor, PHD Ambassadors' Economic Forum delivering his remarks on strengthening the complementarities between two nations to deepen the bilateral links.



Shri D K Aggarwal, Vice President, PHD Chamber presenting his remarks on growing relations between India and Sri Lanka.



Shri D K Aggarwal, Vice President, PHD Chamber presenting a plant to Ms. Upekka Samarantunga, Minister (Commercial), High Commission of Sri Lanka.



Shri Saurabh Sanyal, Secretary General, PHD Chamber presenting his vote of thanks and concluding remarks for the roundtable.



Audience engaged in the discussion with the panelists.



Audience watching a film on Sri Lanka's Tourism sector during the Roundtable on India - Sri Lanka relations.

The report on 'India – Sri Lanka Bilateral Relations: Reinforcing Trade and Investment Prospects' is attached.

Please contact for any query related to this mail to Mr. Rohit Singh, Research Associate at rohit.singh@phdcci.in with a cc to Dr. S P Sharma, Chief Economist at spsharma@phdcci.in and Ms. Surbhi Sharma, Senior Research Officer at surbhi@phdcci.in PHD Chamber of Commerce & Industry.

Warm regards,

Dr. S P Sharma
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