

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

The impact of domestic barriers to trade

18th January 2017



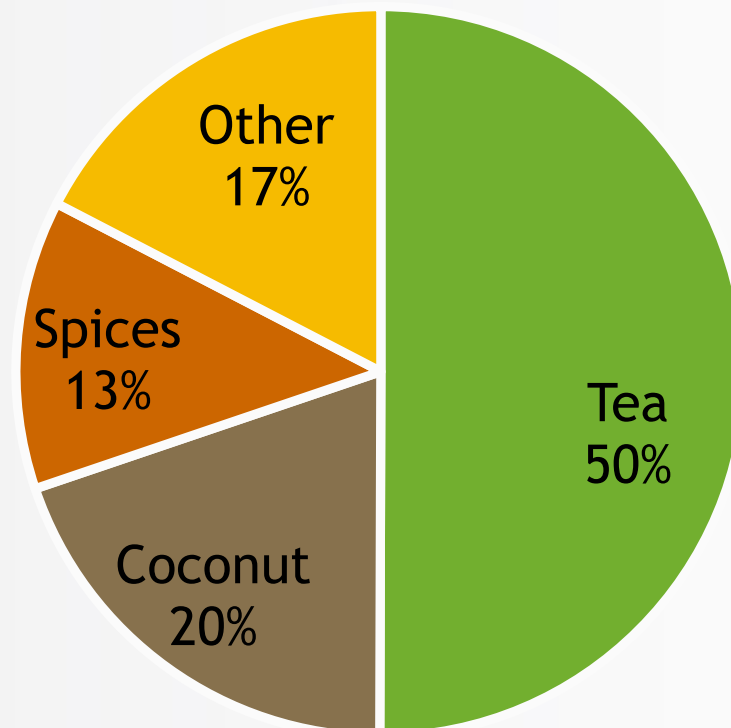
Agri Exports:

Heavy concentration in few products



Composition of Agricultural Exports
(2015)

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



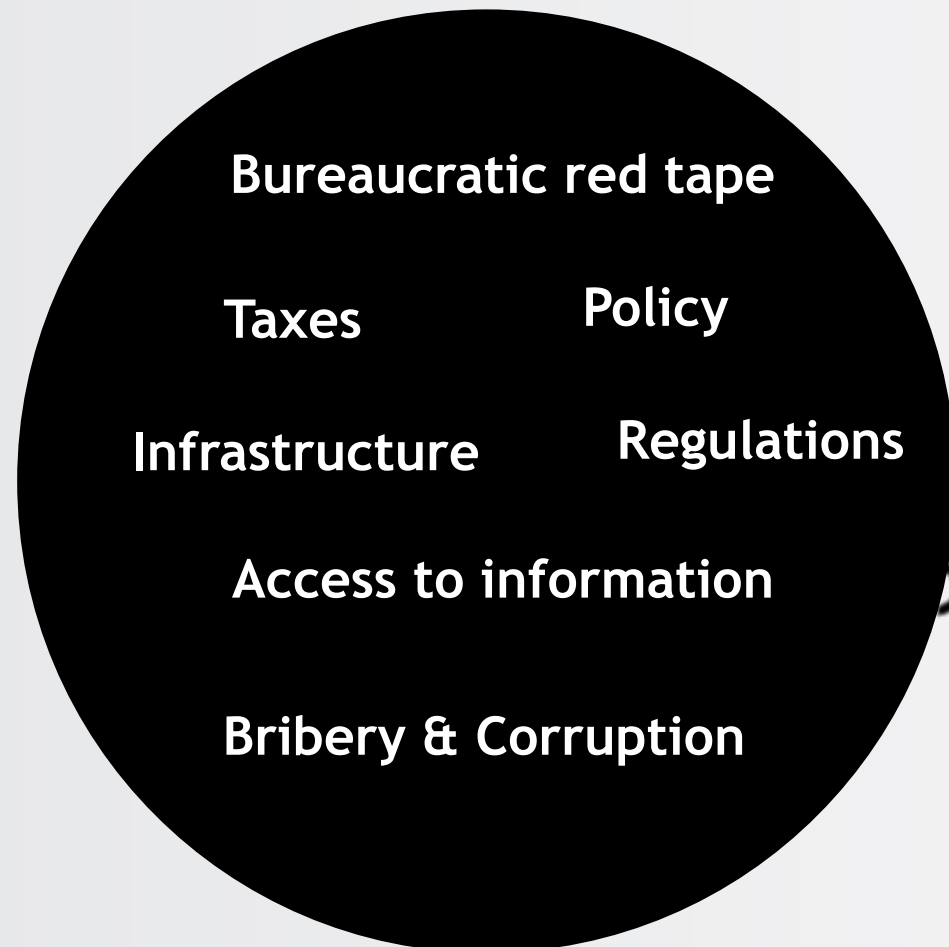
Barriers to Trade:

