

Trade with Sri Lanka

Sri Lanka Export Development Board (EDB)

The Sri Lanka Export Development Board (EDB) is the premier state organization for the development and promotion of exports in Sri Lanka while act as a policy advisor, monitor, promoter, facilitator and knowledge provider in the export sector.

The EDB plays a leading role in the improvement of export performance of Sri Lankan products and services through participation at international trade fairs, organizing inward and outward buyer/seller missions and online B2B meetings. Apart from that, the EDB promotes Sri Lankan exports online via its E-commerce platform – EDB E-Marketplace - Sri Lanka's E-commerce window to the world, where local exporters can display their merchandise online as well the global buyers are enabled to receive best Sri Lankan products and related information.

Sri Lanka's External Trade

Sri Lanka's central location in the Indian Ocean, straddling trade routes from the East to the West, made it a popular trading hub in ancient times. Although Sri Lanka has undergone numerous socio-economic upheavals throughout its history, the nation's export sector has remained resilient whilst weathering many storms in spite of recent turbulences.

Sri Lanka's export sector is led by dynamic business leaders who are steadfastly committed towards safeguarding the island's reputation as a reliable supplier in the international marketplace.

Sri Lanka's export sector is mainly comprised of export services and merchandise exports. Apparel exports accounted for 40% of the total export income while ICT/BPM, tea, rubber and coconut represented 9%, 8%, 7%, and 6% of the total export income respectively. Transport & logistic services, financial services and other services account for 4 % of total export.

Main market for Sri Lanka's export is USA which represents 26% of total exports. The EU region is the second market for Sri Lanka's export represent 24% of total exports.

Sri Lanka is a beneficiary of EU GSP+ as well as UK GSP+. Accordingly, more than 6,000 product lines from Sri Lanka have zero duty access for the EU region and the UK. Sri Lanka has entered into Free Trade Agreements with India, Pakistan and Singapore.

Sri Lanka's Excellence.

A leading destination in global fashion

Leveraging on creativity and experience in an array of fields such as design, R&D and innovation, the Sri Lankan Apparel Sector has shown steady growth over the past three decades. It is a destination where best business practices partner with social responsibilities to create excellence in providing exceptional solutions to global brands.

Sri Lanka's apparel sustainability incorporates its entire production, human resources and supply chain process. It has gained an international reputation as a reliable and a quality manufacturer with a highly competent, compliant work force. Sri Lankan factories have focused on innovation as well as offering superior product development and design resources.

Over the past few years, the industry worked to raise the bar further by aspiring to a higher standard of social compliance and embarking on a number of green initiatives. Commitment to 'Ethical Business & Manufacturing', free of discrimination, sweatshop practices and child labour. Policies aimed at reducing waste together with the implementation of lean manufacturing have resulted in a much more efficient production process.

As part of its drive for ethical employment and empowering, Sri Lankan workers have been able to attract and retain better talent. The industry has also implemented shorter process flows to reduce energy wastage and are fully integrated services, which all result in a shorter lead time.

Sri Lanka is a flagship for green destination and it has the worlds' First Green factories which is LEED Platinum and Gold Certified as well as leading design innovation with the State of the Art product development facilities. Also, there are talented pool of Sri Lankan designers as a number of courses at leading universities are dedicated to the apparel industry and are turning out highly qualified graduates each year.

Sri Lankan apparel has evolved from traditional exports and tailoring designs to providing sophisticated solutions, creativity and experience in BPO services, Fashion, R&D, and Innovation Centers. The country has the highest apparel exports per capita of any exporting nation in the region. Organic growth is guaranteed through market penetration and capacity expansion.

In addition, Sri Lanka's envisaged exponential growth through hub services will emphasize the industry's rise to the international fame. It is no surprise that Sri Lanka's top three apparel companies are already amongst the world's 50 most important suppliers.

Sri Lanka's Apparel is positioning itself as a fast fashion and logistics hub for the entire South Asian Region. Taken as a whole the South Asian region accounts for a 17% market share of US apparel imports and this figure is increasing on an annual basis. The large labour force and textile resources means that there is continually growing capacity available in the region, and the rapid emergence of the domestic apparel retail market has created a new market for both global brands and factories that supply to them.

In testimony of its world-class standards, the island's manufacturers now provide solutions to the needs of the world's leading brands such as Victoria's Secret, PINK, NIKE, lululemon, Calvin Klein, Gap, Athleta, and Marks & Spencer.

