

Speech by Md. Sabur Khan, President, Dhaka Chamber of Commerce & Industry (DCCI) at the Meeting with Hon'ble Deputy Minister of External Affairs of Sri Lanka (Date: March 13, 2013; Time: 12:00 pm; venue: DCCI Auditorium).

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**Bismillahir Rahmanir Rahim**

- **H.E Mr. G.J.L. Neomal Perera, Hon'ble Deputy Minister of External Affairs of Sri Lanka;**
- **H.E. Mr. W.A Sarah K. Weragoda, High Commissioner, High Commission of Sri Lanka;**
- **My Colleagues in the Board of Director of DCCI;**
- **Distinguished Participants;**
- **Friends form Media;**
- **Ladies and Gentlemen.**

**Assalamu Alaikum & very Good Afternoon,**

On behalf of Dhaka Chamber of Commerce & Industry (DCCI) and on my own behalf I would take the privilege to welcome all of you to this very important meeting. I specially welcome **H.E Mr. G.J.L. Neomal Perera, Hon'ble Deputy Minister of External Affairs of Sri Lanka** and **H.E. Mr. W.A Sarah K. Weragoda, High Commissioner, High Commission of Sri Lanka** for their kind visit to DCCI to discuss various issues on bilateral trade and Investment cooperation between Bangladesh and Sri Lanka.

**Hon'ble Deputy Minister,**

DCCI is the largest and most active chamber in the country rendering trade supporting services to its 14000 members and other business communities in the country. The chamber has taken various activities to build capacity of the private sector to face the challenges of globalization and exploit the emerging opportunities in the international market.

Bangladesh considers Sri Lanka as one of its closest neighbors and excellent friendly relations exist between the two countries. Bangladesh and Sri Lanka are common members of various regional forums like

**SAARC,**

**BIMSTEC,**

**India Ocean Rim Association for Regional Cooperation (IOR-ARCI,**

**Asia Cooperation Dialogue (ACD),**

**CIRDEP,**

**UN, NAM, Commonwealth etc.**

Both the countries shares similar views on many regional and global issues in the international arena. Many **Lankan professionals are working in Dhaka and Chittagong especially in the fields of garments, freight forwarding, banking and non banking financial sectors, medicine & healthcare and education sector.** Easy communication route and competitive labour cost have trade marked the country for production-oriented ventures to all over the globe.

## **Distinguished Gatherings,**

Diplomatic relations between Sri Lanka and Bangladesh were formally established in 1972 and the Sri Lanka High Commission in Bangladesh was set up in June 1979.

In addition to the Mission in Dhaka, an Honorary Consul functioning in Chittagong.

Significant Bilateral Agreements signed between two Countries are

General Trade Agreement (1977),

Cultural Agreement (1979),

Economic and Technical Cooperation Agreement (1979),

Shipping Agreement (1979),

Avoidance of Double Taxation Agreement (1992),

Air service Commercial Agreement (1992),

Joint Commission for Economic Cooperation (1985).

I hope these agreements play a vital role in strengthening trade, investment and economic cooperation as well as diplomatic relation between the two countries.

Even though Bangladesh and Sri Lanka are tied up with different regional and international agreements, the present level of bilateral trade between Bangladesh and Sri Lanka is far from being satisfactory and still remains at a very low level.

**In 2011-12, Bangladesh's imports from Sri Lanka were worth only US\$ 32.22 million as against export to Sri Lanka of only US\$ 42.59 million.**

Major export items to Sri Lanka are: **Jute manufacturers, Woven garments, Pharmaceuticals, Jute yarn & twine, Knitwear, Textile fabrics, Sacks and bags, Towel, Plastic goods, Cotton yarn, Iron chain, Leather, Accumulator battery and parts, other Engineering products, Furnace oil, etc.**

On the other hand Major import items from Sri Lanka are: **Chemicals Products, Rubber and rubber products, Cotton, Mineral fuels & oil, Man-made filament, Transport equipment, electric and machinery equipment etc. So, there is scope to diversify the trading items to enhance trade volume between Bangladesh and Sri Lanka.**

## **Distinguished guests,**

There are several Potentialities to cooperate each other. These are:

- Sri-Lanka has granted national concession to 427 products and under special concession to 72 products for Bangladesh under APTA. Sri Lanka has issued notification of tariff concession under SAFTA in 2006 for LDCs, but they have not yet issued notification of further tariff concession was not translated trade gains for either side. This should be resolved.
- Bangladeshi products like **pharmaceuticals, vegetables, agro-products, jute and jute products, ceramics, plastic ware, toiletries, corrugated iron sheets, house-building materials etc. have good prospects in exporting to Sri Lanka.** Sri Lanka may allow duty free market access of these items from Bangladesh.

