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India- Sri Lanka Comprehensive Economic Partnership Agreement (CEPA)

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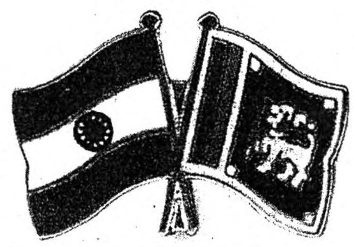
- The chief Sri Lankan exports to India are spices, electrical Machinery except electronic, Transport Equipment, Pulp & Waste, Natural Rubber and Paper Board.

Joint Study Group (JSG) and Comprehensive Economic Partnership Agreement (CEPA)



- A JSG was set up in April, 2003 to widen the ambit of ISLFTA to go beyond Trade in Goods to include Services and to facilitate greater investment flows between the two countries. Report of JSG was submitted in October, 2003.
- Based on the recommendation and conclusion of the JSG, CEPA negotiations were started in February, 2005 and concluded in July 2008, after thirteen rounds of negotiations.
- Both sides had decided to sign the CEPA during the 15th SAARC Summit held in Colombo but due to reservations expressed by Government of Sri Lanka, both sides have still not signed the Agreement.

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INDIA, LANKA RESUME TALKS ON CEPA

By Kelum Bandara and Yohan Perera

In a fresh attempt at bilateral economic integration, India and Sri Lanka yesterday resumed their dialogue on the Comprehensive Economic Partnership Agreement (CEPA) which provides for increased trade between the two countries, a visiting Indian Minister said.

"The secretaries of the respective ministries of the two countries have been asked to identify the issues to be sorted out with regard to the CEPA in an expeditious manner"

BILATERAL TRADE

A top level delegation led by Indian Commerce, Industry and Textiles Minister Anand Sharma inaugurated 'The India Show' at the BMICH outlining production and services available for business between the two sides.

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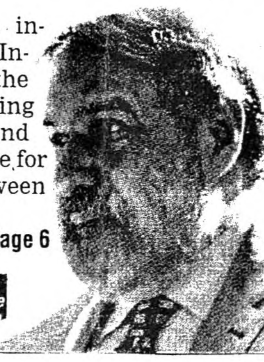

INDIA, SRI LANKA TO RESUME TALKS ON CEPA

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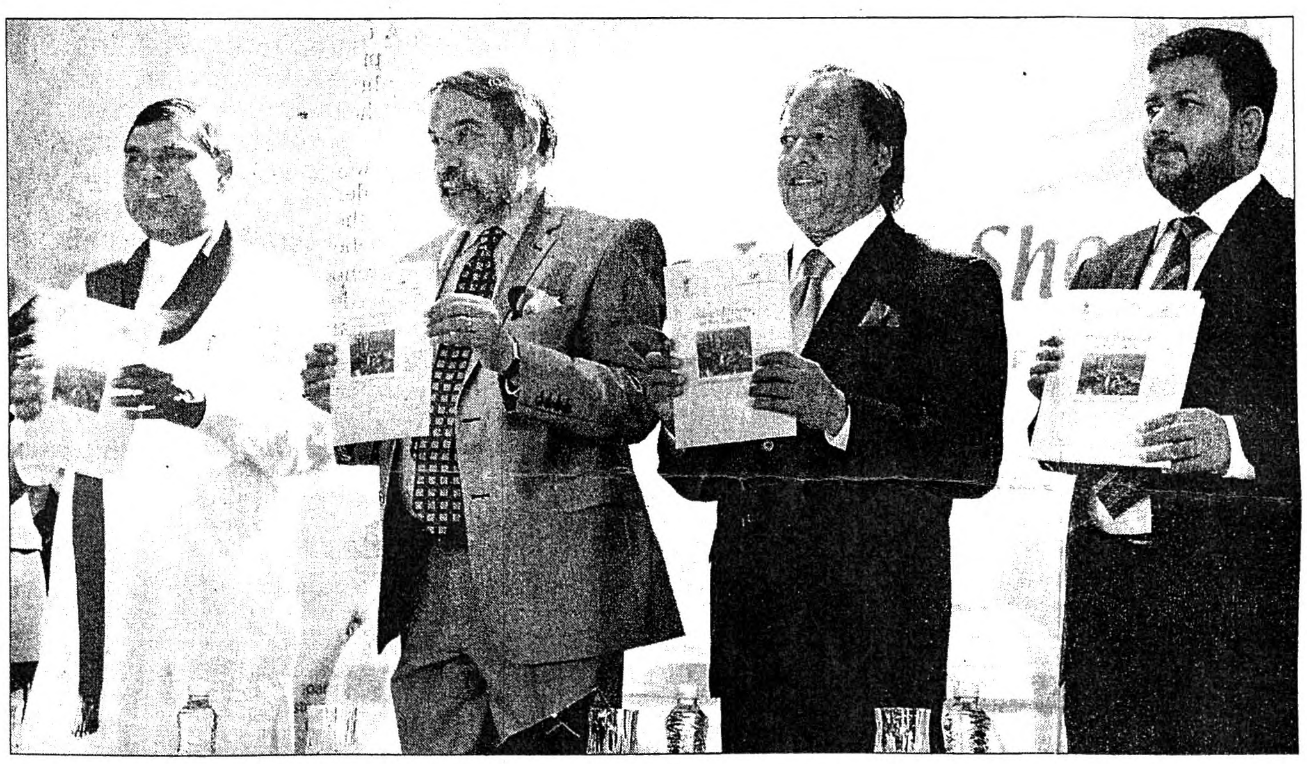
After the event, Mr. Sharma told a news conference that the secretaries of the respective ministries of the two countries were asked to resume the dialogue on the CEPA, and identify the issues to be sorted out in an expeditious manner.

"It is our sincere belief that at a time when the economic integration is the global mantra, it is a wise way forward," he said.

The visiting minister said the CEPA would be beneficial and rewarding to Sri Lanka.

In an apparent attempt to allay apprehensions about the CEPA, he said India had signed such economic agreements with leading economic giants such as Japan and South Korea."We have signed one with Malaysia. We are now going for the second review of the CEPA with Singapore. We are at an advanced stage in signing a CEPA with the European Union. We know by experience that it has been beneficial and rewarding," he said.



Stressing that India will never expect reciprocity in its bilateral economic engagements; he said the issues concerning CEPA with Sri Lanka are not complex to be addressed. Mr. Sharma noted that the bilateral trade hit the US$5 billion mark last year, but it was well below the potential. As a result, he said, the target is now set to double the volume by 2015.

For the promotion of trade balance, India is focused on setting up of a pharmaceutical plant and an industrial Zone in Sri Lanka. For that purpose, a joint task force has been appointed to specify the modalities. Also, a skills development institution will be set up.

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