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MoU for cooperation on economic projects signed with India



Development Strategies and International Trade Minister Malik Samarawickrama and India's Foreign Minister Sushma Swaraj exchange the MoU signed between the two countries earlier this week as Indian Prime Minister Narendra Modi applauds. Prime Minister Ranil Wickremesinghe is also present.

(FT.LK) - New Delhi: A joint working group will be set up between Sri Lanka and India to explore the development of roads, petroleum development, port and other industries in the eastern port town of Trincomalee in the island nation, India said.

Ministry of External Affairs (MEA) Official Spokesperson Gopal Baglay said the joint working group will deal with the further discussions on port and refinery and other infrastructure-related matters in Trincomalee.

The two Governments signed a Memorandum of Understanding (MoU) for cooperation on economic projects, seeking to continue building on traditionally-friendly relations between the two countries and also enhance the bilateral relations through more economic investment and development cooperation, the spokesman said at a press briefing in New Delhi Thursday.

With the objective "our neighborhood first and foremost," India's MoU with Sri Lanka seeks to achieve greater economic investment and development cooperation, in a

progressive manner, through joint ventures and other cooperative activities that will ensure the valuing of people in the two countries, he said.

The MoU was signed Wednesday during Prime Minister Ranil Wickremesinghe's meeting with Indian Prime Minister Narendra Modi.

The MoU has identified certain projects in certain areas of cooperation and the areas are in infrastructure, agriculture, and livestock.

Specific projects that have been mentioned in the MoU include re-gasified LNG fired 500 MW plant, LNG terminal with a floating storage regasification unit in Kerawalapitiya, 15 MW solar power plant in Sampur, and the Upper Tank Farm in Trincomalee, which will be jointly developed by India and Sri Lanka.

A joint working group will be set up, between Sri Lanka and India to explore the development of roads, petroleum development and other industries in Trincomalee.

It has been identified that industrial zones, especially, economic zones,

roads segments, railway sectors, and a container terminal in Colombo will be developed as part of the joint venture.

"These are in the sense of a road map, of objectives and agenda points. All these will require further discussions for the negotiations, specifically the upper tank farm," the spokesman said.

The lower tank farm has been developed by Lanka IOC but in order to attain full utilisation and maximum exploitation of the existing potential and full development, the upper tank farm also should be developed, which requires more investment and more resources, he explained.

"In the spirit of partnership, India offered to the Government of Sri Lanka to form a joint venture and that idea is contained in the MoU. This needs to be further discussed and details need to be worked out," Baglay added.

SL mulls more trade agreements with Europe

By Charumini de Silva

(FT.LK) - In a bid to tap into the product-driven global network, Sri Lanka is mulling expanding its Free Trade Agreements (FTAs) with top markets in Europe, a Minister said.

(LankaBusinessOnline.com) - Sri Lanka won the vote in Brussels by 436 against and 119 in favor for the motion to deny GSP plus for Sri Lanka. A group of EU parliamentarians last week forwarded a motion to deny Sri Lanka access to GSP Plus, citing the slow pace of essential reforms in Sri Lanka.

"We are going to get the GSP+ only for few years, maximum of three to four years. Therefore, we need to make the regaining of GSP+ a foundation to sign an FTA with the EU," Deputy Foreign

Minister Dr. Harsha de Silva told journalists in Colombo. Dr. de Silva said that he would further discuss the matter with Prime Minister Ranil Wickremesinghe, who had already given directions to the Minister on looking at another trade agreement with Commonwealth countries.

"The significance of regaining GSP+ is in making it a stepping stone to enter into an FTA with the EU. I see this as the first step in a two-step process," he added.

The Minister asserted that he had already informed the Ambassador to commence the initial work and discussions in this regard. He pointed out that if Sri Lanka could sign an FTA with the EU, then the country could continue to enjoy the advantages of GSP+ trade facilitation. When asked if there would be an impact on Sri Lanka's exports due to Brexit as a majority of the country's exports go to the UK, the Minister acknowledged that a negative impact come into play in two years.

"Brexit is going to impact our exports, but that disadvantage will come into effect in another two years. Therefore we need to enter into a new trade agreement with the UK," he added. According to Dr. de Silva, under the directions given by Wickremesinghe, he has already commenced discussions on a

- Dr. Harsha says GSP+ a foundation to sign up for FTA with EU
- Initial work on a Commonwealth Trade Agreement begins, expect to enter tripartite agreement with Singapore and New Zealand
- Says FTA with Singapore likely to be completed in next 2 months

'Commonwealth Trade Agreement'. He said the Commonwealth Heads of Government Meeting (CHOGM) 2013 which was held in Sri Lanka issued a 'Kotte Statement on International Trade and Investment,' describing how member countries could engage in a free and fair multilateral trade system.

Dr. de Silva said they expected to hold discussions in this regard with the UK, Singapore, New Zealand and a few other small countries.

"We have started exploratory talks. We have taken it up with New Zealand and Singapore to begin with and will proceed into a tripartite agreement with New Zealand and Singapore. Once we do that we will start adding countries," he added. In addition, the Deputy Minister said that



Deputy Foreign Minister Dr. Harsha de Silva the Singapore FTA which the Government was currently working on was likely to be completed in the next two months.

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