



**Trade and Investment
Opportunities in Sri Lanka**
*Best Destination In Asia To Grow Your
Business*

SRI LANKA



Population	22 Mn (2023)
Population density (persons per sq.km.)	351
GDP at current market price	USD 76.8 Bn (2022) USD 84.4 Bn (2023)
Per capita GDP at current market price (US\$)	3830 (2023)
Exports	USD 13.106 Billion (2022) USD 11.911 Billion (2023)
Export Partners	U.S. (23.2%), India (7.2%), the United Kingdom (7.1%), Italy (5.7%) and Germany (4.9%) –(2023)
Imports	USD 18.291 Billion (2022) USD 16.811 Billion (2023)
Import Partners	India (18.7 %), China (18.0%), the U.A.E. (11%), Singapore (5.2%), Malaysia (4.9%) U.S. (3%) -(2023)
Year end exchange rate	363.11 (2022)
USD	323.92 (2023) 293.68 (16.10.2024)
INR	3.4 (16.10.2024)

Trade between Sri Lanka and India

- **India is the largest import origin for Sri Lanka**
- **Sri Lanka's total imports from India - USD 3171.78 Mn in 2023**
- **The total export value from Sri Lanka to India -USD 829.7 Mn in 2023**

Bilateral trade between Sri Lanka and India (2018-2023)

Values in USD Million

Year	Export	Import	Trade Balance	Total Trade
2018	767.57	4,167.66	-3,400.09	4,935.23
2019	758.97	3,828.76	-3,069.79	4,587.73
2020	604.5	3,008.02	-2,403.52	3,612.52
2021	815.11	4,418.14	-3,603.03	5,233.25
2022	854.88	4,580.55	-3,725.67	5,435.43
2023	829.7	3,171.78	-2,342.08	4,001.48

Bilateral Trade between Sri Lanka and India



Sri Lanka's Involvement in Trade Agreements

Bilateral FTAs

Indo Sri Lanka Free Trade Agreement (ISFTA)
(from 2000)

Pakistan Sri Lanka Free Trade Agreement (PSFTA)
(from 2005)

Sri Lanka Singapore Free Trade Agreement (SLSFTA)
(from 2018)

Regional Trade Agreements (RTAs)

Asia Pacific Trade Agreement (APTA)
(Bangladesh, China, India, Laos, South Korea, Sri Lanka)
(from 2000)

South Asia Free Trade Agreement (SAFTA)
(Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka)
SAARC (South Asian Association for Regional Cooperation) Preferential Trading Arrangement(SAPTA)

Multilateral or Plurilateral

Generalized System of Preferences (GSP)
EU (GSP Plus), UK, USA, Russian Federation, Australia, Canada, Japan, Switzerland, Turkey, Norway, New Zealand

Globalized System of Trade Preferences (GSTP)
(42 developing South-South countries)
(from 2000)

ISFTA at a Glance

- **Sri Lanka's 01st Bilateral FTA**
- **Framework Agreement was signed on 28.12.1998**
- **and implemented on 01.03.2000**
- **ISFTA has formulated on the “Negative List/ NL” approach**

Product Coverage of ISFTA (by India)

- **Negative List : 429 (HS 6-digit level)**

- **Total products covered: **More than 4,000** product lines on duty free basis**

- **Tariff Rate Quotas (TRQs):**
 - **Apparel: 8 million pieces (per annum) at Zero duty, while being in NL of India**
 - **Tea: 15 million Kg (per annum) at 7.5% fixed duty**
 - **Black Pepper : 2,500 Mt (per annum) at Zero duty**
 - **Desiccated Coconut : 500 Mt (per annum) at 30% duty, while being in NL of India**
 - **Vanaspati, bakery shortening/margarine: 250,000 Mt (per annum) at Zero duty**

Product Coverage of ISFTA (By Sri Lanka)

