



**THE EMBASSY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA  
TO BELGIUM, LUXEMBOURG AND THE EUROPEAN UNION**

## **Exports to EU countries grow by 25.5% in first nine months of 2011**

Sri Lanka's Ambassador to Belgium, Luxembourg and the EU Ravinatha Aryasinha has said, "latest statistics from the Central Bank of Sri Lanka reveal that Sri Lanka's exports to the EU grew by 25.5% in the first nine months of 2011 ( 2635 Million \$), compared to the corresponding period of 2010 (2100 Million \$). Meanwhile, with respect to Belgium, which is the 4<sup>th</sup> largest destination among EU countries and the 6<sup>th</sup> largest destination of Sri Lanka's exports to the world, exports grew by 41.4 % in the first nine months of 2011 (382.53 Million \$), compared to the corresponding period of 2010 ( 270.6 Million \$)". He said "these growth rates are particularly impressive given the fact that the after effects of the financial crisis, high unemployment in developed economies and austerity measures in Europe continue to shrink the possibility of bouncing back world trade to its pre-crisis levels. It also reflects trade conducted without the benefit of the special preferential tariff concession GSP+".

Ambassador Aryasinha made these observations when he delivered the keynote address at a seminar 'Doing Business in Sri Lanka' organized by Flanders Investment and Trade (FIT) to coincide with the visit of a business delegation from the European Chamber of Commerce of Sri Lanka (ECCSL), and held in Brussels on Friday (25 November 2011). The Ambassador said he saw the visit of the ECCSL delegation comprising Sri Lankan business leaders and officials of the chamber, as a continuum to the visit of the business delegation led by Industries and Commerce Minister Rishard Bathudeen the previous week, and that within a fortnight over a hundred Belgian companies had made contact with Sri Lankan business leaders.

Acknowledging that the trade balance was very much in Sri Lanka's favour, he noted that nevertheless according to the Central Bank, Sri Lanka's imports from the EU have also grown by 20.2% in the first nine months of 2011 (1365 Million \$), compared to the corresponding period of 2010 (1136 Million \$). Imports from Belgium, which is Sri Lanka's 16<sup>th</sup> supplier, and the 4<sup>th</sup> largest among EU countries, grew by 52.3% in the first nine months of 2011 (292.06 Million \$), compared to the corresponding period of 2010 (191.79 Million \$).

With respect to Foreign Direct Investment (FDI), he pointed out that according to the Board of Investment, European investment in Sri Lanka in the first half of 2011 amounted to 52 Million \$, which was 13% of the total FDI attracted by the country. Of this, Belgium was the second largest source of investment among EU member countries, recording investment amounting to 11.28 Million \$.

In his address, Ambassador Aryasinha also outlined the considerable opportunities and incentives provided for foreign enterprises to invest and do business with Sri Lanka in recent years, most recently through the 2012 budget. He said, two way trade and investment between Sri Lanka and EU member countries could be enhanced considerably, if the increasing business interest regards Sri Lanka in European countries, was to be backed by the availability of export credit and financing within these countries, in a manner that serves the interests of the European business enterprises.

Earlier, welcoming the participants, Ms. Claire Tillekaerts, Acting CEO of FIT spoke of the predominance of the Flemish region of Belgium in economic collaboration with Sri Lanka. She said 82% of the total exports of Belgium is from the Flanders. She noted that with 17 reputed Flanders based private sector investments currently in operation in Sri Lanka, there is growing interest about Sri Lanka among the Flemish investors, particularly in the SME sector. She encouraged the participants of the seminar to collaborate with Sri Lankan enterprises for mutual benefit, and said FIT would work closely with the ECCSL to support such efforts.

Mr. Dilipan Tyagarajah, President of ECCSL said, the Chamber was established 15 years ago shifting from the country based bi-lateral chambers, to an EU level body. He described the ECCSL as a "common force" which directly addresses policy making at the EU level. He noted that during the present visit, in addition to engaging in B2B opportunities, the delegates had met with point persons in the European Parliament, European Commission, Euro Commerce, Business Europe and ONDD – The Belgian credit rating agency, in seeking to leverage the policy of these bodies in a manner which serves the interests of European related business establishments based in Sri Lanka.

Ms. Niranjala de Mel, General Manager of the ECCSL made a presentation which focussed on the current sectors of European involvement in Sri Lanka and also outlined prospective areas open to European collaboration in the country.

The Sri Lanka business delegation included the CEOs/MDs from Bernard Boteju and Co., Car Mart Ltd, Energy & Power Ltd, Expo Lanka Ltd, Favourite Group Ltd, MAC Holdings Ltd, TOS LANKA Ltd and United Tobacco Processing Ltd. Mr. R.D.S. Kumararatne, Minister (Commerce & Economic) and Mr. Madhuka Wicremarachchi, First Secretary (Political) of the Sri Lanka Embassy also participated in the seminar.

Embassy of Sri Lanka  
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