A supplier of top-quality rubber products

Sri Lanka prides itself in manufacturing a number of value-added rubber products by processing raw rubber. This range of rubber products made in Sri Lanka is internationally acclaimed and accepted for quality and durability. Sri Lanka's industrial solid tyres are not only recognized as the best product in the world, but also industry prides itself as the global market leader.

Sri Lanka occupies a prominent place among rubber-producing countries in the world. The island is the world's leading supplier of solid rubber tires and the fifth largest exporter of surgical gloves in the globe.

Sri Lanka enjoys a competitive edge in its ability to manufacture grades of rubber, which are not produced by other countries. The unique properties of rubber produced by Sri Lanka (for instance,

Sri Lanka is the only producer in the world of Latex Crepe and Sole Crepe grades, which is the purest form of natural rubber) further strengthens the country's proposition.

The globally linked rubber industry in Sri Lanka shows excellent potential for exponential growth with the global industry growing annually at 4-6%. Sri Lanka's range of products has ample room to evolve with new developments and research in the field. With opportunities in the global markets being opened up to technically sound and innovative local rubber & rubber-based product manufacturers & suppliers, it is clear that the rubber and rubber based products industry will continue to be a solid and profitable segment of the Sri Lanka's export economy.

An emerging ICT/BPM hub

Sri Lanka, the island of ingenuity brand has rapidly gained fame for Information and Communications Technology (ICT) and Business Process Management (BPM).

Sri Lanka's ICT/BPM sector is progressively contributing to the Global Value Chain while serving many Fortune 500 companies in the world. The skills and expertise of the Sri Lankan ICT industry have been hailed internationally. Today, the inbuilt ingenuity of Sri Lankans are expressed through our cutting edge innovations in the ICT sector and the innovations power international stock markets, telecommunication and transportation systems in Europe and the UK.

Sri Lanka ranked 1st in financial attractiveness for IT sector in AT Kearney - Global Services Location Index (GSLI) - and was among the top 10 in Asia for Network Readiness Index at the World Economic Forum. This achievement was due to the availability of highly trainable individuals with good cognitive and English language skills & availability of cost-effective & highly skilled labour and dynamic and resilient private sector. Sri Lankan talent serve prominent global corporates across multiple industry verticals (serving leading international clients in the US, Europe and Australia)

Further, Sri Lanka is ideally suited as a niche destination for highly skilled talent, and it is a center of excellence for Accounting. IT and IT enabled Services (ITeS) sector is exempted from income tax and there are tax holidays ranging from 5-12 years as well as 100% foreign ownership of investment for IT/ITeS businesses.

Aspiring to be a regional leader in Electrical and Electronic products

With a reputation as a ‘Design to Delivery Destination’ in the Electronic and Electrical sector, Sri Lanka is a center of excellence for electronics design and development, whilst the industry with vigor has embraced all emerging technologies including IoT, Robotics, Bio-medical, Analytics, and advanced Research and Development. Sri Lanka is progressively stepping into the global value-added supply chain with a range of cutting edge products and services, keeping pace and aligned with emerging global trends of ‘digitization’, ‘automation’, ‘miniaturization’, and ‘development of sustainable green energy’.

The inherent uniqueness of the Sri Lankan Electrical and Electronics industry is its ability to provide end-to-end delivery of products and services.

Electrical & Electronics manufacturers and service providers in Sri Lanka, at present operate within the domains of Electronic Manufacturing Services (EMS), Electrical and Electronics Component Manufacturing, Original Equipment Manufacturing (OEM), and Design Services, coupled with Research & Development.

With a large talent pool of highly skilled middle-tier workers and a substantially large number of Engineering Professionals and catering to many world-renowned brands in Automobile, Telecommunication, Consumer Electronics, Industrial Automation and Medical sectors, Sri Lanka’s Electrical and Electronic exports have shown sustained growth over the past two decades.

Renowned for world-class quality and unparalleled delivery records, the Sri Lankan Electrical and Electronic industry conforms to all required industry standards and global accreditations, observe ROHS and WEEE regulations, and strictly adhere to the ILO requirements. All Sri Lankan exporters in the Electronics/Electrical industry are ISO certified, committed to protecting the environment, and conform to many international certifications.

Sri Lanka’s reputation as a viable ‘Design to Delivery’ sourcing destination for global buyers revolves around the country’s trade relations with Europe, geo-maritime location, proximity to India’s booming electronic and automotive markets, adherence to all international standards,

availability of cutting-edge technology, abundantly available high-quality minerals used as a base material for electronic products.

Endowed with delicious seafood

As a tiny island surrounded by the Indian Ocean, Sri Lanka is blessed with a large fishing ground filled with the most delicious bounties of the Indian Ocean. The most sought-after fresh seafood produce of Sri Lanka includes fresh tuna, shrimp and prawn, crab and lobster.