- **Negative List: 1180 tariff lines (HS 6-digit level)**
- **Total products covered: The entrepreneurs based in India can now export more than 3,000 product lines to Sri Lanka on duty free basis**
- **Tariff Rate Quotas by Sri Lanka : None**

Rules of Origin under ISFTA for Products “not wholly Produced” Three Compulsory Requirements:

I. Minimum DVA: 35% of FOB

II. CTH at HS 4-digit level

III. Sufficient working or processing

IV. Under Cumulative Rules of Origin :

- Aggregate value addition (from Sri Lanka + India): 35% of FOB**
- Minimum DVA of 25% of FOB**

GSP Donors

USA *

Australia

Japan

Turkey

New Zealand

United Kingdom

Russian Federation

Canada

Switzerland

Norway

EU (GSP Plus)

Under EU GSP Plus Sri Lanka has market access to 27 countries who are members of the EU

[Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden]

Top Sri Lanka Exports to India (2021-2023)

Values in USD Millions

No	Description	2021	2022	2023	% Avg. Growth
1	Animal Feed	101.8	113.76	99.06	-1.37
2	Pepper	101.47	67.9	82.43	-10.39
3	Areca Nuts	43.35	62.96	62.01	17.89
4	Petroleum Oils	39.71	55.14	47.81	9.28
5	Non Alcoholic Beverages	10.49	22.45	37.91	64.25
6	Textile Articles	23.42	24.14	37.15	23.06
7	Insulated Wires and Cables	21.95	26.6	28.71	13.42
8	Furniture & Seats	23.62	27.34	25.73	4.28
9	Cloves	18.35	7.53	22.74	10.7
10	Pulp of Wood, Waste & Scrap of Paper/	34.99	41.31	22.27	-22.59
11	Industrial & Surgical Gloves of Rubber	16.41	19.45	19.96	9.81
12	Products of Base Metal	7.17	11.19	19.84	50.86
13	Knitted Fabrics	34.33	28.61	19.61	-28
14	Diamonds	1.7	4.02	19.26	121.31
15	Women's Outerwear	14.25	18.89	15.04	2.71
16	Men's and Women's Under Garments	5.91	11.86	14.58	45.15
17	Woven Fabrics	18.11	26.5	13.97	-12.97
18	Electrical & Electronic Products	10.43	12.69	13.2	11.79
19	Desiccated Coconut	14.02	7.72	12	-7.78
20	Gems	1.44	7.23	11.02	101.78
	Other Products	272.17	257.6	205.39	-14.08
	Total :	815.11	854.88	829.7	0.89

Top Sri Lanka Imports from India (2021-2023)

Values in USD Millions

No.	Description	2021	2022	2023	% Avg. Growth
1	Sugars, Sugar Confectionery & Bakery Products	251.35	227.76	363.58	18.46
2	Pharmaceutical Products	231.32	197.49	285.68	10.55
3	Knitted Fabrics	303.42	311.78	231.06	-13.62
4	Woven Fabrics	259.25	278.38	231.05	-5.76
5	Petroleum Oils	560.31	1,151.75	214.91	-47.91
6	Products of Base Metal	552.15	203.77	212.95	-47.64
7	Paper & Paper Products	160.9	164.06	140.52	-6.77
8	Yarn	152.64	146.47	123.19	-10.72
9	Electrical & Electronic Products	204.03	115.1	119.66	-26.68
10	Chilies	92.44	111.75	92.32	-0.07
11	Products of Plastics	102.42	108.69	86.74	-8.31
12	Inorganic Chemicals	83.39	99.85	83.24	-0.09
13	Onions	70.53	69.29	67.58	-2.14
14	Organic Chemicals	42.48	42.7	56.95	14.66
15	Chemical Products	54.36	48.71	48.16	-6.06
16	Mineral Products	85.52	59.41	44.2	-33
17	Motor Vehicles & Parts	122.31	46.16	41.62	-53.9
18	Animal Feed	32.11	35.26	40.8	11.98
19	Diamonds	13.85	43.22	39.52	52.42
20	Paints, Varnishes and Dyeing Extracts	34.79	32.31	30.17	-7.12
	Other Products	1,008.56	1,086.62	617.89	-24.5
	Total :	4,418.14	4,580.55	3,171.78	-16.57



