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#### Provided in Cooperation with:

Asian Development Bank (ADB), Manila

*Reference:* (2019). Potential exports and nontariff barriers to trade : Sri Lanka national study. Mandaluyong City, Metro Manila, Philippines : Asian Development Bank.  
doi:10.22617/TCS189787-2.

This Version is available at:  
<http://hdl.handle.net/11159/3341>

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# POTENTIAL EXPORTS AND NONTARIFF BARRIERS TO TRADE

## SRI LANKA NATIONAL STUDY

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APRIL 2019

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APRIL 2019



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ISBN 978-92-9261-460-7 (print), 978-92-9261-461-4 (electronic)  
Publication Stock No. TCS189787-2  
DOI: <http://dx.doi.org/10.22617/TCS189787-2>

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Cover design by Edith Creus.

# Contents

<b>Tables, Figures, and Box</b>	<b>vi</b>
<b>Acknowledgments</b>	<b>ix</b>
<b>Abbreviations</b>	<b>x</b>
<b>Executive Summary</b>	<b>xi</b>
<b>Chapter 1 Introduction</b>	<b>1</b>
1.1 Background	1
1.2 Objectives and Scope of the Study	1
1.3 Literature Review	2
1.4 Methodology and Data	4
1.5 Overview of the Report	5
<b>Chapter 2 Patterns of Trade with Other SASEC Countries</b>	<b>7</b>
<b>Chapter 3 Products with Export Potential from Sri Lanka to Other SASEC Countries</b>	<b>12</b>
3.1. Potential Export Products from Sri Lanka to Bangladesh	12
3.2. Potential Export Products from Sri Lanka to Bhutan	14
3.3. Potential Export Products from Sri Lanka to India	16
3.4. Potential Export Products from Sri Lanka to Maldives	17
3.5. Potential Export Products from Sri Lanka to Nepal	20
<b>Chapter 4 Overview of Sanitary and Phytosanitary Measures and Technical Barriers to Trade in Sri Lanka</b>	<b>23</b>
4.1. The Sanitary and Phytosanitary Scenario	23
4.2. The Technical Barriers to Trade Scenario	35
<b>Chapter 5 Standards, Regulations, and Procedural Obstacles That Impede Trade</b>	<b>46</b>
5.1. Impediments to Exporting to Bangladesh	47
5.2. Impediments to Exporting to Bhutan	48
5.3. Impediments to Exporting to India	52
5.4. Impediments to Exporting to Maldives	58
5.5. Impediments to Exporting to Nepal	59
5.6. General Factors Affecting Low or No Exports from Sri Lanka to Other SASEC Countries	62

5.7.	Role of Government to Increase Sri Lanka's Exports of the Identified Products to Other SASEC Countries	67
5.8.	Brief Overview of the Sanitary and Phytosanitary and Technical Barriers to Trade-Related Initiatives of Other Development Partners	67
<b>Chapter 6</b>	<b>Prioritized Recommendations for Action</b>	<b>69</b>
6.1	Legislative and Regulatory Environment	69
6.2	Procedures and Processes	69
6.3	Institutional Structure	70
6.4	Sanitary and Phytosanitary and Technical Barriers to Trade Infrastructure	71
6.5	Information and Data	71
6.6	Human Capacity Development	71
6.7	India-Specific Recommendations	72
6.8	Regional and Bilateral Cooperation	72
6.9	Specific Actions by the Government to Increase Exports of Identified Products with Export Potential to Other SASEC Countries	73
<b>Conclusion</b>		<b>75</b>
<b>Appendixes</b>		
1	Methodology and Data	76
2	Top 10 Export Products from Sri Lanka to Other SASEC Countries	79
3	Identification of Potential Export Items That Could Not Be Exported Due to Sanitary and Phytosanitary and Technical Barriers to Trade Measures	83
4	Export Potential of Sri Lanka to SASEC Countries	114
5	Existing Gaps in Standards and Regulations, Sanitary and Phytosanitary and Technical Barriers to Trade Measures and Procedural Obstacles of Exporting and Importing Country on the Identified Items	117
6	Comparison of Applicable Sanitary and Phytosanitary and Technical Barriers to Trade Measures in SASEC and Other Markets	143
7	Sanitary and Phytosanitary and Technical Barriers to Trade Scenario in Sri Lanka: Gaps in Sanitary and Phytosanitary and Technical Barriers to Trade Legislation and Practices Compared with International Best Practices	169
8	Procedural Obstacles in SASEC Countries that Impede Trade in the Identified Potential Export Items	176
9	United Nations Nontariff Measures Classification: Sanitary and Phytosanitary and Technical Barriers to Trade Classification	200

10	Respondents and Consultants	203
11	Questionnaire—Survey of Nontariff Barriers Facing Sri Lanka’s Exporters in South Asia	206
<b>References</b>		<b>210</b>

# Tables, Figures, and Box

## Tables

1	Exports from Sri Lanka to Other SASEC Countries, 2002–2015	9
2	Imports from Other SASEC Countries to Sri Lanka, 2002–2015	9
3	Top 10 Harmonized System Chapters with Highest Number of Products with Export Potential to Bangladesh	13
4	Top 10 Harmonized System Chapters with Highest Number of Products with Export Potential to Bhutan	15
5	Top 10 Harmonized System Chapters with Highest Number of Products with Export Potential to India	17
6	Top 10 Harmonized System Chapters with Highest Number of Products with Export Potential to Maldives	19
7	Top 9 Harmonized System Chapters with Highest Number of Products with Export Potential to Nepal	21
8	Sri Lanka's Exports to SASEC Countries in 2016 with Potential Exports	22
9	Major Sanitary and Phytosanitary Regulations in Sri Lanka	25
10	Sanitary and Phytosanitary Institutional Structure	30
11	Gaps in Information on Regulatory Structure	32
12	Food Testing Laboratories in Sri Lanka	33
13	Sri Lanka Accreditation Board Accreditation, 2017 Status	34
14	Gaps in Sanitary and Phytosanitary Infrastructure Compared with International Best Practices	36
15	Major Technical Barriers to Trade Regulations in Sri Lanka	37
16	Summary of Sri Lanka Technical Barriers to Trade Institutional Framework	42
17	Gaps in Technical Barriers to Trade Infrastructure Compared with International Best Practices	44
18	Summary of Analysis: Sri Lanka Products with Export Potential to Bangladesh	49
19	Summary of Analysis: Sri Lanka Products with Export Potential to Bhutan	50
20	Summary of Analysis: Sri Lanka's Products with Export Potential to India	57
21	Summary of Analysis: Sri Lanka Products with Export Potential to Maldives	59
22	Summary of Analysis: Sri Lanka's Products with Export Potential to Nepal	63
23	Supply-Side Constraints for Selected Products in Sri Lanka	65
24	Sri Lanka's Intra- and Inter-Regional Bilateral Trade Cost, 2015	65
25	Time Framework for Prioritized Recommendations	73
A2.1	Top 10 Export Products to Bangladesh in 2016	79
A2.2	Top 10 Export Products to Bhutan in 2016	80
A2.3	Top 10 Export Products to India in 2016	80
A2.4	Top 10 Export Products to Maldives in 2016	81
A2.5	Top 10 Export Products to Nepal in 2016	82



