

Agri-Exports: What's holding Sri Lanka back?

The impact of domestic barriers to trade

18th January 2017



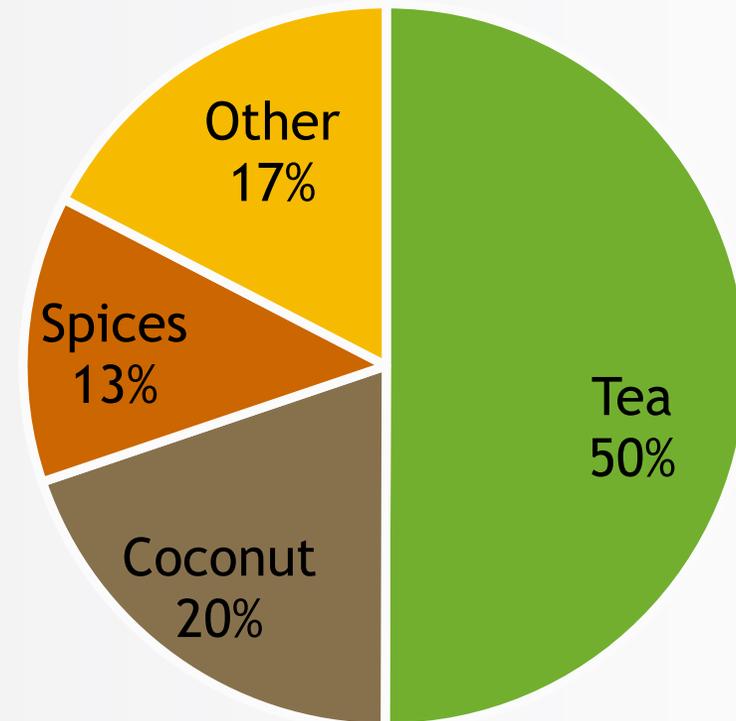
Agri Exports:

Heavy concentration in few products



Composition of Agricultural Exports
(2015)

- 10% of GDP
- 30% of employment
- 23% of total exports



Barriers to Trade:

Increase the cost of trading



Outside of the Exporter's Control

Affect Export Competitiveness



Barriers to Trade:

Are found at home and abroad



Behind
domestic
border

At
domestic
border

DOMESTIC BARRIERS

FTA

At foreign
border

Behind the
foreign
border

EXTERNAL BARRIERS

Agri Export Growth: mainly constrained by barriers at home



Behind domestic border



At domestic border



At foreign border



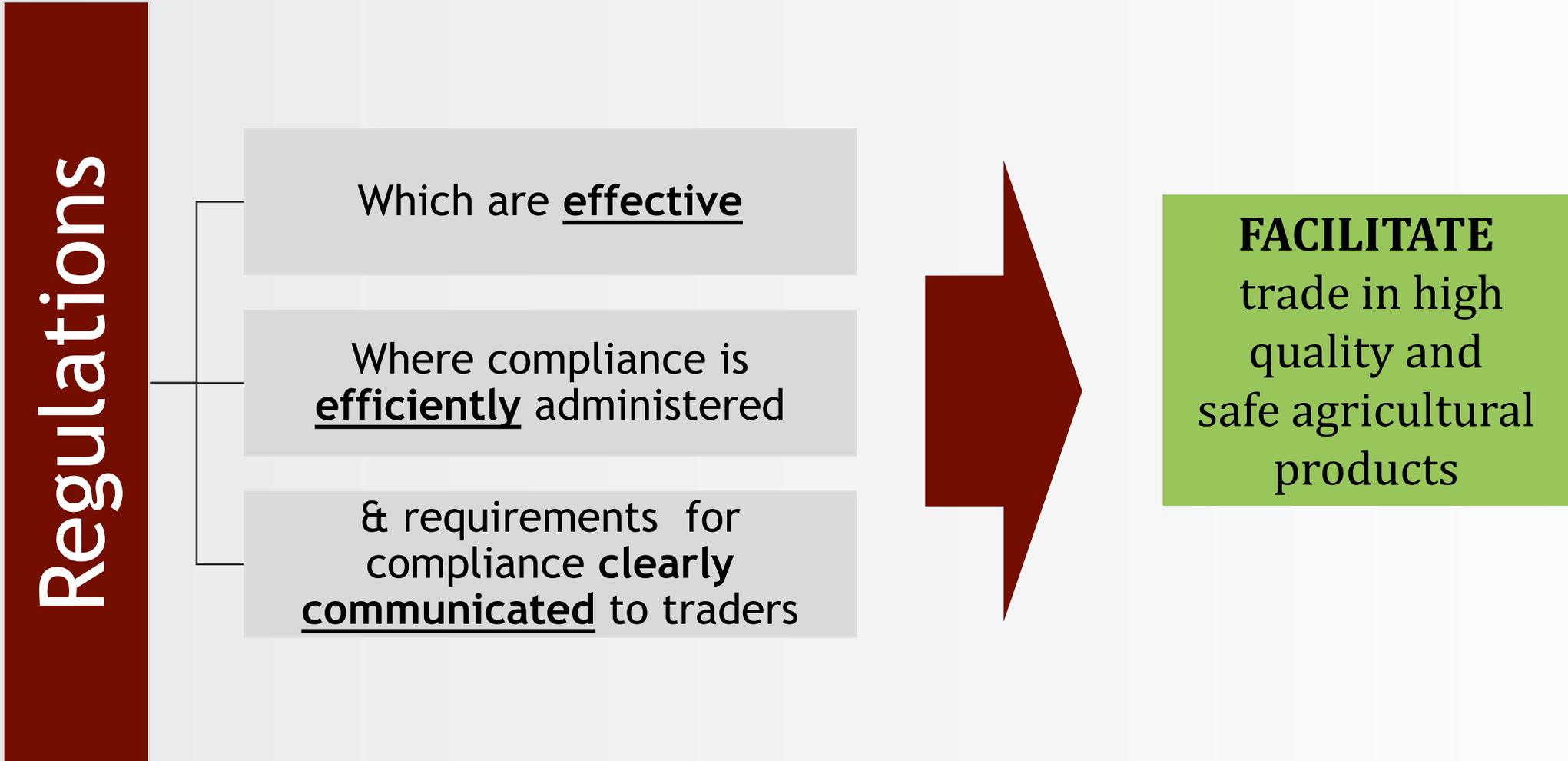
Behind the foreign border

DOMESTIC BARRIERS

EXTERNAL BARRIERS

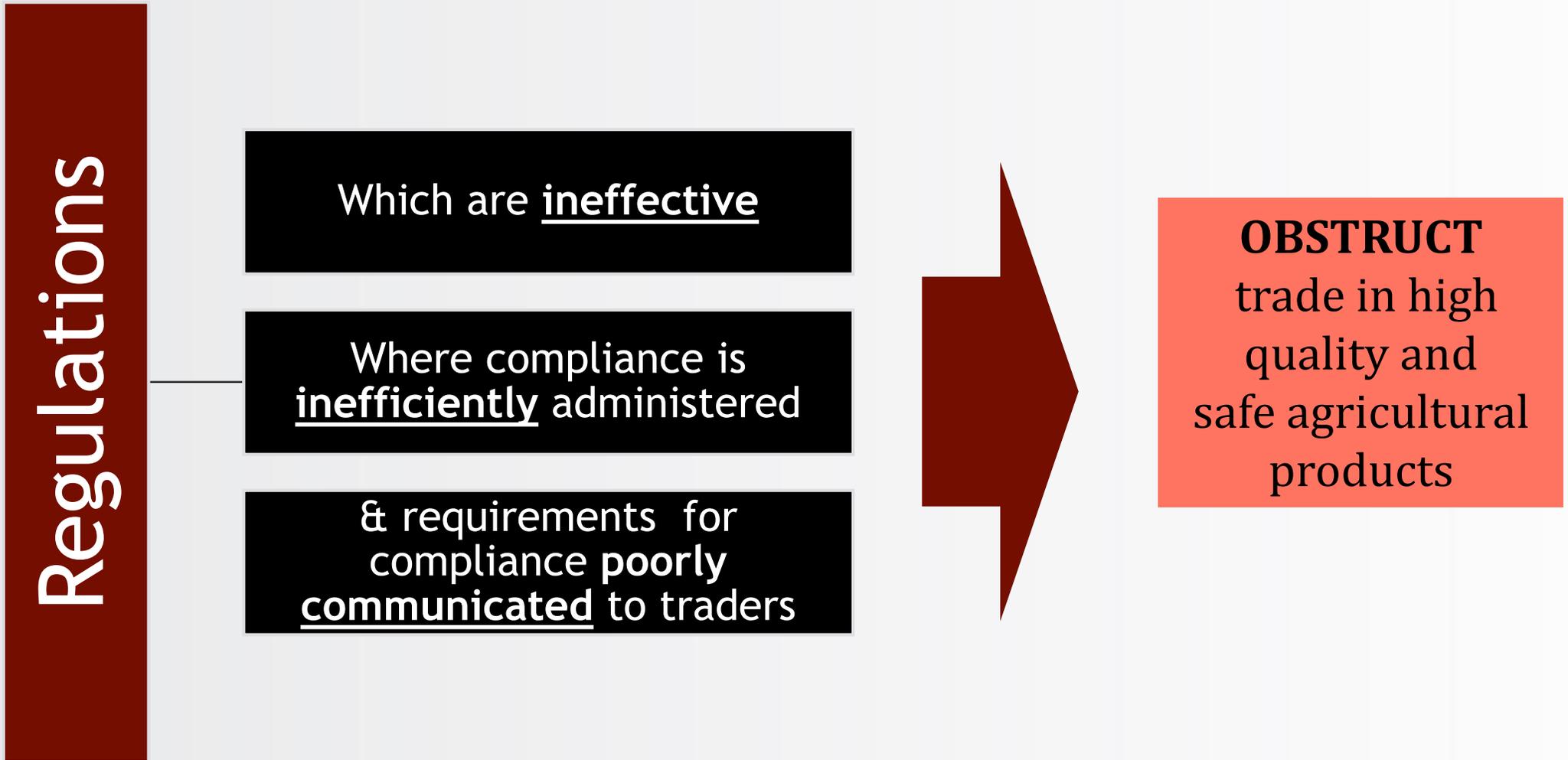
Regulations: Facilitate Trade

When they work



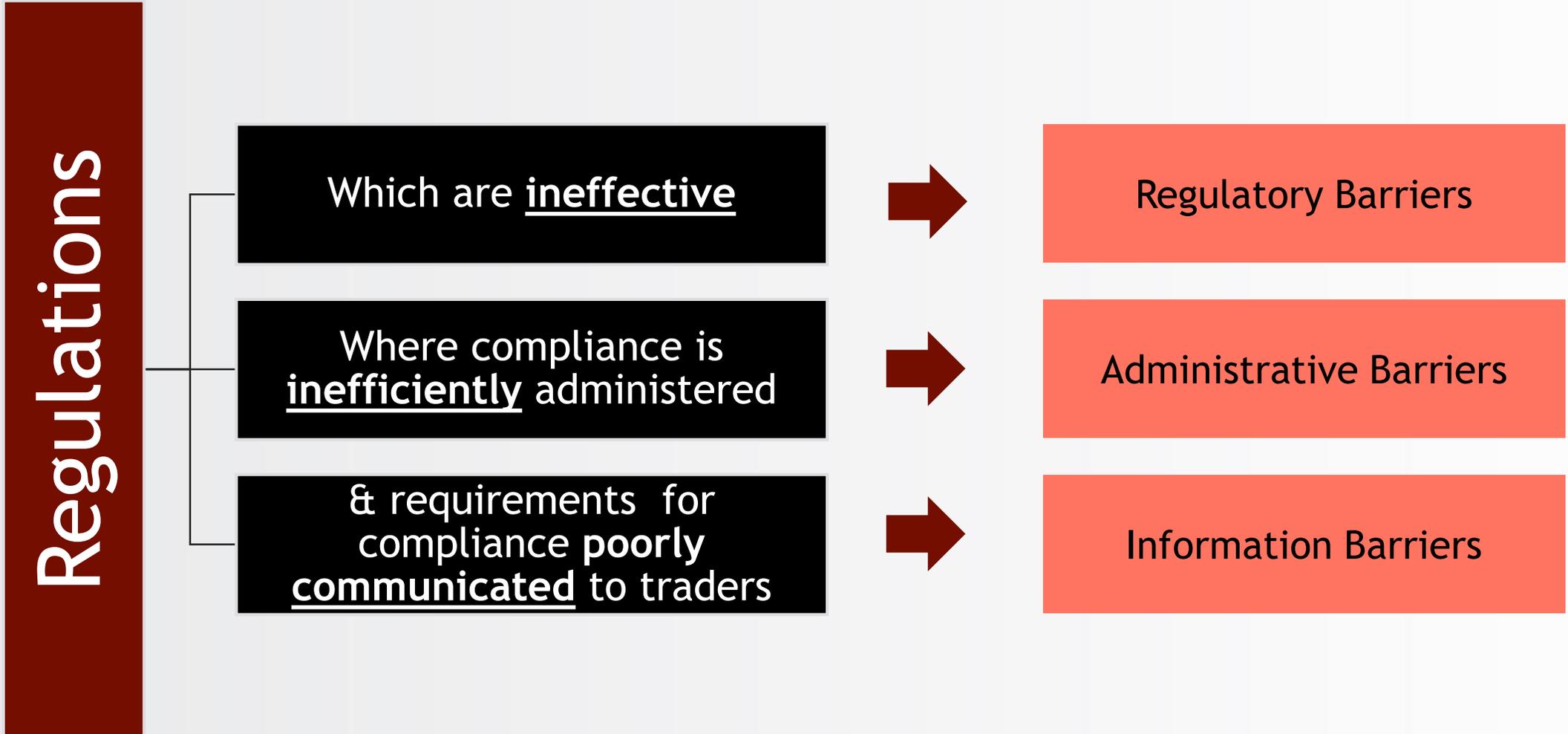
Regulations: Obstruct Trade

When they don't work



Regulations: Obstruct Trade

When they don't work



Regulatory Barriers

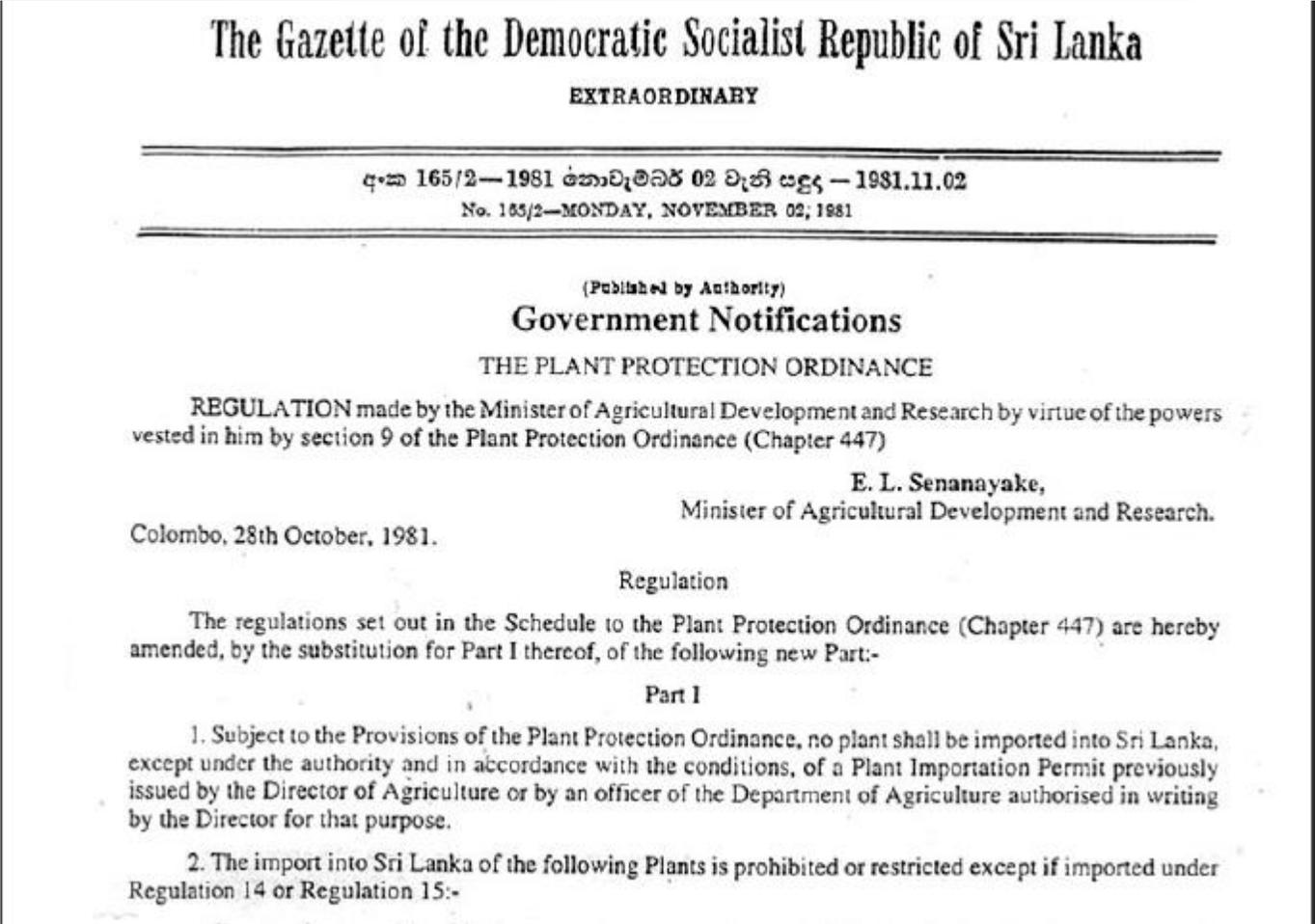
Regulations: FROZEN IN TIME



Regulations governing import of plants is 35 years old!

Plant protection regulations
Published in
Extraordinary Gazette
No. 165/2 of 1981

Made under the Plant
Protection Ordinance No.
10 of 1924



Regulations: NEVER ENACTED



The Act was passed 17 years ago, Regulations are still pending!

Plant Protection Act No. 35 of 1999

The Act states that the Minister may;

- Make regulations:
 - For the prevention of introduction into Sri Lanka, or for the eradication, or for the prevention of spreading of pests, and for the export of plants, plant products or organisms from Sri Lanka
 - For restricting or prohibiting the importation into Sri Lanka of any plants, plant products and organisms
 - For inspecting and testing plant, plant products and organisms on landing
 - For preventing outbreak and dissemination of any pest within Sri Lanka

Regulations: NOT IMPLEMENTED



The Act was passed 14 years ago, National Seed Council is yet to be established!

Seed Act No.22 of 2003

As per the Act, the functions of the National Seed Council

- Establish guidelines to ensure production and distribution of planting material of the highest quality
- Undertake periodic review of the seed and planting material production
- To advise the Minister and authorities on all materials relating to production and supply of quality seeds and planting material
- Review the quality standards of seed and planting material etc.