CEYLON SPICES



- Product range of spices : Pepper ,Cloves, Nutmeg, Mace & Cardamom with a unique flavor and aroma
- True Cinnamon
 - ✓ Ceylon Cinnamon Accounts for over 85 % of world market share
- "Pure Ceylon Cinnamon"
 - ✓ Certification mark registered in EU, USA, Colombia, Peru, Mexico
- High Quality Essential Oils for Cosmetics, Pharmaceuticals and Food Ingredients

CEYLON TEA

SRI LANKA'S STRENGTHS

- ✓ Cleanest Tea in the world - within the Minimum Residues Level (MRL).
- ✓ Strictly adheres to ISO 3720 quality standards.
- ✓ World's first ozone friendly - All tea grown 100% ozone-friendly.
- ✓ 18% of global tea exports in 2023 were from Sri Lanka
- ✓ \$1.31 billion in export revenue in 2023 third largest exporter of tea.
- ✓ 241,908 MTs of Ceylon Tea was exported in 2023



PRODUCTS

- ✓ **Flavored Tea**
- ✓ **Green Tea**
- ✓ **Tea in Bags & Packets**

- ✓ **Wellness tea, Health Teas**
- ✓ **Tea with Herbs**
- ✓ **Ready to Drink (RTD) Tea**



PROCESSED FOOD PRODUCTS

SRI LANKA'S STRENGTHS

- Focused, Motivated, Professional Staff
- International quality standards such as ISO 9000,14000, 20000, GMP, Global GAP, HALAL
- Organic certified products
- Unique quality ,taste and flavor raw materials

Products

- ❖ Processed/Dehydrated Fruits, vegetables
- ❖ Rice and cereal based products
- ❖ Confectionary and bakery products Pre cooked
- ❖ frozen food & dehydrated fruits
- ❖ Beverages



COCONUT PRODUCTS

SRI LANKA'S STRENGTHS

- ISO & HACCP certified production facilities for coconut kernel based products such as DC, Coconut Milk, Coconut Milk Powder
- Environment friendly cultivation/ manufacturing practices
- Ethical practices: Known to world as a producer of "No Child Labour"
- Organic certified coconut farms
- The world's best Desiccated Coconut producer
- Unique Technology for Bristle Fibre production
- Single largest supplier of Tawashi brushes to the world

PRODUCTS

CURRENT

- Desiccated Coconut - Bakery & Confectionary
- Coconut Milk Powder, Cream & Oil
- Coco Fibre Pith, Coco Pots & oles for Horticulture
- Coir Brushes and Brooms for Cleanliness
- Coir Mats & Carpets for Flooring & for Winter Season
- Geo Textiles to Prevent Soil Erosion.
- Activated Carbon for Air and Water Purification
- Food Supplements with Virgin Coconut Oil



Fruits & Vegetable

As a country blessed with a tropical climate and geography that suit a variety of agricultural crops, Sri Lanka has been supplying a range of tropical fruit, nut, and vegetables to the world

- More than eighty (80) different varieties of fruits and vegetables
- Availability of Good Agricultural Practices (SL & Global) certified products
- Availability of Organic cultivars
- Availability of ISO, HACCP certified pack houses
- Unique taste in tropical fruits
- Cultivations are in suitable weather conditions and fertile soil
- Commercial cultivation of fruit & vegetable under different projects
- Exporting fruits – Banana, Mango, Pineapple, Papaya, Avocado etc.