A3.1	Potential Export Products in Bangladesh Market	83
A3.2	Potential Export Products in Bhutan Market	88
A3.3	Potential Export Products in India Market	93
A3.4	Potential Export Products in Maldives Market	98
A3.5	Potential Export Products in Nepal Market	103
A3.6	Sri Lanka's Harmonized System Chapter-Wise Potential Exports to Bangladesh Market	109
A3.7	Sri Lanka's Harmonized System Chapter-Wise Potential Exports to Bhutan Market	110
A3.8	Sri Lanka's Harmonized System Chapter-Wise Potential Exports to India Market	111
A3.9	Sri Lanka's Harmonized System Chapter-Wise Potential Exports to Maldives Market	112
A3.10	Sri Lanka's Harmonized System Chapter-Wise Potential Exports to Nepal Market	113
A5.1	Existing Gaps in Bangladesh Market	117
A5.2	Existing Gaps in Bhutan Market	122
A5.3	Existing Gaps in India Market	125
A5.4	Existing Gaps in Maldives Market	134
A5.5	Existing Gaps in Nepal Market	136
A6.1	Comparison of Applicable Sanitary and Phytosanitary Measures and Technical Barriers to Trade in Bangladesh, Sri Lanka, and German Markets, 2016	143
A6.2	Comparison of Applicable Sanitary and Phytosanitary Measures and Technical Barriers to Trade in Bhutan, Sri Lanka, and German Markets, 2016	145
A6.3	Comparison of Applicable Sanitary and Phytosanitary Measures and Technical Barriers to Trade in India, Sri Lanka, and German Markets, 2016	151
A6.4	Comparison of Applicable Sanitary and Phytosanitary Measures and Technical Barriers to Trade in Maldives, Sri Lanka, and German Markets	161
A6.5	Comparison of Applicable Sanitary and Phytosanitary Measures and Technical Barriers to Trade in Nepal, Sri Lanka, and German Markets, 2016	162
A7.1	Sri Lanka Accreditation Board: International Recognition of Accreditation	169
A7.2	List of Food-Testing Laboratories	169
A7.3	Sample List of Substandard Products Imported to Sri Lanka	171
A7.4	Template for Sanitary and Phytosanitary and Technical Barriers to Trade Database	175
A8.1	Negative List Impact on Impeding Trade on the Identified Potential Export Items in Bangladesh Market	176
A8.2	Negative List Impact on Impeding Trade on the Identified Potential Export Items in Bhutan Market	181
A8.3	Negative List Impact on Impeding Trade on the Identified Potential Export Items in India Market	185
A8.4	Negative List Impact on Impeding Trade on the Identified Potential	191

	Export Items in Maldives Market	
A8.5	Negative List Impact on Impeding Trade on the Identified Potential	196
	Export Items in Nepal Market	
A9	Sanitary and Phytosanitary and Technical Barriers to Trade Classification	200
A10.1	List of Companies and Institutions Interviewed and that Provided Information	203
A10.2	List of Persons of Regulatory Authorities Consulted	205

## Figures

1	Filters Applied to Identify Potential Export Products	4
2	Exports from Sri Lanka to Other SASEC Countries, 2002–2015	7
3	Imports from Other SASEC Countries to Sri Lanka, 2002–2015	8
4	Sri Lanka's Export and Import Share with SASEC Countries, 2002–2015	10
5	Sri Lanka's Average Export Share with SASEC Countries, 2002–2015	10
6	Sri Lanka's Average Import Share with SASEC Countries, 2002–2015	11
7	Product Distribution of Potential Exports to Bangladesh	14
8	Product Distribution of Export Potential to Bhutan	16
9	Product Distribution of Export Potential to India	18
10	Product Distribution of Export Potential to Maldives	19
11	Product Distribution of Export Potential to Nepal	21
12	Applicable Sanitary and Phytosanitary and Technical Barriers to Trade Measures in Bangladesh, Sri Lanka, and German Markets for 10 Selected Products, 2016	48
13	Applicable Sanitary and Phytosanitary and Technical Barriers to Trade Measures in Bhutan, Sri Lanka, and German Markets for Selected Products, 2016	51
14	Applicable Sanitary and Phytosanitary and Technical Barriers to Trade Measures in India, Sri Lanka, and German Markets, 2016	56
15	Applicable Sanitary and Phytosanitary and Technical Barriers to Trade Measures for Selected Products in Maldives, Sri Lanka, and German Markets, 2016	58
16	Applicable Sanitary and Phytosanitary and Technical Barriers to Trade Measures in Nepal, Sri Lanka, and German Markets, 2016	62
17	Sri Lanka's Intra- and Inter-Regional Bilateral Trade Cost: South Asia Subregional Economic Cooperation, Association of Southeast Asian Nations, European Union, 2015	66
A4.1	Sri Lanka's Export Potential to Bangladesh by Product Categories	114
A4.2	Sri Lanka's Export Potential to Bhutan by Product Categories	114
A4.3	Sri Lanka's Export Potential to India by Product Categories	115
A4.4	Sri Lanka's Export Potential to Maldives by Product Categories	115
A4.5	Sri Lanka's Export Potential to Nepal by Product Categories	116

## Box

1	Sanitary and Phytosanitary and Technical Barriers to Trade-Related Nontariff Barriers in India Forced a Sri Lanka Chocolate Exporter to Eye Other Countries	54
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# Acknowledgments

**R**avi Ratnayake, national consultant for Sri Lanka under the South Asia Subregional Economic Cooperation (SASEC) Trade Facilitation Program, prepared the report, supported by the Asian Development Bank (ADB), for the Ministry of Development Strategies and International Trade (MODSIT). The diagnostic report was designed jointly by the Trade and Investment Division of the United Nations Economic and Social Commission for Asia and the Pacific and ADB, which also serves as the SASEC Secretariat. The project team is thankful to Chandani Wijewardana, secretary of MODSIT for initiating the project in collaboration with ADB and the staff, in particular, Chandi Jayamini, director, the National Focal Point; and Saliya Jayathilake for logistical support. The support of the Export Development Board in organizing the validation workshop and the National Chamber of Exporters for facilitating the survey of exporters is acknowledged with appreciation. Ajantha Geeganage, commercial research officer, Department of Commerce, provided excellent research assistance efficiently and in a timely manner.

Special thanks to the core group of the study, comprising Malani Beddegamage, director, Export Development Board; D.M.J.B. Senanayake, additional director; and Champika Hewage, deputy director of National Plant Quarantine Service; L.H.D. Bandusoma, acting director and chief executive officer of Sri Lanka Accreditation Board; P.V. Sriyalatha, chief animal quarantine officer, Department of Animal Production and Health; and Lakshman Gamlath, head, Food Control Unit; gave technical support to the preparation of the report.