The Council also has powers to

- Identify needs for seed and planting material
- To coordinate with the public sector agencies to develop the industry and to address issues relating to seeds and planting materials
- To appoint special committees to carry out the decisions of the council etc.



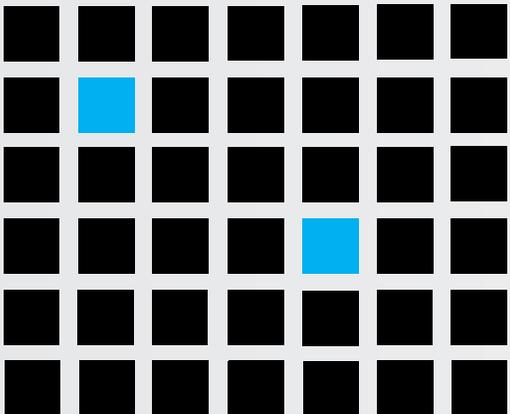
Administrative Barriers

Administrative procedures: Excessive and uncoordinated physical inspections



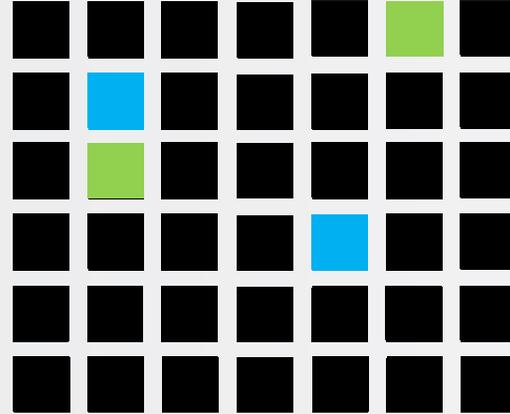
1

Air Force



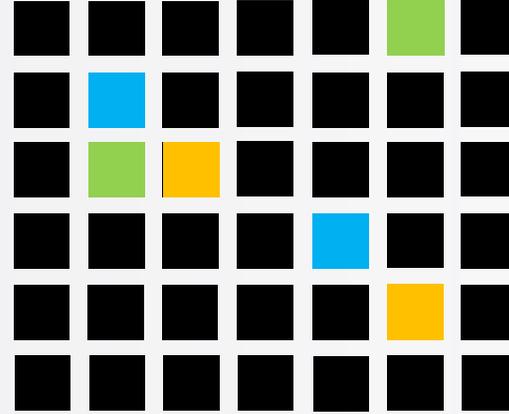
2

Plant Quarantine



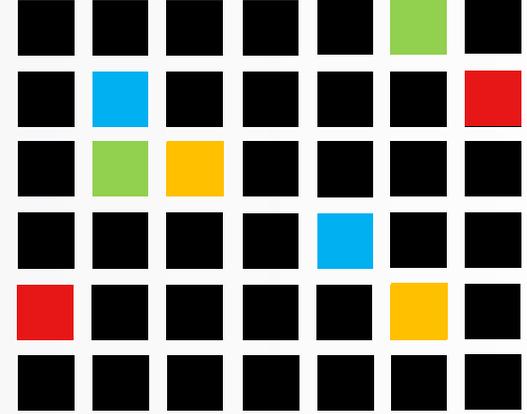
3

Sri Lanka Customs



4

Sri Lankan Cargo



Administrative procedures:

No peace for perishable exports



Need for Air Force cargo check point at the entrance to the Airport after 8 years of ending the war: Time to Re-evaluate