Ceramic & Porcelain

SRI LANKA'S STRENGTHS

- Wealth of Natural Resources
- Highly skilled work force
- State-of-Art Technology
- Rich Heritage
- Compliance with international standards



PRODUCTS

- Porcelain Tableware
- Ceramics & Stoneware Ornaments
- Sanitary Ware
- Floor Tile and Wall Tile
- Roof Tile
- Industrial Ceramics

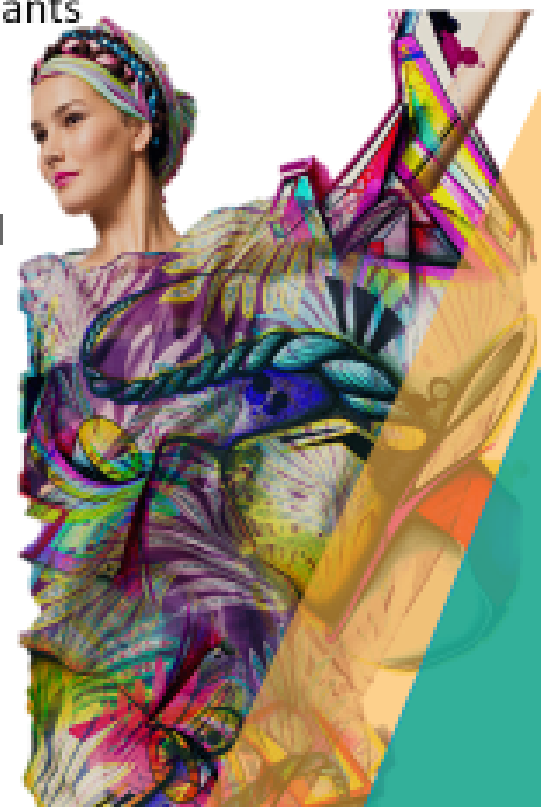


APPAREL

SRI LANKA'S STRENGTHS

- Industry with 3 decades of experience
- Promotes the concepts of:
 - ✓ Ethical working conditions
 - ✓ Free of child labour & forced labour
- Free of discrimination
- Free of sweatshop practices
- ✓ Only outsourced apparel manufacturing county in Asia which complies with EU GSP+
- ✓ A Flagship Green Destination
- ✓ Top three apparel companies amongst world's 50 most important suppliers

- ✓ Women's slips, suits, blouses & jackets
- ✓ Brassieres
- ✓ T-shirts, knitted crocheted
- ✓ Men's suits & shirts, underpants
- ✓ Jerseys, pullovers
- ✓ Baby Garments
- ✓ Track suits, ski suits
- ✓ Gloves, knitted or crocheted
- ✓ Personal Protective wears
- ✓ Hospital wears
- ✓ High-end Gowns/Dresses
- ✓ Lingerie/Night Wear
- ✓ Swimwear
- ✓ Warm Cloths



Brands supplied from Sri Lanka

Manufacturing for world renowned brands like VICTORIA'S SECRET, GAP, NIKE, TOMMY HILFIGER



SRI LANKAN BRANDS

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amanté

dare to be





SRI LANKA'S EXPORTS

Batik and Handloom

Batik

- Unique wax resist and dying techniques to create batik
- Nearly three hundred years history
- A unique form of textile art exclusive to the country
- Made in silk and cotton



BATIK PRODUCTS

- Saree
- wall hangers
- dresses,
- lamp shades
- linen
- tapestry
- upholstery

Handloom

- Unique and innovative designs, craftsmanship, Colour combination and patterns
- Developed as a Cottage Industry
- Compliance to International Standards
- Empowering Women



HANDLOOM PRODUCTS

Saree, Soft toys, Cushion, wall hangers, dresses, unique lamp shades, linen,



RUBBER BASED PRODUCTS

SRI LANKA'S STRENGTHS

- High Quality Natural Rubber
- Investment on R & D
- Brands we Supply : Continental



