India-Sri Lanka Free Trade Agreement

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About India-Sri Lanka Free Trade Agreement:

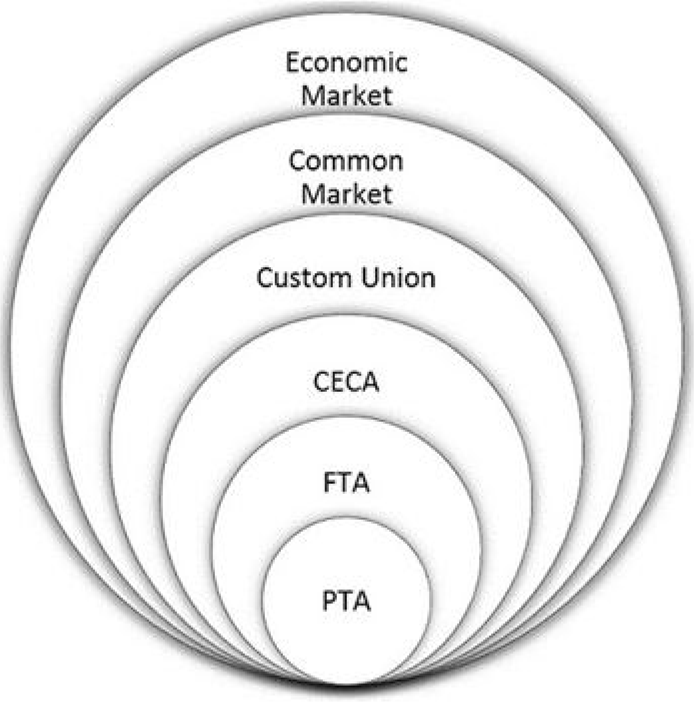
- Sri Lanka's exports added up to over 140 billion Lankan rupees under the agreement.
- Imports into Sri Lanka from India stood at 28 billion rupees.
- Trade with India contributed to almost 65 percent of the total trade of Sri Lanka under four existing free trade agreements.
- The Free Trade Agreement (FTA) between India and Sri Lanka was the first-ever bilateral trade agreement for both countries, **signed in 1998 and enforced in 2000.**
- The pact is aimed at further boosting the economic ties between the two countries by liberalising trade norms.

Free Trade Agreement (FTA):

- FTA is an agreement between the countries or regional blocks to reduce or eliminate trade barriers, though mutual negotiations with a view to enhancing trade.
- It can however be comprehensive to include goods, services, investment, intellectual property, competition, government procurement and other areas.
    - On goods, the key areas covered are customs duties or tariffs, rules of origins, non-tariff measures such as technical barriers to trade (TBT), sanitary phytosanitary (SPS) measures, trade remedies etc.
    - On services, the negotiations are on barriers to various modes of supply including domestic regulations.

Trade agreements could be bilateral, plurilateral or multilateral.

- **Bilateral trade agreements** occur when two countries agree to unshackle trade restrictions to expand business opportunities.
- **Plurilateral agreements** occur between a large number of countries, either in the regional context or otherwise.
- **Multilateral trade agreements** is generally referred to for WTO negotiations since it covers a large number of countries and sets global trade rules.



Source : All India Radio