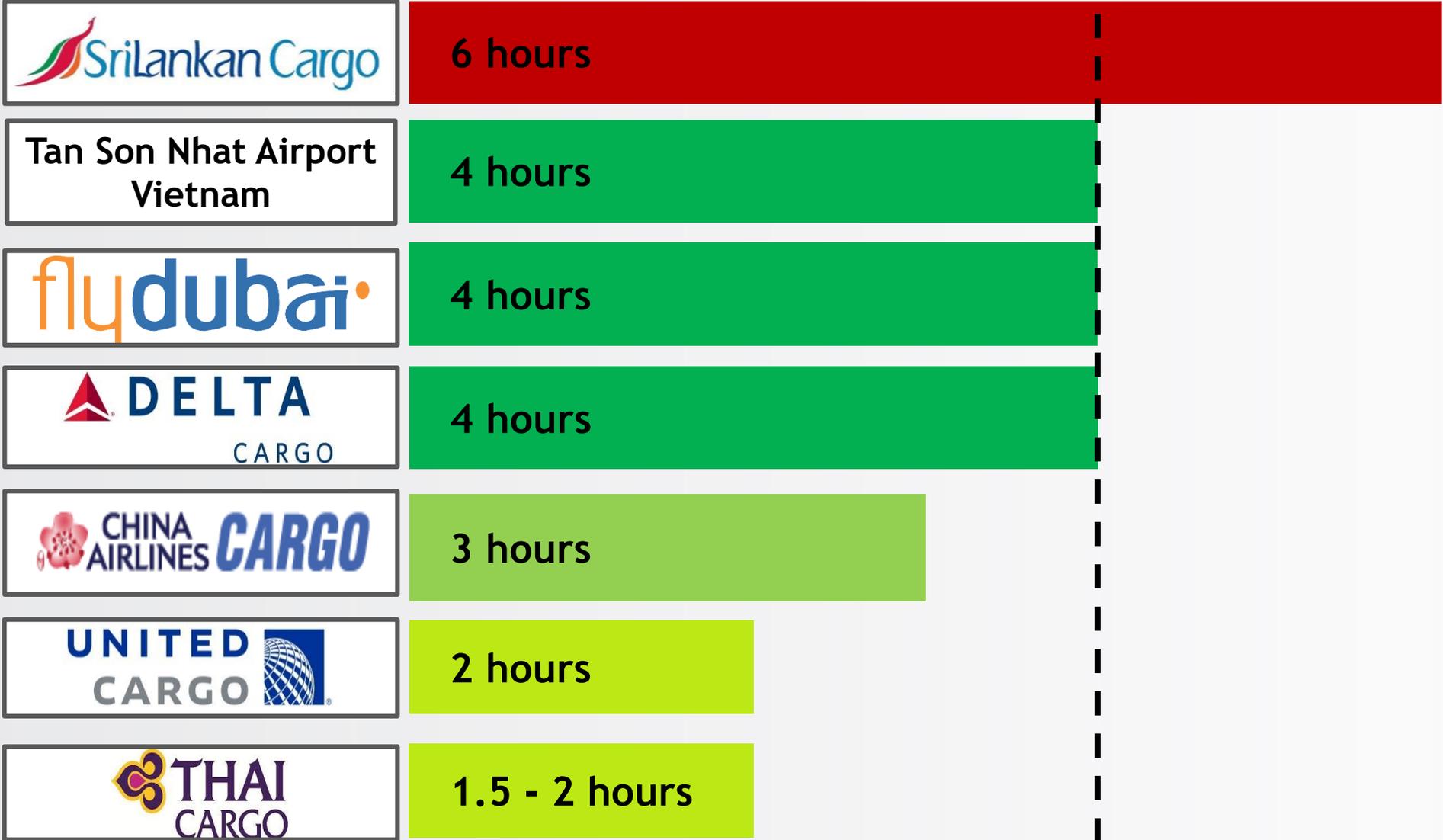
- Inspections conducted in an open area, no roof, no temperature controls
- By officers who are not trained to handle perishable cargo
- Having to leave space for the officers to walk inside the lorry reduces loading capacity