Soli Deal
DPL
MAPA
GRI
Tesco



- ✓ Pneumatic & Solid Tyres, Surgical & Medical Gloves
- ✓ Rubber Auto Parts
- ✓ Boots, shoe soles, Jar Seals, Carpets, Hot Water Bottles
- ✓ Rubber : Interior Parts , Electrical and Electronic parts
- ✓ Medical Devices
- ✓ Application in Civil Engineering, Electrical/Electronic , Marine...
- ✓ High Value-added Gloves
- ✓ Personal Protective Equipment
- ✓ Industrial Footwear
- ✓ Pallet and Mover Bands for logistics and storage industries
- ✓ Rubber seals, glazing, gaskets and beading for construction Industries
- ✓ Rubber straps for cargo control and transport industries

SRI LANKA ICT/BPM INDUSTRY

Sri Lanka, the Island of Ingenuity, has been celebrated for the innovation, creativity, and problem-solving capabilities for centuries.

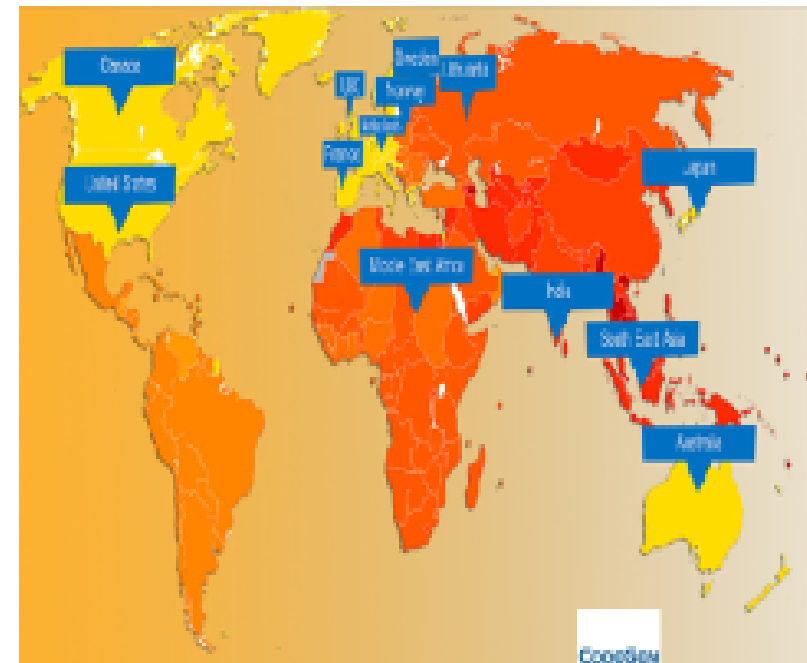
ICT services are the 2nd largest export earner of the country. The Sri Lankan ICT sector serves a number of Industry verticals with over 500 companies at present.

These include Communication, Apparel and Textiles, Banking Financial Services & Insurance, Healthcare, Manufacturing, Media, Retailing, Transportation, Travel and Leisure and many more

Our strengths

- Talent pool
- Product Engineering heritage
- Cultural adaptability
- Cost Advantage
- Location Advantage
- High retention rate

Main markets



Potential Products from Sri Lanka to India

- Spices- Ceylon Cinnamon, Ceylon Pepper, Ceylon Cloves, Ceylon Nutmeg and Ceylon Cardamom and allied products
- Essential oils and oleoresins derived from the spices grown in Sri Lanka
- Apparel
- Batik and Handloom
- Jewellery & Precious stones
- Ceylon Tea
- Nuts
- Vegetal residues & animal feed
- Coconut and Coconut Products
- Rubber based Products
- Fruits
- Ceramic products
- Furniture
- Value added food and beverages

Investment Opportunities in Sri Lanka

Why Invest in Sri Lanka

Strategic Location

- Strategically located at the crossroads of major shipping routes.
- Uniquely situated in the backdrop of the Indian subcontinent and within the closest proximity to the international ocean routes that link from Asia to Europe.
- Proximity to the Indian sub-continent positions the country as a gateway to a market of 1.3 Bn. people.