Rose McKenzie, senior regional cooperation specialist, ADB, oversaw the preparation of the study and organization of the validation workshop with outstanding dedication, and Selim Raihan, professor at the Department of Economics, University of Dhaka, Bangladesh, and international consultant of ADB, provided excellent substantive guidance right from the beginning to the end.

# Abbreviations

ADB	Asian Development Bank
APTA	Asia Pacific Trade Agreement
CAA	Consumer Affairs Authority
EU	European Union
HS	harmonized system
IPPC	International Plant Protection Convention
ISFTA	Indo–Sri Lanka Free Trade Agreement
ISO	International Organization for Standardization
MRA	Mutual Recognition Agreement
MRL	maximum residue limit
NQI	national quality infrastructure
NTB	nontariff barrier
NTM	nontariff measure
SAFTA	South Asian Free Trade Area
SASEC	South Asia Subregional Economic Cooperation
SLAB	Sri Lanka Accreditation Board
SLS	Sri Lanka Standard
SLSI	Sri Lanka Standards Institution
SMEs	small and medium-sized enterprises
SPS	sanitary and phytosanitary
TBT	technical barriers to trade (agreement)
UAE	United Arab Emirates
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UK	United Kingdom
US	United States
WTO	World Trade Organization

# Executive Summary

The main purpose of this study is to identify how Sri Lanka can most effectively deal with sanitary and phytosanitary (SPS) and technical barriers to trade (TBT)-related nontariff barriers (NTBs) faced by major Sri Lanka products seeking market access in countries of the South Asia Subregional Economic Cooperation (SASEC) partnership. Options and opportunities to increase Sri Lanka's exports to SASEC destinations are considered, including legal reforms, upgrading quality standards and the requisite laboratory equipment and instruments, and institution building of both accrediting bodies and the conformity assessment bodies. The findings of the Sri Lanka case study will be used as an input to a SASEC regional study on SPS and TBT measures and barriers, which will identify areas of common concern and potential effective solutions leading to increased intra-SASEC trade.

The study focused on four major tasks: (i) identification of specific items which have potential for export from Sri Lanka, yet are subject to SPS and TBT measures of the importing SASEC countries; (ii) assessment of a national diagnostic audit of the SPS and TBT infrastructure; (iii) identification of current SPS and TBT infrastructure capacity constraints, and presenting prioritized recommendations for necessary future investments; and (iv) identification of priority national capacity-building activities in the area of standards and regulations, and developing a preliminary 2017–2019 timeline for these activities.

The study was conducted to fill a critical gap in the research on SPS–TBT-related nontariff measures (NTMs) facing Sri Lanka's exporters. A common limitation of all previous research was that the analyses were conducted either at aggregate level or used a limited number of products and, hence, the usefulness of such studies for policy-making purposes is limited in, for instance, free trade agreement (FTA) negotiations. The present study extends the previous studies to a much deeper and wider analysis by identifying potential export products at a disaggregated 6-digit level of the United Nations' Harmonized Commodity Description and Coding Systems (HS) and matching them with SPS–TBT-related NTMs faced by Sri Lanka's exports to other SASEC countries. Domestic barriers were also considered. The findings of the study may contribute to Sri Lanka's FTA negotiations with SASEC countries.

Identification of the specific products which have potential for export from Sri Lanka, yet are subject to SPS and TBT measures of the importing SASEC countries was carried out using a well-established methodology, outlined in Chapter 1. The analysis used data and information from several sources: (i) a comprehensive questionnaire used to survey

Sri Lanka's exporters on the NTBs they face in other SASEC countries; (ii) information on NTBs from the missions of Sri Lanka in SASEC countries; and (iii) cross-checking of the information from the business sector with Sri Lanka's regulatory authorities, Department of Commerce, Export Development Board, and other relevant public and private institutions. Finally, validation of findings was carried out with all stakeholders at the national level. The United Nations (UN) Comtrade international trade statistics database was the primary source of data.

The analysis started with a brief examination of Sri Lanka's trade patterns with other SASEC countries. It was found that the share of Sri Lanka's total exports to the SASEC countries increased from 6% to 8% within a period of 13 years (2002–2015), which is remarkably lower than its exports to the rest of the world. Of all SASEC countries, India is the most important export market for Sri Lanka. India's average exports to Sri Lanka during this period were five times higher than Sri Lanka's average exports to India. While 83% of Sri Lanka's total exports to SASEC countries went to India, 99% of Sri Lanka's total imports from SASEC countries were sourced from India. Both exports to and imports from Bhutan and Nepal were negligible throughout 2002–2015. Low intra-SASEC trade has been attributed primarily to NTBs given the substantial reduction of high tariffs under the Agreement on the South Asian Free Trade Area (SAFTA), together with other regional and bilateral agreements.

The national diagnostic audit of SPS and TBT infrastructure of Sri Lanka points to various gaps in respect of both SPS and TBT scenarios. In the case of SPS, the analysis shows various legal, institutional, and infrastructure gaps in the current SPS structure of Sri Lanka. These include (i) outdated and poorly designed legislation, which fails to consider the latest developments in the field and international best practices; (ii) failure to review or update for at least 25 years; (iii) weak coordination among regulatory authorities; (iv) duplication and/or overlapping functions leading to inefficiencies in conformity assessment; and (v) shortage of infrastructure, especially laboratory facilities. It was also found that a lack of institutional and human capacities was a major constraint facing Sri Lanka's regulatory authorities as well as Sri Lanka Standards Institution (SLSI) and the Sri Lanka Accreditation Board (SLAB).

In the case of TBT, major legal, institutional, and infrastructure gaps related to TBT structure of Sri Lanka include (i) the need to strengthen SLSI and Measurement Units Standards and Services Department (MUSSD), which are unable to meet the demand for formulation and adoption of standards due to the shortage of both institutional and human resources; (ii) similar need to develop laboratories in Sri Lanka that currently do not have the requisite facilities to test products identified under technical regulations; (iii) the absence of laboratories that can be considered centers for excellence in testing of specific fields, such as electrical and electronic products; and (iv) the lack of modern measurement facilities, which necessitates hiring services of foreign laboratories. It was also found that calibration laboratories are not equipped properly to provide test services in different fields and, in particular, for new products and services. Finally, the national product certification mark—the Sri Lanka Standard (SLS) mark—has not yet been accredited and, hence, is not recognized internationally: this negatively impacts exportable products.

The most critical part of the study started with the identification of Sri Lanka products with export potential and capacity, yet which are not exported, or exported only in negligible quantities. Using specific filters, the study identified 100 products for each SASEC country. As this initial list of products is too long for meaningful analysis, the top 10 HS chapters with the highest number of items at 6-digit level, with zero or negligible shares of Sri Lanka's exports to each of SASEC country, were selected for further examination.

