



Interview with
Export Development Board (EDB)
MR. SURESH DE MEL

How has the Board including its members overcome the barriers and challenges in the exportation of goods amidst the on-going fuel crisis? How has this impacted the logistics of the supply chain?

The Export Development Board (EDB) along with the Sri Lanka Transport Board (SLTB) has introduced various initiatives that would support registered exporters and its suppliers with required fuel.

The Board along with the Government of Sri Lanka (GoSL) have allocated a certain quantity of fuel needed for various business sectors in order to operate and generate revenue which would be profitable for both the business and the economy of the country during these unforeseen times.

As steps have been initiated to continue logistical and supply chain operations uninterrupted, a separate QR code system was also introduced to make the logistical procedures smoother for exporters. The EDB also liaised with their respective registered organizations/members and addressed their concerns pertaining to the economic instability and other needs. The Government has also been very flexible when supporting both the EDB and its members with a strenuous operational procedure.

Sectors such as Coir, Kithul, Palmyra and Pottery have a very prominent recognition in the local market in which all resources and products are locally sourced and manufactured mostly in the Southern and Northern provinces of the country. What initiatives has the EDB along with the GoSL introduced for the advancement of these sectors in both the domestic and international markets?

The Board has always promoted the growth and advancement of various sectors throughout the years. The initiation of the Regional Development Board and representatives/officers under these developments and associations have played a major role in connecting entrepreneurs across different districts and sectors such as Coir, Kithul, Palmyra, Pottery and many others. Export Development Officers (EDO's) have also been assigned under the supervision of the EDB in all provinces island wide.

With the support of the GoSL, the Board has also approached funders and other organizations in order to support individuals in these sectors. As Sri Lanka is in an economically unstable position, exports of products and services would bring about more revenue. To do so, locally viable sectors should adopt more advanced technology and other improvements. The Board also facilitates such capacity building and skilled training programmes to support individuals who are growing in these sectors.

What is Sri Lanka's National Export Strategy (NES) and what is the NES's export target in the 5 years?

The National Export Strategy (NES) was established to reshape and support the export sector in Sri Lanka. The NES is aligned to vision 2025 and the National Trade Policy (NTP) and all aims to stimulate growth and more employment opportunities by improving the ability of companies to export and compete in foreign markets.

The strategy consists of a detailed road map for better and faster export growth potential and acknowledges better and more advanced approaches that would increase the contribution of trade which would lead to economic development. Sri Lanka is a country with great potential and has immense opportunity to expand into the fast-growing Asian exporting countries. Although positive trends in the past 5-6 years have stimulated export growth, key upgrades are required to reverse the long decline in the share of exports to the gross domestic product (GDP). Currently, Sri Lanka depends largely on its exports in the traditional industries and growing service sectors. However, the NES plans to empower the emergence of new companies beyond the traditional export industries such as Apparel, Gems, Rubber and Tea. Under this scheme, more transparent approaches of administrative and logistics would be adhered to. This would also help with a complicated administrative procedure and challenging access to inputs will be addressed to favor the growth of higher technology and knowledge-intensive exports which are less vulnerable to cost shifts.

The national target when drafted and proposed, is very much different now due to both COVID19 and the ongoing economic crisis. However, the main purpose of addressing the major systemic issues hindering rapid expansion of Sri Lanka's exports remains the same. To seize the window of opportunity, Sri Lanka's NES proposes a clear-cut strategic orientation to drive the reforms needed for Sri Lanka to reach her potential.

As tourism has always been a growing sector for over a decade now, a newer path of Wellness Tourism was brought into the limelight. The promotion of this sector has been gradually growing internationally. As a result, under the guidance of the NES, the Board hopes to liaise with relevant government authorities to advance and impose better policies and implementations for the Wellness Tourism sector.

Apart from the Apparel sector what other prominent sectors have seen a boost and growth in the last couple of months?

In the last couple of years many sectors have further broadened their businesses to both the local and international markets.

Export services in Education, Finance and Investment have been rapidly growing in the recent past.

Other sectors such as Rubber have had very prominent growth since early last year leading to newer businesses in the solid tire market. Sectors such as Coconut based products (i.e Active Carbon, Virgin Coconut Oil, Coconut Husk production, etc..) projected a higher export potential and already have supply and distribution channels including some foreign markets. Seafood has a 11% Year-on-Year (YOY) growth, Electronics 12% YOY growth. This includes the export of insulated wires which has been increasing in the export market. Information and Technology Services and Business process management (BPM) has also surged - specially amidst the pandemic with a 6% YOY growth.

Spices have also seen a significant growth in which the surge of cinnamon production has opened doors for more viable and certified measures in the value chain of cinnamon. Necessary documentation and procedures for organic certification, barcoding and better packaging standards have been supported by the EDB. This would ease the way forward in establishing recognition in the global marketplace.

How has the lack of US Dollars to import essential materials and ingredients, impacted on the overall exports in the country? What has been the EDB's part in addressing this issue?

As exports are one of the main components that contribute to both the economy and to Foreign Direct Investment (FDI's), many government concessions and support have been provided to registered companies who liaise with the EDB. Raw material imports are also allowed to specific companies who are under a temporary scheme for exporters.

The Board facilitates the issue of letters of recommendation and necessary approvals for exporters of necessary raw materials that are essential for the products that are to be exported to the international markets. Since most exporters yield a transaction in USD and coordinate with overseas clients for dollar rates, the negative impact on them is much less. However, the importation of machinery and spare parts have been challenging due to import restrictions and the lack of US Dollars in the country. As of now, the Board also provides its members with QR codes for fuel. This is necessary for the logistical needs of exporters. The EDB liaises with various government bodies to implement more mechanisms to support exporters.