



The IGTD Exim Chamber of Commerce

A Report on **INDIAN BUSINESS DELEGATION TO SRI LANKA**

JANUARY 8-10, 2024



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Message from the Chairman:

Dear Members,



It is with great pleasure and pride that I present this comprehensive report on the successful business delegation organized by IGTD Exim Chamber of Commerce to Sri Lanka.

Our journey aimed at fostering stronger trade ties and exploring potential business opportunities in collaboration with our counterparts in Sri Lanka. I extend my gratitude to all delegates for their active participation and commitment to strengthening economic relations between our nations.

Sincerely,
KDSushma
President,
IGTD Exim Chamber of Commerce

1. Background:

In January 2024, the Sri Lanka Business Delegation embarked on a significant journey facilitated by the Indo-Global Trade Development (IGTD) Exim Chamber of Commerce in collaboration with the Ceylon Chamber of Commerce. This delegation marked a pivotal moment in fostering stronger economic ties between India and Sri Lanka, two neighboring nations with a shared history and immense potential for mutual growth and collaboration.

The background leading up to this delegation is rooted in the longstanding relationship between India and Sri Lanka, characterized by cultural, historical, and economic exchanges. Over the years, both countries have recognized the importance of leveraging their geographical proximity and cultural affinity to enhance bilateral trade and investment opportunities.

The IGTD Exim Chamber of Commerce, known for its proactive approach in promoting international trade and business partnerships, took the initiative to organize this delegation with the aim of facilitating meaningful interactions between business leaders, entrepreneurs, and government officials from both nations. By partnering with the Ceylon Chamber of Commerce, a leading business organization in Sri Lanka with extensive networks and expertise, the IGTD Exim Chamber aimed to create a platform for dialogue, collaboration, and exploration of business opportunities across various sectors.

The timing of the delegation in January 2024 was strategic, aligning with both countries' efforts to strengthen economic cooperation and explore new avenues for trade and investment amidst evolving global dynamics. Against the backdrop of rapid technological advancements, shifting geopolitical landscapes, and emerging market trends, the delegation provided a timely opportunity for business stakeholders to exchange ideas, forge partnerships, and chart a course for sustainable economic growth. With a focus on sectors such as **Agri products, Processed Food & Spices**, the Sri Lanka Business Delegation aimed to showcase the diverse opportunities available in both countries and foster greater collaboration for mutual benefit. Through business forums, networking events, B2B meetings, and site visits, delegates had the opportunity to gain insights into each other's markets, identify potential synergies, and explore avenues for cooperation in areas of mutual interest.

Overall, the Sri Lanka Business Delegation organized by the IGTD Exim Chamber of Commerce in partnership with the Ceylon Chamber of Commerce & National chamber of commerce, Srilanka served as a testament to the commitment of both nations to strengthen economic ties, promote trade and investment, and unlock the full potential of their bilateral relationship for the benefit of their respective economies and people.

1.2 Objective:

- **Promote Bilateral Trade:** The delegation aimed to enhance bilateral trade between India and Sri Lanka, with a specific focus on the agriculture, food, and spice sectors.
- **Identify Potential Partners:** Through various engagements, the delegation sought to identify potential partners in both countries to facilitate trade and collaboration opportunities.
- **Explore Market Dynamics:** Delegates aimed to gain insights into market dynamics within the agriculture, food, and spice sectors in both India and Sri Lanka, identifying key trends and opportunities.
- **Facilitate Meaningful Collaborations:** The overarching goal was to facilitate meaningful collaborations between businesses in India and Sri Lanka, fostering mutually beneficial trade relationships and partnerships.

1.3. Overview of Delegation:

Comprising 10 delegates from the agriculture, food, and spice sectors, the delegation was organized by *IGTD Exim Chamber of Commerce*. The three-day visit, spanning from **January 8 to January 10, 2024**, included a meticulously planned itinerary to maximize engagement and exploration.

2. India-Sri Lanka Trade Relations

2.1. Historical Perspective:

- India and Sri Lanka share a rich history spanning over 2,500 years, characterized by deep cultural, intellectual, religious, and linguistic exchanges. This longstanding relationship forms the foundation of a multi-faceted partnership between the two nations.
- Over time, bilateral relations have matured and diversified, with close political ties, growing trade, and cooperation in various sectors including development, education, culture, and defense.

2.2. Current Trade Landscape:

- The economic partnership between India and Sri Lanka has witnessed significant growth, particularly over the last decade. Bilateral trade has expanded rapidly, with India being Sri Lanka's largest trade partner globally, and Sri Lanka being India's largest trade partner in SAARC.
- The Free Trade Agreement (FTA) signed in 1998 and 2000 played a pivotal role in boosting economic interaction, leading to a nearly eight-fold increase in bilateral trade over twelve years. Indian companies have made substantial investments in Sri Lanka, with sectors such as tourism seeing a steady influx of Indian visitors.