In the case of Bangladesh, it was found that the HS chapter for electrical machinery and equipment has the highest number of products (e.g., parts of electrical motors, generators, transformers) with export potential, followed by machinery and mechanical appliances (e.g., plows, stitching machines), paper and paper products (e.g., paper labels books, brochures, printed materials), and plastic articles (e.g., boxes, cases, crates, sacks, and bags). The unit price differentials show that except for paper and paper products (HS chapters 48–49), the unit prices of imports to Bangladesh are significantly higher than the Sri Lanka export unit prices of the same products. Ships, boats, and floating structures recorded the highest price differences, followed by apparel and clothing. This indicates that it is not the price differential that hinders exports from Sri Lanka to Bangladesh.

The analysis shows there are 96 products with zero exports to Bhutan. Sri Lanka's value of exports of these products to the global market is \$171.42 million, while the value of imports of the same products to Bhutan amounts to \$63.37 million. It shows that the machinery and mechanical appliances HS chapter has the highest number of products (e.g., plows, stitching machines) with export potential, followed by electrical machinery and equipment (e.g., parts of electrical motors, generators, transformers), articles of iron or steel (e.g., articles of wire, iron or steel; articles, iron or steel), and miscellaneous manufactured articles (e.g., seats with wooden frames, furniture, sanitary towels). It also shows that, with the exception of vehicle parts (HS 87), Bhutan's import unit prices are significantly higher than the Sri Lanka export prices of the same products. Once again, this indicates that it is not the price differential that hinders exports from Sri Lanka to Bhutan.

In the case of India, there are 27 Sri Lanka products with zero share of exports to India. It was found that the HS chapter for electrical machinery and equipment has the highest number of products (e.g., parts of electrical motors, generators, transformers) with export potential followed by prepared food (e.g., beverages, biscuits, cereals), apparel and clothing, and machinery and mechanical appliances (e.g., plows, stitching machines). It also shows that the unit import prices of India are higher than the Sri Lanka export prices of most products, with the highest price differential recorded for paper and paper products, followed by machinery and mechanical appliances.

With regard to Sri Lanka's products with export potential to Maldives, there are nine products with zero share of exports to Maldives. Sri Lanka's value of exports of these products to the global market is \$10.48 million, while the value of imports of the same products to Maldives amounts to \$6.58 million. It shows that electrical machinery and equipment chapter has the highest number of products (e.g., parts of electrical motors, generators, transformers) with export potential, followed by fish and crustaceans, mollusks and other aquatic invertebrates, apparel and clothing, and machinery and mechanical appliances (e.g., plows, stitching machines). It also shows that, except for apparel and



clothing (HS chapters 61–62) and prepared food (HS chapters 16–23), all other products' import unit prices of Maldives are significantly higher than those of the Sri Lanka export prices of the same products. The highest price differential is recorded for machinery and mechanical appliance, followed by rubber and rubber articles.

There are 88 products with zero share of exports to Nepal. Sri Lanka's value of exports of these products to the global market is \$767.91 million, while the value of imports of the same products to Nepal amounts to \$1.36 billion. It shows that the machinery and mechanical appliances HS chapter has the highest number of products (e.g., parts of dishwashing, cleaning or drying container, packing or wrapping machine) with export potential, followed by electrical machinery and equipment (e.g., parts of electrical motors, generators, transformers), vehicle parts, and apparel and clothing. It also shows that except for apparel and clothing (HS chapters 61–62) and optical, photographic, cinematographic (HS chapter 90), the unit import prices of all Nepal's products are higher than the Sri Lanka export price of the same products. The highest price differential is recorded for electrical machinery and equipment.

Assuming that the SASEC countries have the same levels of trade barriers or import requirements as the current export destinations of Sri Lanka, the total value of Sri Lanka's export potential of the 100 products identified in the analysis in the SASEC countries is \$1.2 billion, compared with current exports of \$19.7 million.

Turning to the gap analysis, the use of SPS and TBT measures in each of SASEC countries compared with Sri Lanka and Germany, the benchmark country, to represent international standards was conducted for 10 products with the highest number of SPS–TBT measures in each of the SASEC countries. Germany was chosen as the country for comparison based on availability of data on NTMs at the 6-digit level, together with Germany's high use and application of best practices based on international standards and regulations—e.g., Codex Alimentarius, International Plant Protection Convention (IPPC) and the World Organization for Animal Health (OIE)—in formulating national SPS and TBT measures.

Starting with Bangladesh, the analysis shows that the total number of SPS and TBT measures in Bangladesh are significantly lower than that in Sri Lanka. These numbers indicate that Sri Lanka has more stringent NTMs than Bangladesh for the identified products. In almost all cases, gaps are higher in Sri Lanka than Bangladesh compared with Germany. In the case of Bhutan, for all products, Sri Lanka has more SPS–TBT measures than Bhutan. With regard to India, it was found that the total number of SPS and TBT measures in India are significantly higher than that in Sri Lanka. These numbers indicate that India has more stringent NTMs than Sri Lanka for the identified products. It was also shown that in all cases, India has a higher number of NTMs than Germany. In contrast, except for five products, Germany has more SPS–TBT measures than Sri Lanka. Turning to Maldives, once again Sri Lanka has more SPS–TBT-related NTMs for all products. Sri Lanka and Nepal have almost the same number of NTMs.

The final analysis was to identify products that are not exported to SASEC countries, either due to (i) lack of export capacity, or (ii) the high unit price in Sri Lanka. However, these were not found to be the impediments, but rather, there were other reasons. Further, it was also



shown that average tariffs are relatively low in SASEC countries due to trade liberalization under various regional and bilateral trade agreements, leaving only SPS–TBT-related NTMs as a remaining potential barrier for low exports from Sri Lanka to the SASEC countries for the identified products. Whether the fact that SPS–TBT measures acted as a barrier or not was analyzed using NTM databases, the exporter survey results commissioned for this study, and consultations with the business sector in Sri Lanka. In the case of Bangladesh, it was found that two product groups of potential exports, electrical machinery and equipment (HS 85) and motor vehicle parts (HS 87), could have been adversely affected by SPS–TBT-related barriers in Bangladesh. In the case of Bhutan, the analysis shows that two product groups with export potential from Sri Lanka that could have been adversely affected by procedural barriers in Bhutan are prepared food (HS 16–23) and plastic articles (HS 39), which are subject to restricted use of certain substances.

In the case of India, electrical machinery and equipment (HS 85), prepared food (HS 16–23), machinery and mechanical appliances (HS 84), and motor vehicles and parts could have been affected adversely by SPS–TBT-related barriers. Exports of plastic products (HS 39), paper –and paper products (HS 48–49), and rubber products (HS 40) were likely to be affected by TBT measures as well those items included in the negative lists of the Indo–Sri Lanka Free Trade Agreement (ISFTA) and SAFTA. Exports of cotton fabrics and yarn (HS 52) and apparel (HS 61–62) were found to be hindered by TBT–SPS-related procedural barriers, quotas, and negative lists in India.

With regard to Maldives, the analysis found that books and printed matter (HS 490199) and motor vehicle parts (HS 870899) are not exported from Sri Lanka to Maldives due to SPS–TBT-related barriers. In the case of Nepal, exports of some machinery and appliances (HS 84) are found to be adversely affected by SPS–TBT barriers. Three product categories—paper and paper products (HS 49), beauty products (HS 33), and some electrical machinery and equipment (HS 85)—were not exported due to (i) high TBT measures, and (ii) being included in the SAFTA negative list.