Why Invest in Sri Lanka

Educated & Adaptive Workforce

- Sri Lanka ranks 1st in South Asia's literacy rate.
- 2nd most literate population in the Indian subcontinent
- “1st in South Asia in Human Capital Index : Flexible and trainable workforce”
- Highly versatile and skilled workforce which is cost competitive, highly productive and bilingual
- Majority of the Sri Lankan workforce consists of highly qualified professionals having extensive experience in numerous fields such as information technology, manufacturing, finance and accounting, fashion design and law
- 2nd largest CIMA pool in the world.
- 30,000 graduates per year.
- 100,000 Tertiary & Vocationally trained students per annum.

Why Invest in Sri Lanka

- Fast Developing Infrastructure
- Highways/Expressways, Airports
- Telecommunication
- 1st South Asian country to launch 5G mobile network in 2022.
- Multiple submarine cables for reliable connectedness.
- National fibre network (45,000 km) linked to numerous international cables.
- Electricity
- 100% accessibility compared to the world average of 85.68%.
- Achieved a grid connectivity of 98%, which is relatively high by South Asian standards.
- Commercial Banks
- Well established banking system with 24 Licensed Commercial Banks and 12 Foreign Commercial Banks.

Quality of Life

Sri Lanka is truly a great place to live and a great place to work. A country of many facets, it offers a spectrum of experiences, people and places that awaits to be discovered. For those who choose to make Colombo their home, a cosmopolitan living environment awaits. Social life is never amiss in this city, with abundant nightlife, world class shopping, theatre, cafes, art and a host of star class hotels that dot the island.

Access to Key Markets

- **Indo-Lanka FTA**

- 100% duty free market access for 80% of the total product tariff lines.
- Margin of tariff preferences and quota for 15% of the total product tariff lines.

- **Pakistan-Sri Lanka FTA**

- 100% duty free market access for 80% of the total product tariff lines.

- **Singapore-Sri Lanka FTA**

- First comprehensive trade agreement of Sri Lanka and includes investments & services beyond trade in goods.
- Expected substantial increase in investments and trade in services utilizing the provisions of this agreement.

- **Regional Trade Agreements**

1. South Asian Free Trade Agreement (SAFTA)

- Tariffs preferences to a level between 0-5% on all products other than sensitive products.

2. Asia Pacific Trade Agreements (APTA)

- The APTA member countries have offered the Margin of Preference (MOP) for Sri Lanka

PARTNERSHIP FINDER

- "PARTNERSHIP FINDER" to help investors find new business partners

The Board of Investment (BOI) has launched the "Partnership Finder"(PF), as a strategic initiative to attract investments and facilitate business partnerships between existing investors in the country and new entrepreneurs & innovators with novel ideas.

- Purpose

Through the PF, the BOI hopes to explore possibilities of linking companies/ individuals with similar business interests, in order to promote joint ventures and collaborations for further business development. New innovators would also be able to provide details of innovative ideas as per the category relevance.

Bilateral Investment Promotion and Protection Treaties

- Sri Lanka has entered into 26 Bilateral Investment Promotion and Protection Treaties (BITs) so far, providing protection to foreign investments within the country. Sri Lanka has developed its model BIT with a view of cater to the needs of covering the aspects of sustainable development principles in attracting foreign investments.
- Australia, Belgium-Luxembourg, China, Czech Republic, Denmark, Egypt, Finland, France, Germany, Indonesia, Iran, Italy, Japan, Korea, Republic of Kuwait, Malaysia, Netherlands, Norway, Pakistan, Romania, Sweden, Switzerland, Thailand, United Kingdom, United States of America, Vietnam