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

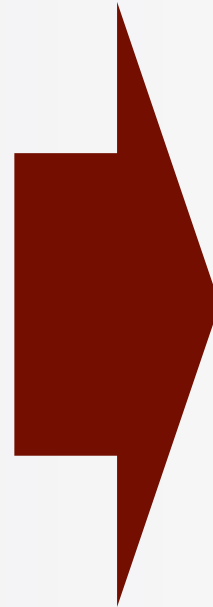


Regulations

Which are effective

Where compliance is
efficiently administered

& requirements for
compliance **clearly**
communicated to traders



FACILITATE
trade in high
quality and
safe agricultural
products

Regulations: Obstruct Trade

When they don't work

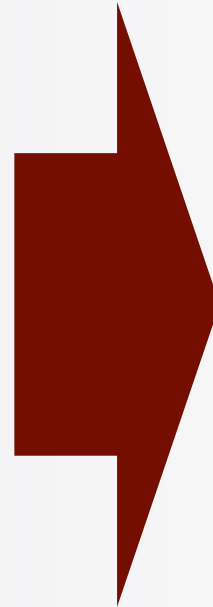


Regulations

Which are ineffective

Where compliance is
inefficiently administered

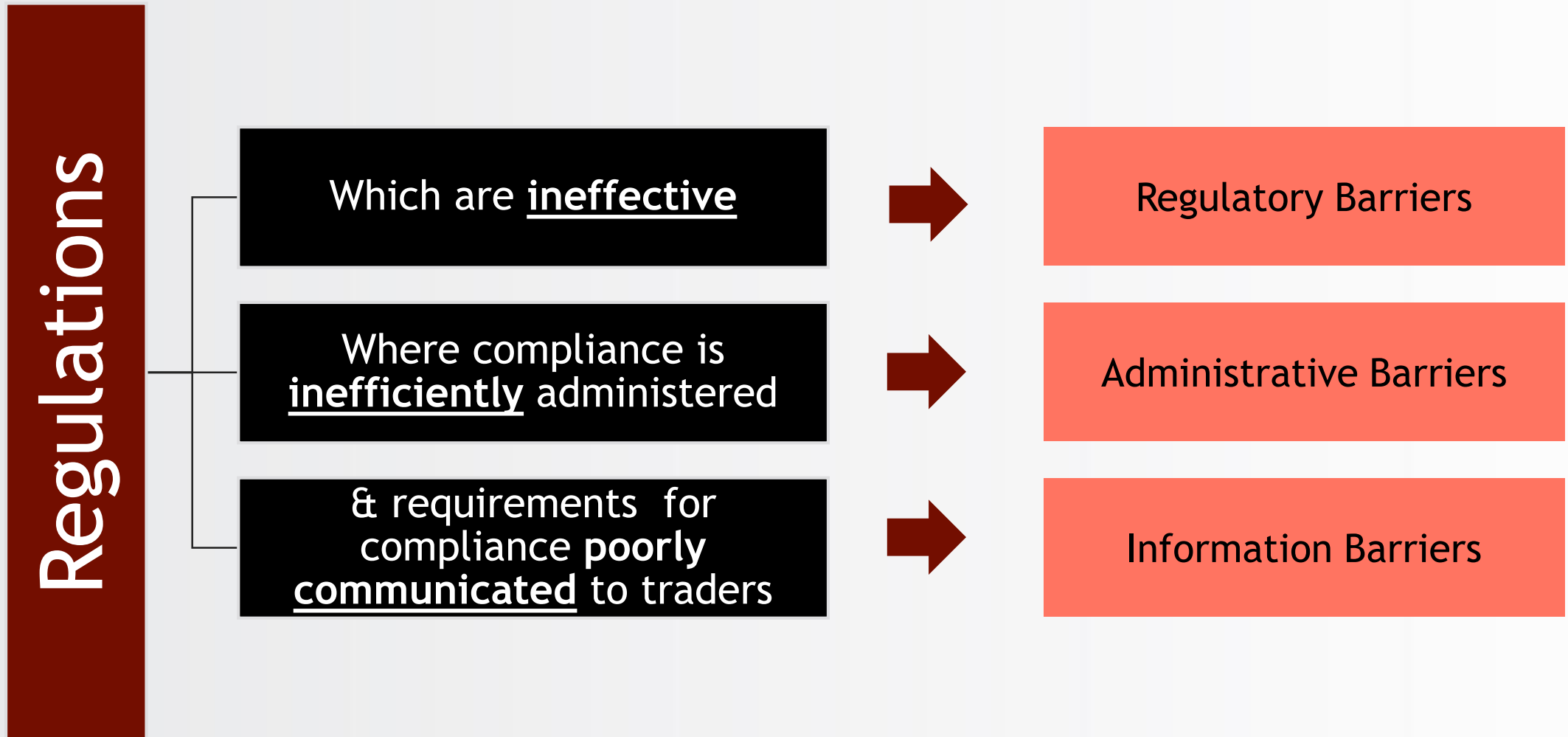
& requirements for
compliance poorly
communicated to traders