Finally, the study examined the role of other factors not considered in the analysis. Assuming tariffs are lower now than before among SASEC countries due to the SAFTA process, and transport costs are lower within the region due to geographical proximity, and also having identified the role of SPS–TBT-related barriers in low export performance of the selected products of Sri Lanka, the other major factors which could have some influence on low or negligible exports include (i) supply-side constraints, (ii) absences of trade-enabling policy environment, and (iii) the lack of trade facilitation.

In its final chapter, the diagnostic study presents practical recommendations for the public and private sectors grouped under (i) the legislative and regulatory framework environment, (ii) institutional and capacity frameworks, and (iii) SPS–TBT-related infrastructure status and gaps.



# Chapter 1

## Introduction

### 1.1 Background

Standards and regulations are required to protect consumers, the environment, animals, and plants. To achieve this objective, conformity assessment procedures, including inspecting, testing, and certifying are carried out for both imports and exports locally or overseas before entering a foreign market. While these measures are essential for safeguarding consumers and the health of people, animals, and plants, such measures can also be used as nontariff barriers (NTBs). Given the importance of the issues, in 1994, the World Trade Organization (WTO) adopted the Agreement on Sanitary and Phytosanitary (SPS) measures and the Agreement on Technical Barriers to Trade (TBT) to legitimize SPS and TBT measures and prevent member countries from using them as barriers to trade.

Despite these international agreements, SPS and TBT measures have been used for trade-restricting purposes intentionally or unintentionally worldwide and have become a new form of trade protectionism. They have been identified as a major factor in low intraregional trade among South Asian countries. According to an earlier study, SPS, TBT, and other related measures were found to be responsible for 86% of all NTBs in South Asian countries.<sup>1</sup>

Sri Lanka has confronted many such SPS–TBT-related obstacles domestically as well as when trading with foreign markets. In view of the detrimental effects of SPS–TBT measures, the Government of Sri Lanka intends to review the current structure of standards and regulations related to exports and to assist in (i) creating an enabling environment for trade, and (ii) entering into regional cooperation arrangements to mitigate the trade restrictive effects of NTBs on Sri Lanka's exports.

### 1.2 Objectives and Scope of the Study

In 2014, the member countries of the South Asia Subregional Economic Cooperation (SASEC) partnership—Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka<sup>2</sup>—launched a diagnostic study process.

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<sup>1</sup> F. A. Alburo. 2004. *Promoting Trade in SASEC: Non-Tariff and Non-Trade Barriers*. United Nations Industrial Development Organization.

<sup>2</sup> The SASEC program brings together Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka in a project-based partnership that aims to promote regional prosperity, improve economic opportunities, and build a better quality of life for the people of the subregion. SASEC countries share a common vision of boosting intraregional trade and cooperation in South Asia, while also developing connectivity and trade with Southeast Asia through Myanmar, to the People's Republic of China (PRC), and the global market. [www.sasec.asia](http://www.sasec.asia).

With the backdrop of significant negative impact of the NTBs on exports from Sri Lanka and the other SASEC countries, the Asian Development Bank (ADB) is conducting a series of diagnostic studies on goods sensitive to SPS and TBT measures under Pillar Two and Pillar Five of the SASEC Trade Facilitation Strategic Framework of the program on South Asia Subregional Economic Cooperation.

The main purpose of the diagnostic study is to identify specific needs of Sri Lanka to effectively deal with the SPS and TBT related to NTBs faced by major Sri Lanka products seeking market access in SASEC countries in terms of legal reforms, upgrading quality standards and the requisite laboratory equipment and instruments, and institution building of both accrediting bodies and the conformity assessment bodies, to increase Sri Lanka exports to SASEC destinations. The findings of the Sri Lanka case study will be used as an input to a regional study which will identify areas of common concerns and potential effective solutions leading to increased intra-SASEC trade.

The study specifically intends to undertake four major tasks: (i) identifying the specific items which have potential for export from Sri Lanka and are subject to SPS and TBT measures of the importing SASEC countries; (ii) carrying out a national diagnostic audit of the SPS and infrastructure; (iii) identifying current SPS and TBT infrastructure capacity constraints, and presenting prioritized recommendations for necessary future investments; and (iv) identifying priority national capacity-building activities in the area of standards and regulations, and developing a preliminary 2017–2019 timeline for these activities.

### 1.3 Literature Review

Despite the critical importance of SPS and TBT issues, in particular, in the context of the Indo–Sri Lanka Free Trade Agreement (ISLFTA) under which Sri Lanka exporters were reported to have faced plethora of such barriers at India’s border, the research community only gave little until 2015 when the new government came to power with an ambitious free trade agreement (FTA) agenda. The renewed interest in FTAs, especially the proposal of the Government of Sri Lanka to elevate ISLFTA to a comprehensive agreement, the Economic and Technology Cooperation Agreement (ETCA), resulted in a number of studies evaluating the impact of nontariff measures (NTMs) on exports. Such research was also partly motivated by the civil society’s demand to the government to resolve the implementation issues related to NTBs under the ISLFTA before entering into a new agreement with India.

The limited literature on NTMs relative to Sri Lanka can be broadly categorized into three groups. Firstly, there are two studies examining the current status of SPS-related barriers affecting agricultural products. One study assessed the food control system in Sri Lanka and identified various gaps in food management system and areas where the system needs to be strengthened to match international safety standards of food.<sup>3</sup> Having assessed the SPS-related infrastructure, the study makes recommendations to improve food risk management. The other study identifies SPS-related regulatory, procedural, and

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<sup>3</sup> Food and Agriculture Organization of the United Nations. 2016. *Review of the Food Safety Control System in Sri Lanka*. New York.

informational domestic barriers affecting agricultural exports from Sri Lanka using a case study approach.<sup>4</sup> It also presents some recommendations for improving the situation. Both of these studies focused on the SPS issues relating to food products, while Food and Agriculture Organization of the United Nations (FAO) study addressed issues related to domestic food supply chain.

Secondly, the only study focusing entirely on TBT-related barriers examines the TBT barriers facing Sri Lankan exporters using three case studies on apparel, tires, and electricals and electronics, and provides some solutions.<sup>5</sup> The common TBT-related problems that exporters face include non-recognition of certifications, expensive and multiple testing, too stringent standards used by Asian countries compared with those of Europe and the United States (US). The study also points out that the shortage of accredited laboratories in Sri Lanka. For instance, test certificates for some products, such as apparel, have to be conducted in importing countries at high costs. In the SASEC region, the study presents some evidence of rejection of shipment of certain products, such as insulated wires, due to India's border authorities not accepting the Sri Lanka Standards Institution (SLSI) certificates and, hence, the need for Sri Lanka's exporters to send samples to Indian institutions for approval before the shipment. The study also claims quoting a major company that such restrictions are imposed purposely to restrict imports. The same company encountered similar experiences in exporting to Maldives.