2.3. Opportunity for Collaboration:

- There are abundant opportunities for collaboration between India and Sri Lanka across various sectors. Resumed discussions on a Comprehensive Economic Partnership Agreement indicate a commitment to further enhance economic ties.
- Tourism serves as a crucial link, with India being the largest source market for Sri Lankan tourism and vice versa. Additionally, India's significant contribution to Sri Lanka's development cooperation highlights the potential for mutually beneficial partnerships in aid, grants, and concessional lines of credit.

Day 1: Tea Factory Visit

During the inaugural day of our delegation, our representatives embarked on a visit to a renowned tea factory in Sri Lanka. This excursion provided them with a comprehensive understanding of the diverse range of teas cultivated in the region, along with insights into the intricate manufacturing processes involved.

At the tea factory, our delegates were immersed in an enlightening journey, delving into the nuances of tea production from leaf to cup. They were afforded the opportunity to witness firsthand the meticulous steps involved in harvesting, processing, and packaging various tea varieties. Through guided tours and informative sessions, they gained invaluable insights into the craftsmanship and expertise that underpin Sri Lanka's tea industry.

The visit not only deepened our delegates' appreciation for the artistry and tradition associated with tea production but also fostered a greater understanding of the cultural significance of this revered beverage in Sri Lankan society. Overall, the tea factory visit served as an enriching experience, illuminating the complexities of tea manufacturing while highlighting the unique flavors and aromas that distinguish Sri Lankan teas on the global stage.

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Day 2: Pettah Market Visit

During the delegates' visit to Pettah Market, they fully immersed themselves in its vibrant atmosphere, exploring everything from fresh produce to textiles. Special attention was given to the agriculture and textile sectors, with delegates actively engaging with vendors to identify potential buyers interested in Indian products. Their interactions provided firsthand insights into market trends and consumer preferences. Through meticulous on-the-ground research, delegates gained a comprehensive understanding of the competitive landscape, including the diversity of products available and the pricing strategies employed by various vendors. This analysis allowed them to assess the market demand for agricultural products and textiles, considering factors such as quality, pricing, and consumer preferences. Moreover, delegates took a proactive approach in reaching out to potential buyers, tailoring their strategies to meet individual needs and preferences. By forging connections and understanding the specific requirements of buyers, delegates were able to lay the groundwork for potential business collaborations and partnerships. Overall, the delegates' experience at Pettah Market was not only enlightening but also instrumental in shaping their approach to future business endeavors in Sri Lanka. The insights gained during this visit will undoubtedly inform their decision-making processes and contribute to the success of their ventures in the region.



B2B Meet at National Chamber of Commerce, Sri Lanka:

About-

The National Chamber of Commerce of Sri Lanka (NCCSL) is Second Largest Chamber of Commerce in Srilanka. It was founded in 1948 soon after Sri Lanka gained independence from British Colonial Rule primarily, for the purpose of establishing a forum for the Sri Lankan business community. The foremost objective of the Chamber at that time was the Ceylonisation of trade, as the policy climate was not quite conducive to national interests. Mr. Nilupal Chandrasena , Secretary General Of National chamber of Commerce welcomed our delegates. Delegates facilitated B2B meetings with key members of the National Chamber of Commerce, Sri Lanka, with the objective of fostering direct interactions and establishing potential business relationships. These meetings were meticulously organized to facilitate open dialogue and introduce businesses and expertise, laying the groundwork for future collaborations.

No. of Srilankan Companies Participated in B2B Meet: 22



Day 3: Visit to Colombo Port & SAGT Terminal



Insights into Port Activities:

- Delegates comprehensively understood various port activities at the SAGT Terminal, including cargo loading/unloading, customs clearance, and goods handling.
- **Logistics and Infrastructure:** Delegates learned about efficient cargo handling systems, technology for shipment tracking, and workforce management for smooth port operations.

Infrastructure Overview:

Delegates received detailed insights into the SAGT Terminal's layout, facilities, and equipment, including storage capacities and handling capabilities.

- **Information for Businesses:** Delegates were informed about the terminal's cargo handling capacity, warehousing facilities, and transportation network efficiency, crucial for import-export businesses.

Overall, the visit equipped delegates with invaluable knowledge for informed decision-making in import-export operations and enhanced their understanding of international trade logistics.

B2B Meetings at Ceylon Chamber Of Commerce:



The Ceylon Chamber of Commerce is the oldest and one of leading business chambers in Sri Lanka. It is a confederation of trade associations, regional- and sectoral chambers of commerce and industry, business councils and employer organisations in the country.