OBSTRUCT
trade in high
quality and
safe agricultural
products

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

The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 165/2—1981 ජනවාරි 02 වැනි සඳුදා — 1981.11.02

No. 165/2—MONDAY, NOVEMBER 02, 1981

(Published by Authority)

Government Notifications

THE PLANT PROTECTION ORDINANCE

REGULATION made by the Minister of Agricultural Development and Research by virtue of the powers vested in him by section 9 of the Plant Protection Ordinance (Chapter 447)

E. L. Senanayake,

Minister of Agricultural Development and Research.

Colombo, 28th October, 1981.

Regulation

The regulations set out in the Schedule to the Plant Protection Ordinance (Chapter 447) are hereby amended, by the substitution for Part I thereof, of the following new Part:-

Part I

1. Subject to the Provisions of the Plant Protection Ordinance, no plant shall be imported into Sri Lanka, except under the authority and in accordance with the conditions, of a Plant Importation Permit previously issued by the Director of Agriculture or by an officer of the Department of Agriculture authorised in writing by the Director for that purpose.

2. The import into Sri Lanka of the following Plants is prohibited or restricted except if imported under Regulation 14 or Regulation 15:-

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

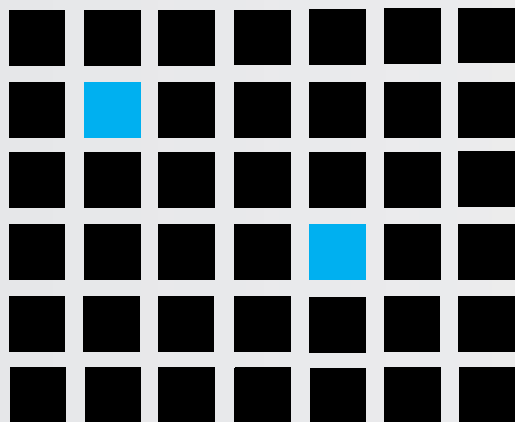
Administrative procedures:

Excessive and uncoordinated physical inspections



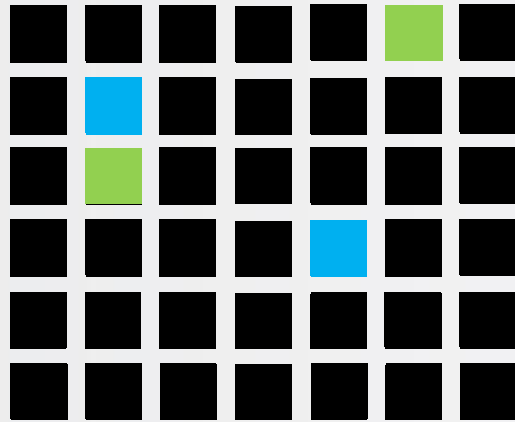
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Air Force