The third group of research focused on Sri Lanka in the context of South Asia. The impact of NTMs as a barrier for Sri Lanka's exports to the other South Asian countries has been examined by two studies. One examines the export capacity of the South Asian countries and compares with the actual exports of each country in the context of subregional trade.<sup>6</sup> It provides country-specific NTM profiles and lists special features of the regulatory structures of each country. Further, it conducts an empirical analysis of gains from the removal of such NTMs using the Global Trade Analysis Project model. The other study examines the impact of various nontariff barriers, including SPS and TBT-related NTMs in seven specific Sri Lanka industries, and present some recommendations to resolve such issues.<sup>7</sup> A common limitation of all previous researches was that the analyses were conducted either at aggregate level or used a limited number of products and, hence, the usefulness of such studies for policy-making purposes is limited, in FTA negotiations, for instance.

The present study extends the previous studies to a much deeper and wider analysis by identifying potential export products at a disaggregated 6-digit level and matching them with NTMs faced by Sri Lanka's exports to other SASEC countries, enabling the findings of the study be used in the FTA negotiations of Sri Lanka with some SASEC countries, such as India. It also identifies various regulatory, procedural, and informational gaps in the SPS–TBT infrastructure which can be used by policy makers to undertake appropriate national

<sup>4</sup> Verite Research. 2017. *Sri Lanka's Domestic Barriers to Trade: Case Studies of Agricultural Exports*. Colombo.

<sup>5</sup> Institute of Policy Studies of Sri Lanka. 2017. *Manufactured Products Exports: Technical Barriers to Trade Faced by Exporters in Sri Lanka*. Unpublished paper.

<sup>6</sup> S. M. Raihan, A. Khan, and S. Quoreshi. 2014. *NTMs in South Asia: Assessment and Analysis*. SAARC Trade Promotion Network. Kathmandu.

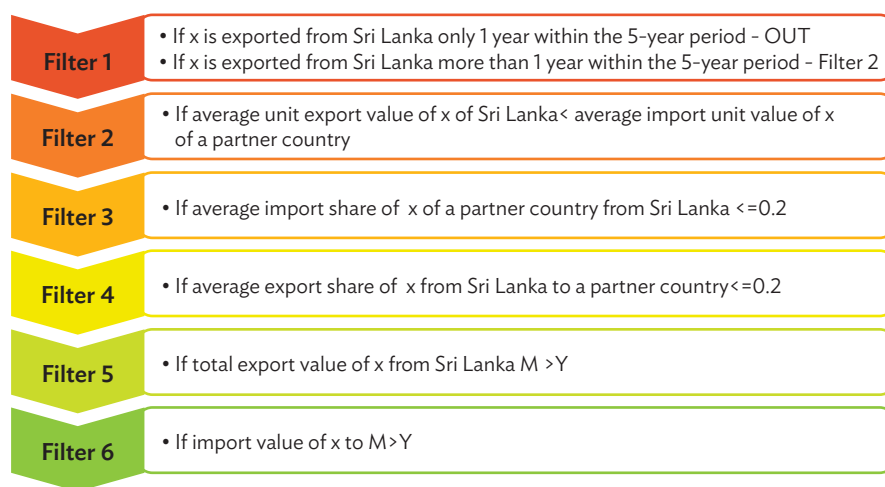
<sup>7</sup> Federation of Chambers of Commerce and Industry of Sri Lanka. 2017. *Eliminating Non-Tariff Barriers on Sri Lanka to Improve Trade with SAARC Countries*. Sri Lanka. Colombo.

reforms to facilitate more trade with the SASEC countries. It also offers potential solutions to resolve the SPS–TBT-related NTBs.

## 1.4 Methodology and Data

In line with the national diagnostic studies of other SASEC countries, the present study uses a methodology consisting of both analysis of trade flows and qualitative methods as detailed in Appendix 1 and summarized in Figure 1. First, the Sri Lanka products with export potential to the SASEC countries that could not be exported were identified using the latest 5 years trade data at 6-digit harmonized system (HS) level. The United Nations (UN) Comtrade database is used for this analysis. We used six filters to select products in which Sri Lanka has its export potential and partner countries have their import requirement. The purpose of this filtering exercise is to bring the number of export products at 6-digit level from Sri Lanka to each SASEC country down to 100—a manageable level for a meaningful analysis. The following six filters were used to select 100 products with export potential:

**Figure 1: Filters Applied to Identify Potential Export Products**



Note: Where x = product and Y = a maximum value (selected value of Y varies from country to country).

Source: Raihan, Khan, and Quoreshi (2014).

The unit value of export of Sri Lanka is calculated as the export value divided by quantity exported. The unit value of import of a partner country is calculated as imported value divided by quantity imported. Import share of a partner country from Sri Lanka is defined as the ratio of a partner country's import from Sri Lanka and that country's import from the world. Sri Lanka's export share to a partner country is the ratio of Sri Lanka's export to a partner country and total export of Sri Lanka.

Once the list of 100 potential exports for each country was selected, we moved to the identification of products subject to SPS–TBT-related NTMs, either in Sri Lanka or in a partner country.

We followed the following procedure to identify these products:

Step (i): Identification of products, out of 100, for which each partner country has SPS–TBT-related NTMs currently using (a) the ITC MacMap<sup>8</sup> (Market Access Map) data set for India, Sri Lanka, and Nepal; and (b) the inventory of NTMs developed by Raihan, Khan, and Quoreshi (2014).<sup>9</sup>

Step (ii): Screening of the list of exports identified in Step 1, on which SPS–TBTs are imposed officially, using the findings on actual restrictions<sup>10</sup> in the guise of NTMs (NTBs) from four sources:

- (a) Survey of Sri Lanka’s exporters on the NTBs that they face in other SASEC countries using a comprehensive questionnaire (see Appendix 11).
- (b) Information on NTBs from the missions of Sri Lanka in SASEC countries.
- (c) Cross-checking of the information from the business sector with Sri Lanka’s regulatory authorities, Department of Commerce, Export Development Board, and other relevant public and private institutions.

Step (iii): Validation of findings with all stakeholders at a workshop.

The outcome of this procedure is the identification of a list of potential exports subject to NTBs for each country. Data for the study sourced from both external sources, such as Comtrade; and internal sources, such as Customs, Ministry of Finance, and Department of Commerce.

## 1.5 Overview of the Report

Chapter 1 provides a background to the study, a brief literature review, and the methodology and data sources used in the study. The literature review helps the research team to identify gaps in the literature so that the study is focused on the relevant issues. To facilitate intercountry comparison in the regional study, the current analysis uses the same methodology used by other SASEC country studies. Chapter 2 sets the stage for the ensuing analysis by explaining the historical pattern of export and import flows between Sri Lanka and each SASEC country. The identification of the products with export potential that are not currently exported or exported in negligible amounts is undertaken in Chapter 3. As the list of products is too long for an in-depth analysis, the products are categorized

<sup>8</sup> ITC database: <https://www.macmap.org/>.