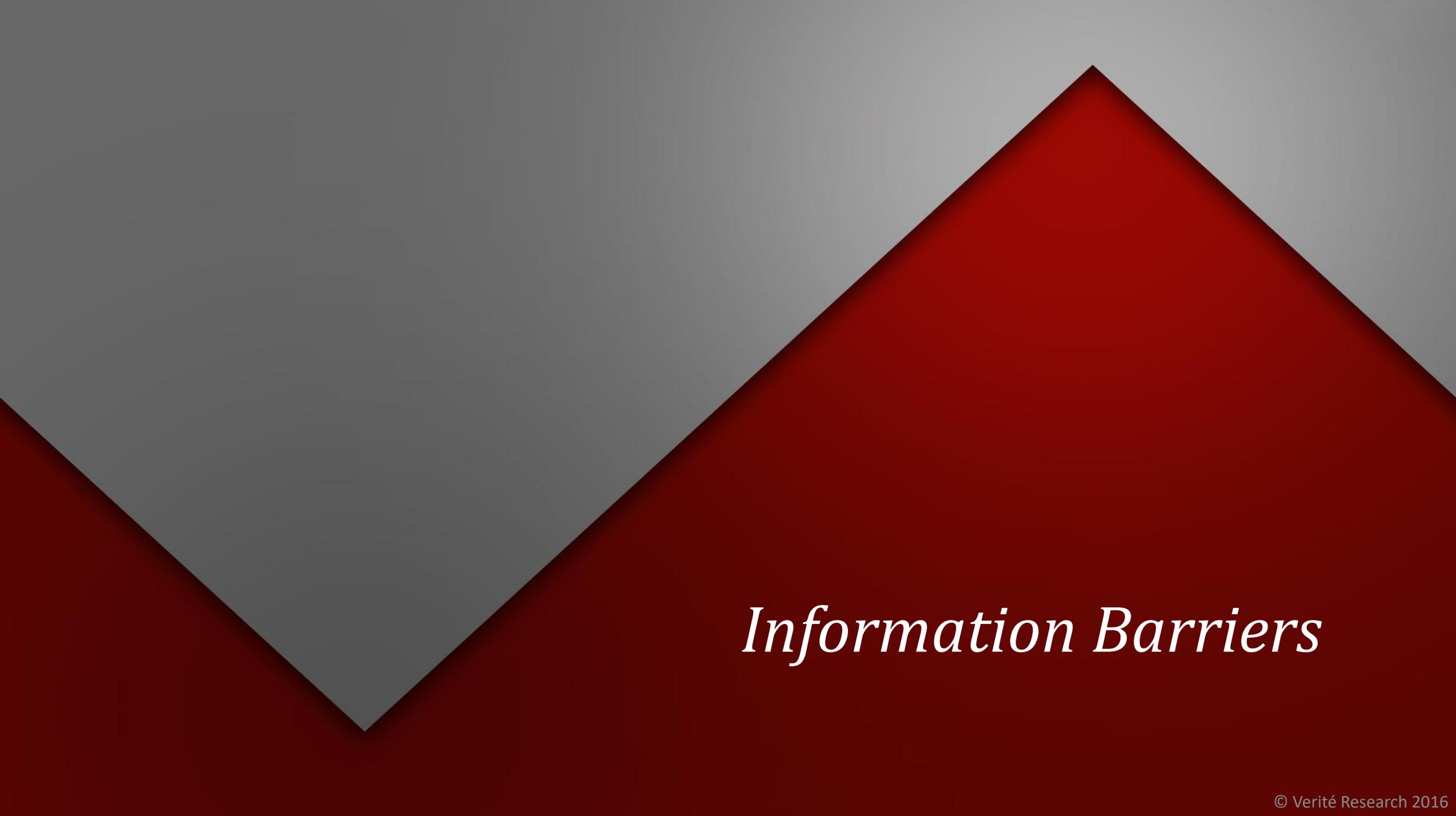


- Increases the time in transit
- Adds to Cost
- Compromises the quality

Administrative procedures:

Long lead times in comparison to other countries





Information Barriers

Information:

Hard to find, costly, and unreliable



Paucity of information available online

Department	Updated Contact Point	Up-to-date Application Form	Time taken	Fees	Restricted/ Prohibited Item List	Procedures
National Plant Quarantine Service	✗	✓	✓	✓	✗	✓
Forest Department	✓	✗	✓	✗	✗	✗
Department of Fisheries	✗	✗	✗	✗	✗	✓
Seed Certification and Plant Protection Centre	✗	✓	✓	✓	✗	✓
National Fertiliser Secretariat	✗	✗	✗	✗	✗	✗
Registrar of Pesticides	✗	✓	✗	✗	✗	✗
Department of Import and Export Control	✓	✓	✗	✗	✓	✓

Information: UNRELIABLE (OUTDATED)



Information on Fish Export Regulations

Last Updated 8 Years Ago!

The screenshot shows the Government Information Centre website. The header includes the national emblem and the text 'රාජ්‍ය තොරතුරු කේන්ද්‍රය' and 'அரசாங்க தகவல் நிலையம்' (Government Information Centre). There are language options for Sinhala and Tamil, and a search bar. The navigation menu includes HOME, A-Z INDEX, ORGANIZATIONS, GOV FORMS, ABOUT US, GOVSMS, DOWNLOADS, GALLERY, and HELP. The main content area is titled 'CONTACT US' and 'YOU ARE HERE: HOME > TRADE, BUSINESS & INDUSTRY > APPROVALS, PERMITS & LICENSES > OBTAINING OF QUALITY CERTIFICATES FOR THE EXPORT FISHERIES PRODUCTS'. There are view options for 'Question and Answer Type' and 'Full Information View'. A red box highlights the text 'Last Updated On: 2009-11-03 17:42:57'. Below this, there are sections for 'Make a Complaint' and 'Awards', including 'Government Technology Awards 07 Runner-up 2007' and 'World Summit Award WINNER 2009'. The footer contains contact information and logos for ICTA and Sri Lanka.

Removing Domestic Barriers

Sri Lanka lags behind

Efficiency of border administration: Sri Lanka lags behind regional peers



Economy	Enabling Trade Rank 2016	Efficient & transparent border administration	Trading Across Borders Rank 2017	Time to export: Documentary compliance (hours) **
Singapore	1	1	41	2
Thailand	63	44	56	11
Vietnam	73	86	93	50
Philippines	82	93	95	72
India	102	75	143	38
Sri Lanka	103	97	90	76