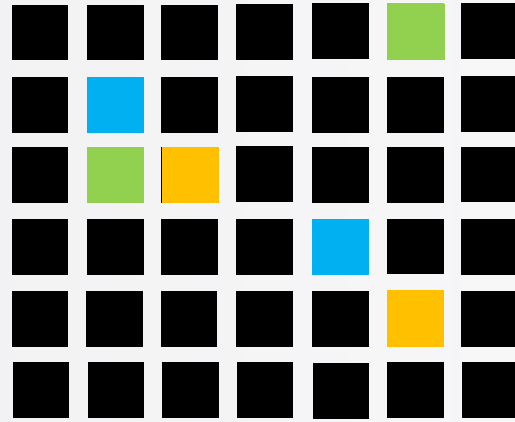
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Plant Quarantine



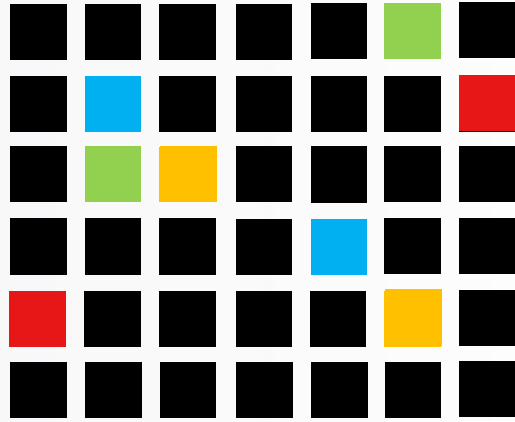
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Sri Lanka Customs



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**

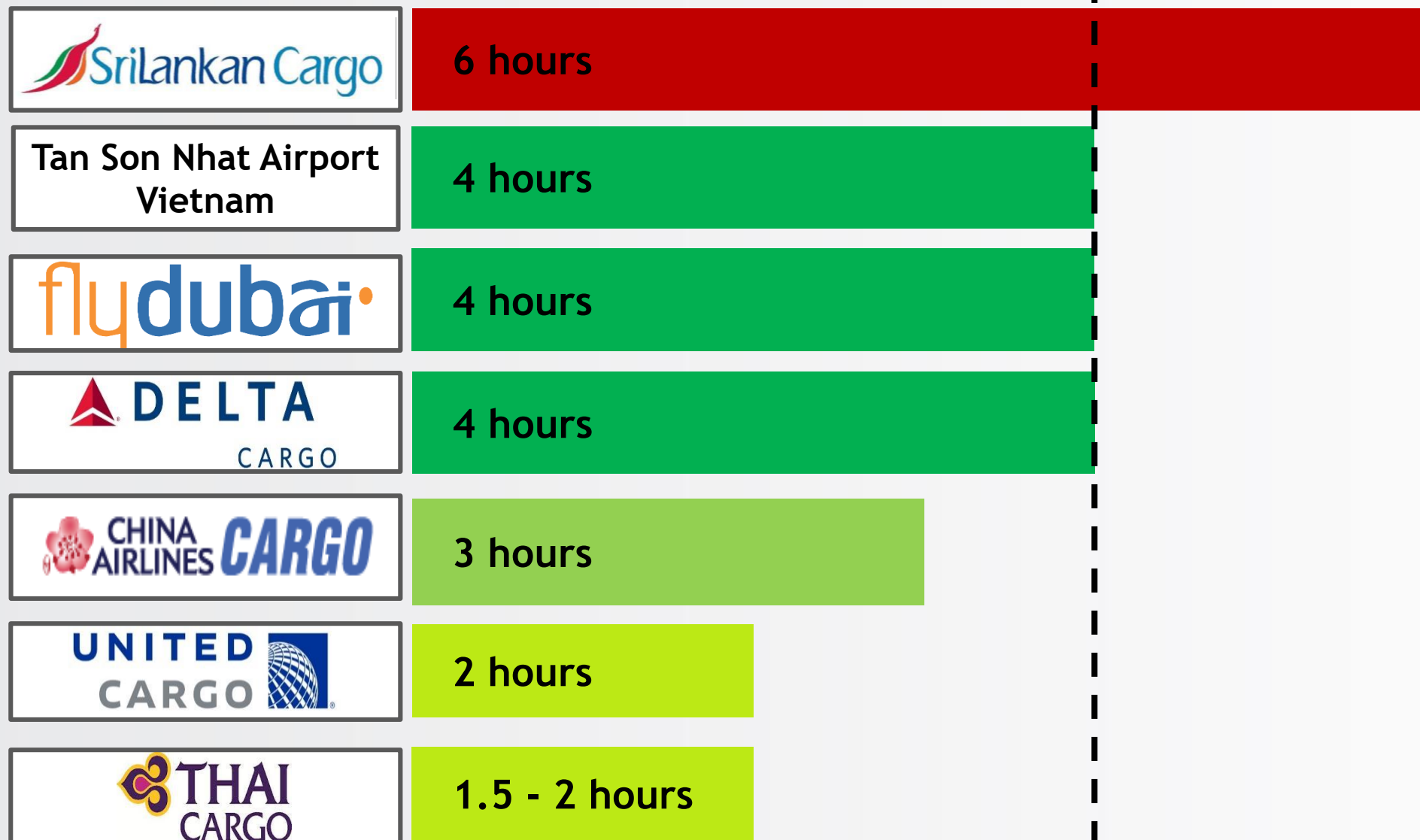
- Inspections conducted in an open area, no roof, no temperature controls
- By officers who are not trained to handle perishable cargo
- Having to leave space for the officers to walk inside the lorry reduces loading capacity