- Current duty of Sri Lanka rises from **40% to 75%**. This has increased duty likely to make market penetration further difficult for Bangladesh. Though there is a demand for Bangladesh products in Sri Lanka, still they face impediments as Sri Lanka has imposed **high rate of duty on** items like **food products, RMG, Agro-based products, home textile, handicrafts, plastic products, light engineering products, automotive battery, dry cells battery, utensils, melamine, tableware, kitchen ware, electric cables, leather goods etc.**
- Bangladesh considers the merits of direct marine connectivity between Chittagong and Mongla with Colombo as well as Trincomalee. Such a direct connectivity may elevate the bilateral relations between Bangladesh and Sri Lanka to a higher level.
- Distance between **Trincomalee and mongla** may be 25-30% less than the Chittagong and Colombo distance. This may be used as the point of entry for exports to Sri Lanka, side by side the Colombo Port.
- **A \$550 million tax-free port zone is being set up outside the Hambantota sea port. Bangladesh may consider interest in setting up shipbuilding, ship-repair and warehousing facilities in the zone.**
- Bangladesh thinks of use of **Hambantota Deep Sea port**. In Bangladesh perspective, this sea port is the nearest **deep sea port and can** provide good and efficient service. Sri Lanka might also be able to give attractive incentives and concessions to Bangladeshi shippers to use this **harbour as a trans-shipment port**.
- Petroleum products may be stored at newly built Hambantota sea port as it is close to Chittagong and Mongla port.
- Both Sri Lanka and Bangladesh have ample of opportunities to **work mutually in tourism sector**. Bangladesh offers many **tourist attractions, including archaeological sites, historical mosques and monuments, longest natural beach in the world, picturesque landscape, hill forests and wildlife, rolling tea gardens and tribes.**
- **Tourists find the rich flora and fauna and colorful tribal life very enchanting. Each part of the country offers distinctly different topography, flavors and food. It is home to the Royal Bengal Tigers, freshwater pink dolphins, historical temples made of red earth.** In tourism sector, Sri Lanka as well has always delighted visitors to its shores as per Legend as well as history records. For centuries its **fragrant spices, priceless gems and pearls, legendary beauty, sublime culture and friendly people captivated princess, poets, traders, empire-builders and admirers.**
- Sri Lanka has launched **“Nagenahira Navodaya” (Eastern Revival) and “Uthuru Wasanthaya” (Flourishing North)** paving the way for tourists to experience visiting sites of tourist attractions without any restrictions.

**Hon'ble Deputy Minister,**

DCCI has been maintaining very close cooperation with the High Commission of Sri Lanka in Bangladesh to strengthen bilateral trade and investment cooperation. I would like to mention that **DCCI has also been maintaining a very close cooperation with one of Sri Lanka's esteemed chamber National Chamber of Exporters of Sri Lanka which entered into memorandum of understanding with DCCI on May 07, 2002.** I would also like to highlight that DCCI arranged a very inclusive meeting with H.E. W A Sarath K. Weragoda, High Commissioner of Sri Lanka and H.E Mr. Mohammad. Sufiur Rahman, High Commissioner of Bangladesh to Sri Lanka on February 17, 2013. In this meeting both sides agreed that Bangladesh and Sri Lanka can play an important role to strengthen bilateral trade and investment cooperation between the two friendly countries.

It was mentioned in the meeting that Bangladesh has huge potential to invest in Pharmaceutical sector in Sri Lanka. **Bangladeshi cauliflower and potato may be exported to Sri Lanka as these products are available in Bangladesh and Sri Lanka has huge demand of these items. Sri Lanka may import more pharmaceuticals, handicrafts and jute goods from Bangladesh. Sri Lanka may consider duty free market access of these products from Bangladesh.** Bangladesh may use Hambantota Deep Sea Port. Direct marine connectivity between Chittagong and Mongla ports with Colombo as well as Trincomalee will boost the bilateral trade between the two countries.

Exchange of information on national economics, investment regulations, export possibilities and import requirements are very essential for the business community. DCCI would be happy to extend all co-operations to facilitate the business and investment of Sri Lanka. **I am confident that both Bangladesh and Sri Lanka would be able to explore and expand businesses.** In order to support the business communities at home and abroad, Dhaka Chamber of Commerce and Industry (DCCI) feels to establish DCCI Helpdesk at its own premise. This Help Desk will provide one stop services the business communities from home and abroad including Sri Lanka.

**DCCI's aim is to establish display centre at both DCCI and Sri Lanka's esteemed chamber. Both the chambers may enjoy to display good and quality products through these display centers.**

I shall not prolong my speech. Before concluding I would like to thank you all once again.

Allah Hafez

**Md. Sabur Khan**  
President, DCCI