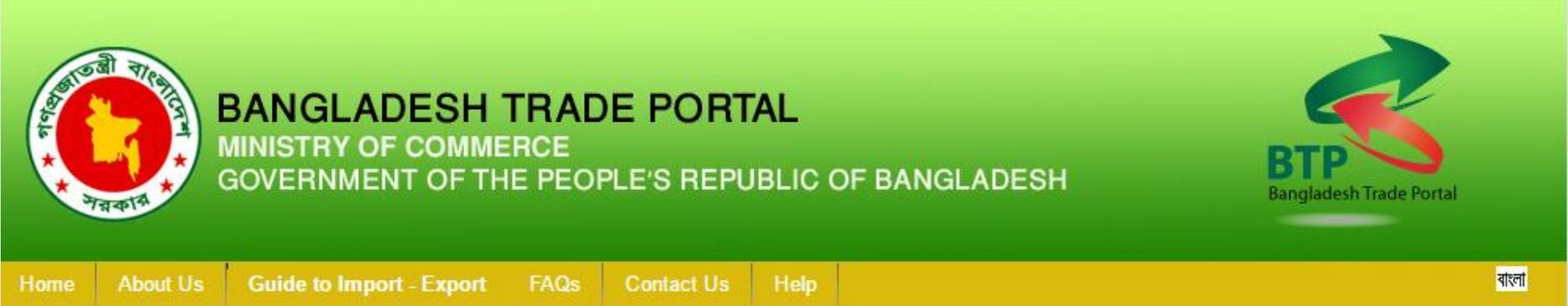
↓ by 19

↓ by 10

↓ by 1

Measures to address domestic barriers

Sri Lanka lags behind regional peers



- [INDEX](#)
- [Registration](#)
- [Prohibited Goods](#)
- [Controlled Goods](#)
- [Import License](#)
- [Sanitary and Phytosanitary Requirements](#)
- [Technical Requirements](#)
- [Import Declaration](#)
- [Advance Declaration](#)
- [Customs Broker](#)
- [Classification and Value](#)
- [Payment of Duties](#)
- [Goods Imported under Warehouse Regime](#)
- [Temporary Imports](#)
- [Exemptions](#)

View Measure

Name	Import Permit required to import Potato Seeds
Description	Potato Seeds
Comments	Import Permit required to import Potato Seeds
Validity From	15-02-2016
Validity To	30-06-2018
Reference	
Technical Code	
Agency	Chief Controller of Imports & Exports (CCI&E)
Created Date	2015-11-25 22:24:10
Updated Date	2016-05-16 12:50:16
Status	Active
Measure Type	Permit Requirement
Legal/Regulation	Import Policy Order 2015-18

Procedures

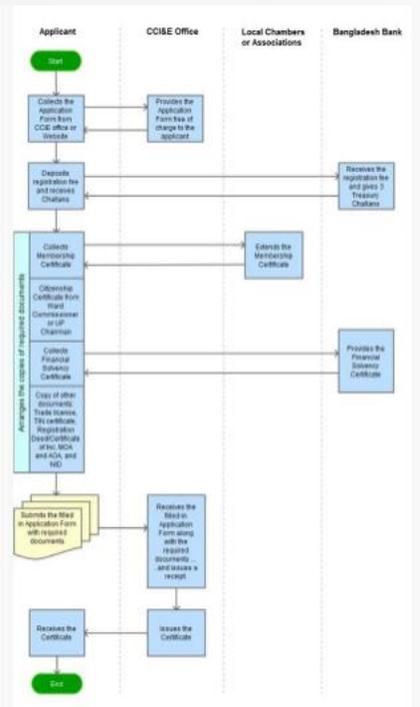
Displaying 1-1 of 1 result(s).

Procedure Name	Description	Category	View Procedure Detail with Relevant Forms
Import Registration Certificate (IRC)	Import Registration Certificate (IRC)	Procedure	View

This measure applies to commodity/s

Displaying 1-2 of 2 result(s).

HS Code	Description
07011010	--- Wrapped/canned upto 2.5 kg
07011090	--- Other



- ### Contents
- [Overview of Bangladesh's Economy](#)
 - [How to Start Business in Bangladesh?](#)
 - [Commodity Search](#)
 - [Search Legal Documents](#)
 - [Search Procedures](#)
 - [Search Forms](#)
 - [Search Measures, Standards, Requirements](#)
 - [Travellers](#)
 - [Border Trade](#)
 - [TBT/SPS Enquiry Points](#)
 - [GSP Automation \(Textile\)](#)
 - [Market Access Information](#)
 - [Free Trade Agreements](#)
 - [News Publications](#)
 - [Announcements](#)
 - [Other useful links](#)

Measures to address domestic barriers

Sri Lanka lags behind regional peers



Countries with National Trade Portals

Source: Country specific websites

Benefits of addressing domestic barriers

Examples from rest of the world



Turkey –
Reforming Seed Regulations



2_x

Yield



USD

130_{mn}

Production



4_x

Vegetable Exports



USD

97_{mn}

Net Farm Income

Source: Easing Barriers to Movement of Plant Varieties for Agricultural Development, World Bank (1997)

Benefits of addressing domestic barriers

Examples from rest of the world



Turkey: Adopting Risk Assessment Techniques

Physical Inspection



By
41%
(2011-15)



Transit Time

Before



After



Addressing domestic barriers

Will help unleash agri export potential



Thank you