Impact

- 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 (GIC) website. The header includes the GIC logo and name in Sinhala, Tamil, and English. A search bar is present. 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". It features a "Callers within" section and a "Make a Complaint" link. A red box highlights the "Last Updated On: 2009-11-03 17:42:57" timestamp. The footer includes "FOR ALL THE GOVERNMENT CITIZEN SERVICES INFORMATION", "HELP - CONTACT US", "© COPYRIGHT 2009 GIC (ALL RIGHTS RESERVED) DEVELOPED IN ASSOCIATION WITH ICTA", and logos for the Presidential Secretariat, ICTA, Sri Lanka, and the Ministry of Fisheries.

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






BANGLADESH TRADE PORTAL

MINISTRY OF COMMERCE

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH



BTP

Bangladesh Trade Portal

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Guide to Import - Export

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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

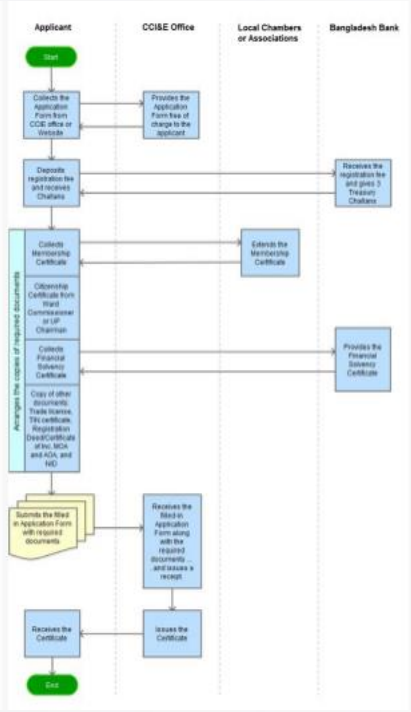
Displaying 1-1 of 1 result(s).

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



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Measures to address domestic barriers

Sri Lanka lags behind regional peers



Countries with National Trade Portals

Benefits of addressing domestic barriers

Examples from rest of the world



Turkey –
Reforming Seed Regulations



2_x

Yield



4_x

Vegetable
Exports



USD

130_{mn}

Production



USD

97_{mn}

Net Farm Income

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

72
hours

After

6
hours

Addressing domestic barriers

Will help unleash agri export potential



Thank you