<sup>9</sup> The authors developed this database for South Asian countries using the official data received from ITC, together with unstructured data from other sources. This user-friendly inventory of NTMs was based on the latest United Nations Conference on Trade and Development (UNCTAD) 2012 classification of NTMs: UNCTAD. 2015. *International Classification of Non-tariff Measures. 2012 Version*. New York and Geneva.

<sup>10</sup> NTMs are legitimate and countries can use them legally under the World Trade Organization (WTO) agreements of SPS and TBT. They become NTBs when such measures are used to restrict trade.

into groups of similar items using HS chapter headings. The current SPS and TBT scenarios focusing on legislation, institutional structure, infrastructure facilities, and current gaps in both areas are presented and analyzed in Chapter 4. The products with export potential to each country identified in Chapter 3 are further analyzed in Chapter 5 with a view to examining the role of NTMs in preventing Sri Lanka's exports of those products to the other SASEC countries using published databases on NTMs, survey results, and consultations with regulatory authorities and business sector stakeholders. The recommendations are presented in Chapter 6 followed by conclusions in the final chapter.

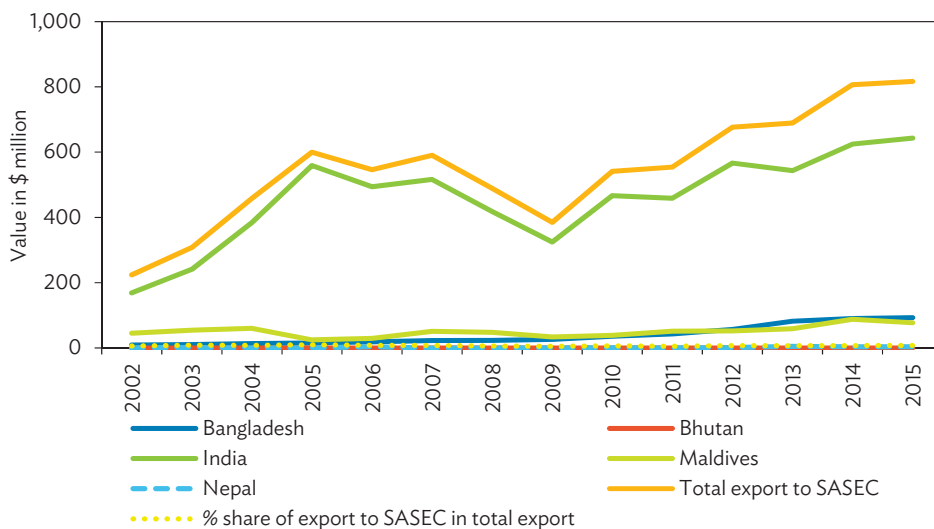


## Chapter 2

# Patterns of Trade with Other SASEC Countries

The share of Sri Lanka's total exports to SASEC countries increased from 6% to 8% during 2002–2015, which is remarkably lower than its exports to other regions (Figure 2, Table 1). For example, to the United Kingdom (UK), the increment was 82% and to the US, 60%. Of all SASEC countries, India is Sri Lanka's most important trading partner. India's average exports to Sri Lanka within the given period are five times higher than Sri Lanka's average exports to India and was nine times higher than Sri Lanka's exports in 2011. Of Sri Lanka's total exports to SASEC countries, 83% went to India.

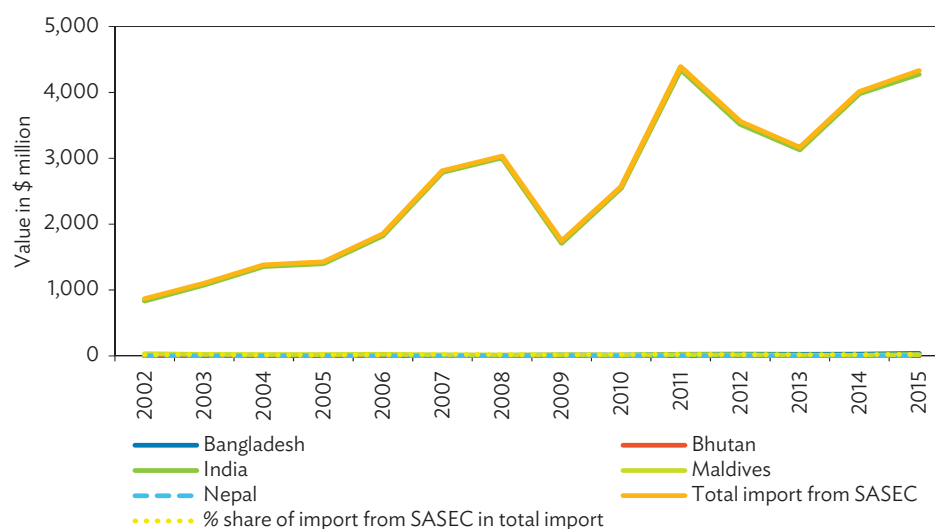
**Figure 2: Exports from Sri Lanka to Other SASEC Countries, 2002–2015**



SASEC = South Asia Subregional Economic Cooperation.

Sources: UN Comtrade Database and Sri Lanka Customs.

In contrast, the share of total imports from SASEC countries increased from 18% to 22% during 2002–2015 (Figure 3, Table 2), indicating a 4% increase compared with less than 2% increase in exports. Once again, India dominated Sri Lanka's imports with 99% of Sri Lanka's total imports from SASEC countries being sourced from India.

**Figure 3: Imports from Other SASEC Countries to Sri Lanka, 2002–2015**

SASEC = South Asia Subregional Economic Cooperation.

Sources: UN Comtrade Database and Sri Lanka Customs.

Both exports to and imports from Bhutan and Nepal were negligible throughout 2002–2015. Of the SASEC countries, Bangladesh and Maldives are the second- and third-largest trading partners of Sri Lanka in exports and imports. The overall trade performance of Sri Lanka in the SASEC markets shows that Sri Lanka's share of total imports is more than double that of export shares in almost all years during 2002–2015 (Figure 3), reflecting that it did not benefit equally from intra-SASEC trade as much as other countries did.

These numbers reflect the low South Asian integration with 5% intraregional trade compared with the 35% of the Association of Southeast Asian Nations and 60% of Europe. Among many reasons, high trade costs have been identified as a major reason for lower trade integration in South Asia.<sup>11</sup> While trade costs are due to several factors, including NTMs, among them, high level of tariffs is prominent in lowering trade integration in the region.<sup>12</sup> However, according to recent research, lower intraregional trade has been attributed to NTMs and NTBs as high tariffs have been substantially reduced under SAFTA and other initiatives.

<sup>11</sup> 'Glass Half-full: Promise of Regional Trade in South Asia'; <http://www.worldbank.org/en/programs/south-asia-regional-integration>.

<sup>12</sup> E. Ali and D. K. Talukder. 2009. Preferential Trade among the SAARC Countries: Prospects and Challenges of Regional Integration in South Asia. *Journal of Administration & Governance*. Vol. 4, No. 1.