A business delegation from our organization was graciously hosted by the Ceylon Chamber of Commerce, where Mr. Buwanekabahu Perera , Chief executive Officer/ Secretary General Of Ceylon chamber of Commerce, extended a warm welcome to our delegates. He adeptly introduced members of the Chamber to our delegation and conveyed a sincere vote of thanks, expressing gratitude to the Indian government for their assistance during Sri Lanka's challenging times. Mr. Perera also expressed a strong desire for collaboration to enhance bilateral trade relations.

During the visit, a productive B2B meeting took place, with participation from 29 Sri Lankan companies. Discussions during these meetings revealed mutual interests in various services and products, signifying the potential for fruitful partnerships.

Meeting with Association of Clearing & Forwarding Agents (ACFA):

An evening rendezvous was arranged with distinguished members of the Association of Clearing and Forwarding Agents (ACFA) to foster a deeper comprehension of logistics, clearing, and forwarding processes within Sri Lanka. The gathering, attended by seven esteemed members, including the President and Vice President of ACFA, served as an invaluable platform for our delegates to engage in enlightening discourse. Ideas were freely exchanged, enriching the dialogue and paving the way for enhanced collaboration.

The meeting unfolded in a practical and constructive manner, with both sides actively participating in discussions aimed at elucidating the intricacies of logistics operations in Sri Lanka. Through candid conversations, insights were shared regarding the challenges and opportunities inherent in the clearing and forwarding industry. The expertise and experience of ACFA members provided invaluable perspectives, shedding light on the nuances of navigating logistical frameworks within the country.

As the evening progressed, a palpable sense of synergy emerged, fueled by the collective commitment to mutual understanding and cooperation. The President and Vice President of ACFA, along with other esteemed members, extended a warm welcome to our delegates, fostering an atmosphere conducive to open dialogue and collaboration. Their willingness to engage in meaningful exchange underscored the importance of forging strong partnerships to drive collective progress.

One of the highlights of the evening was the opportunity for our delegates to glean insights from the wealth of experience amassed by ACFA members. Their firsthand knowledge of the local business environment provided invaluable context, enabling our delegates to gain a nuanced understanding of the logistical intricacies specific to Sri Lanka. From customs clearance procedures to port operations, each discussion served to enrich our collective understanding of the logistical landscape and fostered a spirit of collaboration aimed at driving sustainable growth.

As the meeting drew to a close, both parties expressed satisfaction with the productive exchange that had transpired. The practical insights shared by ACFA members resonated deeply with our delegates, offering valuable perspectives that will inform future endeavors in Sri Lanka. The mutual exchange of ideas served to strengthen ties between our organizations, laying the foundation for continued collaboration and partnership.

Recommendations for Future Engagements:

- **Sustained Engagement:** It is recommended to maintain the momentum generated by the delegation through sustained engagement between Indian and Sri Lankan business communities. Regular interactions, business forums, and trade missions should be organized to facilitate ongoing dialogue and collaboration.
- **Sector-specific Focus:** Future engagements should focus on specific sectors with high potential for collaboration, such as tea, gems, agriculture, textiles, and logistics. Targeted efforts in these areas will maximize the impact of bilateral cooperation.
- **Capacity Building:** Efforts should be made to enhance the capacity of businesses in both countries through workshops, training programs, and skill development initiatives. This will enable businesses to leverage opportunities effectively and navigate challenges in the evolving market landscape.
- **Policy Advocacy:** Chambers of Commerce should actively engage with policymakers to advocate for conducive policy frameworks that facilitate cross-border trade and investment. Policy dialogue sessions and advocacy campaigns can help address regulatory barriers and create a more favorable business environment.
- **Youth and Women Empowerment:** Emphasis should be placed on empowering youth and women entrepreneurs through mentorship programs, startup incubation, and networking opportunities. Encouraging the participation of diverse voices will foster innovation and inclusivity in bilateral business partnerships.



Acknowledgments:

We extend our sincere gratitude to all delegates, organizers, and stakeholders who contributed to the success of the Sri Lanka Business Delegation. Special thanks to the National Chamber Of Commerce, srilanka and the Ceylon Chamber of Commerce for their unwavering support and collaboration in fostering stronger economic ties between India and Sri Lanka. We also acknowledge the valuable insights and hospitality extended by SAGT Terminal, Colombo, which enriched our experience and facilitated meaningful interactions. We also Thankful for Association of Clearing & Forwarding Agents (ACFA). This delegation would not have been possible without the dedication and commitment of all involved parties, and we look forward to continued collaboration and success in future engagements.

Photographs:





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