

Administration of
Dadra & Nagar Haveli (UT)
Department of Industries, District Industries Centre,
Udyog Bhavan, 66 KVA Road, Amli, Silvassa
dic-dnh@nic.in 0260-2643122/2642367

No.DIC/5(491)/Misc.DO/2018/214

Date: 27.11.2018

To,
All Industries Associations,
Dadra Nagar Haveli,
Silvassa.

Subject:- Comments on on-going negotiations for the proposed India-Sri Lanka
Economic and Technology Cooperation Agreement (ETCA).

Reference:- 1). D.O. letter No.K-52015/5/2018-FT SA dated 13.09.2018
2). D.O. letter No.K-52015/5/2018-FT SA dated 01.10.2018.

Sir,

With reference to the subject cited above, it is to inform that the Ministry of
Commerce and Industry is requires the suggestions for excluding of the products from
negative lists under Indian Sri Lanka Free Trade Agreement, vide above referred letters
under reference (copy enclosed).

It is, therefore, requested to give your comments for excluding of the products
from negative lists for new comprehensive trade agreement with Sri Lanka by return of
post.

Yours faithfully,



(Karanjit Vadodaria)
Director (Industries),
Dadra & Nagar Haveli,
Silvassa

Encl.: Copy of letters dated 13.09.2018 & 01.10.2018.



एक कदम स्वच्छता की ओर

Bhupinder S. Bhalla
Joint Secretary
Telefax: 23062660
E-mail: jsoffice1-doc@nic.in



सत्यमेव जयते

भारत सरकार
वाणिज्य एवं उद्योग मंत्रालय
वाणिज्य विभाग

उद्योग भवन, नई दिल्ली-110011

Government of India
Ministry of Commerce & Industry
Department of Commerce
Udyog Bhawan, New Delhi-110011
<http://commerce.gov.in>

Gm(DIC)

D.O. No. K-52015/5/2018-FT SA

September 13, 2018

Dear Shri Patel,

Bilateral trade between India and Sri Lanka amounted to over USD 5.2 billion in 2017-18, with Indian exports at USD 4.47 billion and imports from Sri Lanka at USD 773 million. This bilateral trade is carried out under the provisions of various agreements, including the India-Sri Lanka Free Trade Agreement (ISLFTA) which was signed in 1998 and came into force in March, 2000. ISLFTA defines the concessions that both countries agreed to provide each other in relation to trade in goods.

2. As you may be aware, the two countries decided to expand the scope of their economic engagement and completed negotiations for a Comprehensive Economic Partnership Agreement in 2008. The agreement, however, could not be made effective due to certain reservations on the part of Sri Lanka, expressed after the negotiations were completed. During bilateral discussions in 2015, Sri Lanka proposed entering into a new comprehensive agreement viz Economic and Technology Cooperation Agreement (ETCA), comprising trade in goods, services, investment and economic and technology cooperation, aimed at broader economic engagement between the two countries. Both countries commenced negotiations for the ETCA in August 2016. Ten Rounds of negotiations have been completed so far and substantial progress has been made on the text of various chapters of the proposed ETCA.

3. In relation to the Trade in goods, further discussion under ETCA would involve negotiations on the products, on which tariff concessions are to be sought/provided by respective countries, deepening the existing concessions under the ISLFTA.

4. Under ISLFTA, India has provided duty-free access on almost all the lines other than a moderate negative list, and a few lines (textiles related) on which 25% duty concessions are provided on the basis of Margin of Preference. India maintains a Negative List of 1012 products (HS Code 2017 at 8 digits). Sri Lanka has provided duty-free access on various lines other than a Negative List which contains 2623 lines (HS Code 2017 at 8 digits). India has also provided a Tariff Rate Quota for Sri Lanka for Apparels under HS Code 61 and 62, Tea under five different HS Codes, Pepper, Vanaspati & Desiccated Coconut. Copies of the relevant lists are enclosed herewith.

5. The new comprehensive trade agreement with Sri Lanka is expected to create new opportunities for Indian exporters in Sri Lanka, in both goods and services. We request suggestions from your State with regard to the products that we may request Sri Lanka to exclude from their existing Negative List under ISLFTA. Suggestions are also requested on items in the Indian Negative List under ISLFTA, for which Sri Lanka may request concessions. The current objective position on our sensitivities in this regard would be

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प्रधान प्रबन्धक जिला उद्योग केन्द्र
General Manager (DIC)

ग. न. ह., सिवसा
G. N. H., Silvassa

Inward No. 25

Date. 21.9.18

प्रशासक सचिवालय
ADMINISTRATOR'S SECRETARIAT

दादरा एवं नगर हवेली, सिवसा
Dadra and Nagar Haveli, Silvassa

FTS Diary

Inward No. 2767 Dt. 19.9.2018

Outward No. Dt. 20.9.2018

21/9/18

21/9/18

4/14/18

relevant. It is requested that responses on our current Negative list with Sri Lanka may be accompanied by full justification for the position stated, in terms of installed capacity, its utilization, employment data, likely impact of opening up etc. It is requested that the State Governments may obtain feedback from the industry located in their State while forwarding their suggestions. We also welcome any other suggestion from your end, in relation to other aspects of the Agreement viz trade in services, investment or economic and technology cooperation. The relevant information to enable a response is enclosed.

6. While we must recognize and address our sensitivities, it is important that these are identified on the basis of an objective analysis. Identifying sensitivities on the basis of broad all-inclusive principles, without a line-by-line scientific analysis, is likely to lead to continuation of non-sensitive items in the Negative list and pointlessly compromise our bargaining position to extract concessions in areas of our interest, including in services. An unreasoned opposition without justification, would evoke a similar response from the other side, and pointlessly deprive Indian exporters of opportunities in Sri Lanka.

7. We trust that with your active support, we will be able to identify the products that hold most potential for Indian exports to Sri Lanka, while at the same time safeguarding our common interest in the ETCA negotiations. It will be appreciated if the inputs are provided latest by 1st October, 2018.

With regards,

Yours sincerely



(Bhupinder S. Bhalla)

Enclosed : As above

Shri Praful Patel,
Administrator,
Union Territory of Dadra & Nagar Haveli,
Secretariat,
Moti,
Silvasa- 396220.