Agreements on Avoidance of Double Taxation

- Sri Lanka has entered into Double Taxation Avoidance Agreements (DTAAs) with 45 countries to eliminate or mitigate the incidence of juridical double taxation and avoidance of fiscal evasion in the international trade (or transactions)
- Australia, Bangladesh, Bahrain, Belarus, Belgium, Canada, China, Czech Republic, Denmark, Finland, France, Germany, Hong Kong, India, Indonesia, Iran, Italy, Japan, Republic of Korea Kuwait, Luxembourg, Malaysia, Mauritius, Nepal, Netherlands, Norway, Oman, Pakistan, Palestine, Philippines, Poland, Qatar, Romania, Russia, Saudi Arabia, Seychelles, Singapore, Sweden, Switzerland, Thailand, United Arab Emirates, United Kingdom, United States of America, Vietnam.

Investment Opportunities

- Pharmaceuticals
- High Value Added Apparel
- Electronics & Electricals
- Information Communication Technology (ICT)
- Rubber Based Industry
- Agriculture and Food Processing
- Hospitality and Tourism
- Infrastructure & Construction
- Investment opportunities in Eravur Zone (Textiles)
- Investment opportunities in Hambantota Zone (Pharmaceuticals)
- Investment opportunities in Port City Colombo

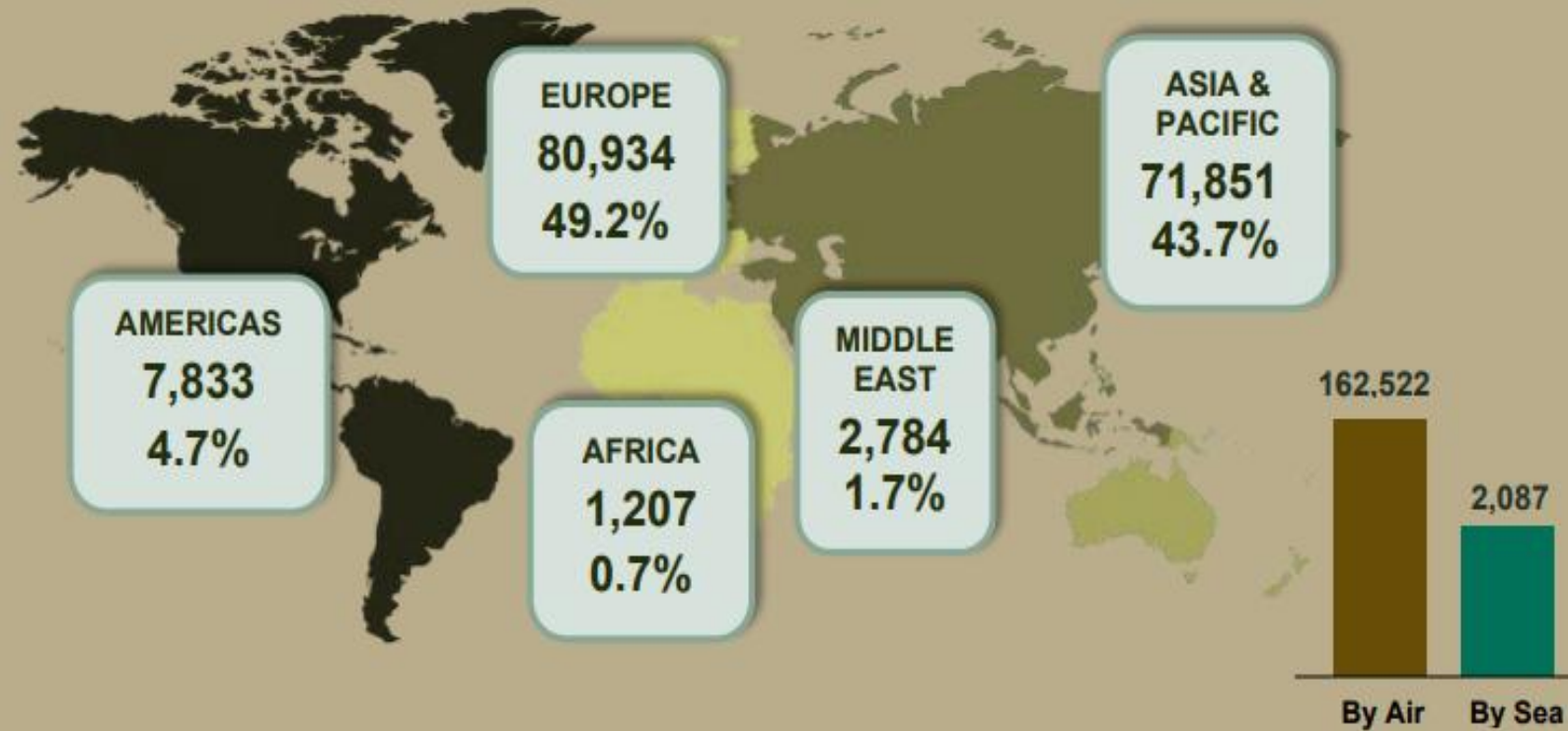
Tourists Arrival 2023 - 2024

Month	2023	2024	% Change 2024/23
January	102,545	208,253	103.08
February	107,639	218,350	102.08
March	125,495	209,181	66.7
April	105,498	148,867	41.1
May	83,309	112,128	34.6
June	100,388	113,470	13.0
July	143,039	187,810	31.30
August	136,405	164,609	20.7
September	111,938		
October	109,199		
November	151,496		
December	210,352		
TOTAL	1,487,303	1,362,688	

Tourist arrivals by region and percentage share

August 2024

Map 1. Tourist arrivals by region and percentage share