Sri Lanka has emerged as a quality tuna exporter -predominantly yellow fin and big eye species to international markets. These include sashimi quality tuna, tuna loins, fresh tuna steaks, tuna topping and tuna saku blocks, to name a few. Other varieties of Sri Lankan seafood relished by the world are the ingredients to culinary seafood heaven; lobsters, crabs, squid, cuttle fish, shark fin, beche de-mer and fish maws are famous in the international seafood market due to their quality taste and texture.

Value added shrimps such as nobashi, and butterfly cut are popular in the Japanese market, while head-on, headless, shell on, peeled and cooked shrimps are popular in the USA, Japan, and Asian markets such as Singapore. These highly sought-after products are all exported from Sri Lanka in significant quantities. The sector has seen significant growth with key buyers from the USA, Japan, Italy, France, Netherlands and Hong Kong. With the opening up of the Northern and Eastern areas of the island nation, 65% of oceanic area is now free for fishing.

There are about 32 EU-approved processing plants in Sri Lanka and it successfully complies with the stringent regulations imposed by importing countries and adheres to HACCP, BRP, Friend of Sea and other food security requirements.

Satisfying a diverse range of tastes across the globe

With the rise of the healthy, organic and vegan diet patterns among global consumers, Sri Lankan processed food manufacturers are combining innovative food processing methods with highly nutritious traditional local ingredients to prepare food and beverage products that are high in taste and goodness.

In place of the customary processed food products that are high in sugar, salt and fat, Sri Lankan processed food and beverages are mainly based on natural fruits, vegetables, and cereals like rice and millet that are naturally gluten-free.

Sri Lankan processed food and beverage sector covers a wide range of products including coconut, vegetables, and fruit-based products, concentrates and juices, semi-cooked food, confectionery, and bakery products, ready-to-serve food, beverages, animal feed, and preparations of cereals and flour.

Sri Lanka's agricultural practices, agro industries and manufacturing companies have expanded their product range to meet these demands and products meet global quality standards in processing, packaging and green manufacturing. Some of the certifications are ISO Standards, Good Manufacturing Practices (GMP), Hazard Analysis Critical Control Point (HACCP), USDA Organic, Japanese Agricultural Standards (JAS), Halal certification and Kosher certification etc.

Many decades ago, Sri Lankan exports focused solely on agricultural products in primary form. Subsequently, with global trends moving towards health-conscious consumers, exports currently include processed food and other value added products including organic, environmental friendly, sugar free and low salted products. Operating in a sustainable manner for millennia, agriculture plays a vital role in Sri Lanka's economic development and in supporting and development of biodiversity and the natural landscape.

World Famous Spices led by Ceylon Cinnamon

Known as the Spice Island, Sri Lanka was historically attractive to the Western nations for its spice riches. Sri Lankan Spices and Allied Products Suppliers export the most sought-after cinnamon, pepper, cloves, cardamoms, nutmeg, mace and vanilla. These spices grow in abundance all over the island in fertile and diverse soil types and varying temperature conditions,

In addition, Sri Lanka also supplies a range of essential oils and oleoresins derived from the spices grown in Sri Lanka. These varieties of condiments are used to season, flavour and aromatise various forms of cuisines across the world.

Sri Lanka, the only supplier of true cinnamon to the world, had been a global destination for the finest quality spices since time immemorial. The EU commission by the implementing regulation - (EU) 2022/144, entered a name 'Ceylon Cinnamon' in the register of protected designations of origin and protected geographical indications (Ceylon cinnamon - PGI). The uniqueness of Ceylon Cinnamon is represented by its characteristics such as golden yellow to light brown colour, thin bark which is filled with smaller layers of cinnamon inside like in a cigarette, sweeter and harsh in taste and negligible content of coumarin.

Ceylon Cinnamon has introduced to the international market as a branded product namely "Pure Ceylon Cinnamon" which reflects a combination of several intrinsic characteristics. Pure Ceylon Cinnamon logo is the premier trademark for finest Ceylon Cinnamon that brings the entrusted to the world. Pure Ceylon Cinnamon highlighted the main characteristics of the Ceylon Cinnamon and differentiate the Cinnamon from Cassia which is commonly available in the international market.

Sri Lanka has taken several steps to enhance and improve the spice industry. Processing centres have been upgraded to achieve international quality standards such as HACCP. More emphasis is given to improve agronomic practices by educating farmers on GAP. Small producers are encouraged to follow GMP when drying and processing these products.

More details on the sectors and products could be obtained from www.srilankabusiness.com