

Talking Points for Discussion for Sri Lankan Delegation

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Assalmualikum and Good Afternoon

1. **Welcome to DCCI:** On behalf of the Dhaka Chamber of Commerce & Industry (DCCI) and on my own behalf, I have the pleasure to cordially welcome you to DCCI to discuss bilateral trade and economic issues and way forward for enhancing trade and commerce for the mutual benefits of both the countries. Bangladesh attaches top priority to its relations with Sri Lanka, which is rooted in shared history and culture, and expressed in willingness to further strengthen the existing friendly bilateral ties in trade and investment.
2. **About DCCI:** 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. 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.
3. **Areas of Cooperation:** Bangladesh considers Sri Lanka as one of its closest neighbors and excellent friendly relations exist between the two countries. Bangladesh and Sri Lanka can play an important role to strengthen bilateral trade and investment between the two brotherly countries and to boost up the trade among the SAARC countries. Both the countries should take initiative as per SAFTA in the following areas like:

- to promote the welfare of the people of Bangladesh and Sri Lanka to improve their quality of life through strengthening bilateral trade and economic cooperation.
- to accelerate economic growth, social progress and cultural development in the region and to provide all individuals the opportunity to live in dignity and to realize their full potential,
- to contribute to mutual trust, understanding and appreciation of one another's problems,
- to promote active collaboration and mutual assistance in the economic, social, cultural, technical and scientific fields, to strengthen cooperation with other developing countries,
- to strengthen cooperation among themselves in international forums on matters of common interest and to cooperate with international and regional organizations with similar aims and purposes.

4. **Bilateral Trade Position:** 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.

5. **Issuance of notification of Tariff Concession:** 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 solved.

6. Potentiality:

- 6.1 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. We need to discuss further with the trade delegation and government officials of Sri Lanka on the ways and means to expand trade of these products, putting emphasis on facilitating registration of pharmaceutical products for export to Sri Lanka.
- 6.2 Sri Lanka is a net importer of jute and jute goods of Bangladesh but import levels during the last few years were very small. Export of raw jute and jute goods to Sri Lanka in the last few years remained stagnant. Sri Lanka may allow duty free market access of jute and jute goods.
- 6.3 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.
- 6.4 Current duty of Sri Lanka rises from 40% to 75%. This increased duty likely to make market penetration further difficult for Bangladesh.
- 6.5 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.

- 6.6 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.
- 6.7 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 harbor as a trans-shipment port.
- 6.8 Petroleum products may be stored at newly built Hambantota sea port as it is close to Chittagong and Mongla port.
- 6.9 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.

7 I would like to share some of my plans to stimulate our business tie with Sri Lanka.

DCCI Help Desk: 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. DCCI provides this exclusive Help Desk to all its members and the business communities from home and abroad including Sri Lanka can take the opportunity in getting services regarding trade, commerce and business. The wings of DCCI Helpdesk will consists of Registration of Joint Stock Company (RJSC) Window; NBR Window; EPB, BOI, City Corporation, Bangladesh Bank and National Board of Revenue (NRB) Window; Foreign Trade and Investment Window; Other Business Facilities windows.

8 **Product display centre** : 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. Dhaka Chamber will serve as a vivid and state-of-art platform to show the products of well-known enterprises of Sri Lankan Chamber to explore trade facilities in Bangladesh. I strongly believe that the above facilities will facilitate the process of business and investment between Sri Lankan Chamber and DCCI.

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