Tourist Arrivals

Top ten markets to Sri Lanka, January to August 2024

Rank	Country of Residence	Tourist Arrivals (Jan ~ August 2024)	Tourist Arrivals (Jan ~ August 2023)
1	India	258,672	170,247
2	United Kingdom	127,776	83,339
3	Russian Federation	123,033	125,137
4	Germany	91,311	61,682
5	China	88,189	37,743
6	France	67,341	41,243
7	Australia	54,804	39,186
8	United States	41,218	28,993
9	Netherlands	36,252	18,720
10	Canada	30,912	32,898
11	Other	443,160	265,130
Total		1,362,668	904,318

Flight Connections from Colombo to India

Airline	Destination	Frequency
SriLankan	MAA- Chennai	17
	BOM- Mumbai	13
	TRZ- Trichy, Tamil Nadu	7
	IXM - Madurai	5
	COK - Cochin	9
	TRV- Trivandrum	4
	HYD - Hyderabad	6
	DEL -Delhi	14
	BLR - Bengaluru	10
		85
Air India	DEL	7
	MUM	7
	CHE	7
		21

Flight Connections from Colombo to India

Airline	Destination	Frequency
Vistara	MUM	7
		7
Air Indigo	CHE	2
	BAN	1
	HYD	6
	MUM	3
		12
TOTAL FLIGHTS PER WEEK		125

India is the largest trading partner for Sri Lanka.

India is ranked number one as a source of tourist arrivals into Sri Lanka.

India is one of the leading development partner of Sri Lanka.

Much more can be done to leverage the attractiveness of Sri Lanka as a trade, investment and destination for Indian tourists with the

- benefits of its resilient economy;
- supportive government policies;
- its educated workforce
- strategic location;
- preferential access to large markets
- fast developing infrastructure and
- an increasingly vibrant business environment.

WE WARMLY WELCOME YOU TO SRI LANKA

THANK YOU

Shirani Ariyaratne
Minister (Commercial)
Consulate General of Sri Lanka
Mumbai
slcg.mumbai@mfa.gov.lk
commercial.mumbai@mfa.gov.lk