**Table 1: Exports from Sri Lanka to Other SASEC Countries, 2002–2015**  
(\$ million)

Country	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Bangladesh	9.10	10.41	13.34	15.51	18.85	22.76	23.11	26.12	35.54	43.25	56.66	82.14	90.15	92.82
Bhutan	0.002	0.00	0.00	0.01	0.00	0.00	0.00	0.14	0.04	0.11	0.00	0.02	0.02	0.02
India	168.73	241.15	384.53	559.21	494.06	516.40	418.08	324.87	466.60	458.64	566.37	543.37	624.81	643.03
Maldives	45.14	54.40	60.01	24.76	29.64	50.94	47.72	33.60	38.45	51.35	52.41	58.95	87.99	77.07
Nepal	0.85	1.66	0.28	0.3	3.6	0.18	0.19	0.27	0.69	0.60	1.12	5.01	3.80	3.60
Total exports to SASEC	223.82	307.62	458.16	599.79	546.15	590.28	489.10	385.00	541.33	553.95	676.57	689.49	806.77	816.53
% share of exports to SASEC in total exports	6.19	8.74	8.16	9.92	8.20	7.88	6.15	5.50	6.53	5.52	7.37	6.89	7.30	8.00

SASEC = South Asia Subregional Economic Cooperation.

Sources: UN Comtrade Database and Sri Lanka Customs.

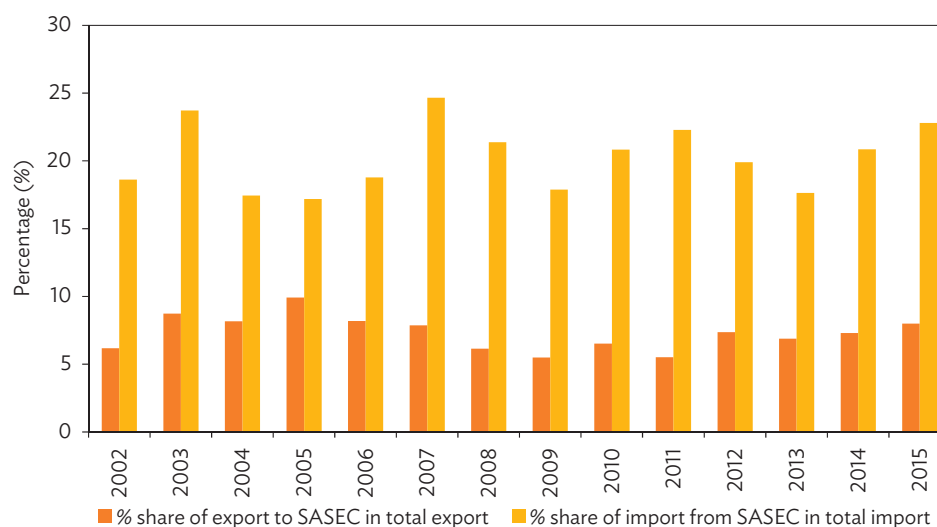
**Table 2: Imports from Other SASEC Countries to Sri Lanka, 2002–2015**  
(\$ million)

Country	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Bangladesh	3.90	5.63	7.68	8.87	8.06	10.93	9.05	14.57	12.60	24.35	26.53	25.06	26.06	37.75
Bhutan	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
India	833.98	1,076.52	1,355.26	1,399.43	1,822.07	2,785.04	3,006.93	1,709.93	2,546.23	4,346.91	3,517.23	3,128.86	3,977.76	4,273.30
Maldives	31.19	22.66	19.80	21.09	23.73	15.47	14.14	17.22	12.19	20.50	16.12	13.13	10.04	20.04
Nepal	0.19	0.01	0.08	0.11	0.07	0.07	3.57	5.66	0.14	0.31	0.16	0.06	0.04	0.02
Total imports from SASEC	869.25	1,104.82	1,382.82	1,429.50	1,853.93	2,811.53	3,033.69	1,747.38	2,571.17	4,392.07	3,560.04	3,167.11	4,013.90	4,331.12
% share of imports from SASEC in total imports	18.63	23.73	17.45	17.19	18.79	24.66	21.38	17.89	20.84	22.29	19.90	17.64	20.86	22.81

SASEC = South Asia Subregional Economic Cooperation.

Sources: UN Comtrade Database and Sri Lanka Customs.

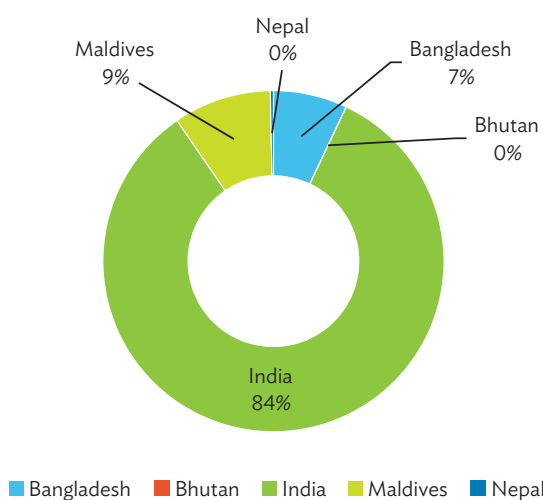
**Figure 4: Sri Lanka's Export and Import Share with SASEC Countries, 2002–2015**



SASEC = South Asia Subregional Economic Cooperation.

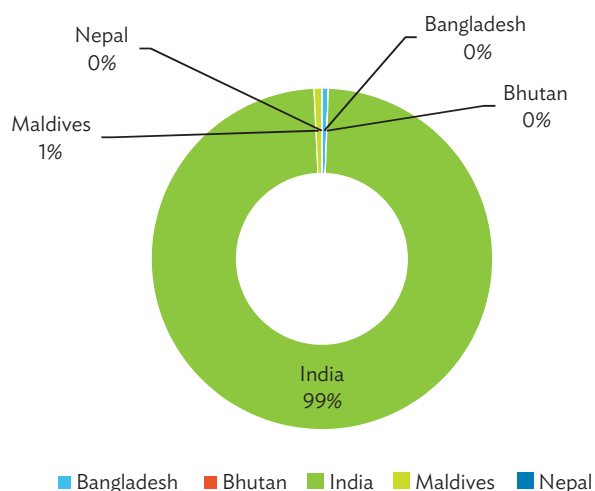
Sources: UN Comtrade Database and Sri Lanka Customs.

**Figure 5: Sri Lanka's Average Export Share with SASEC Countries, 2002–2015**



Sources: UN Comtrade Database and Sri Lanka Customs.

**Figure 6: Sri Lanka's Average Import Share with SASEC Countries, 2002–2015**



Sources: UN Comtrade Database and Sri Lanka Customs.

Ten major exports from Sri Lanka to the other SASEC countries are given in Tables A2.1–A2.5 in Appendix 2. As in the case of total exports over 2002–2015, 10 major products from Sri Lanka to Bhutan, Maldives, and Nepal recorded negligible numbers. Sri Lanka exported \$72 million worth of exports to Bangladesh while it was \$302 million to India. The main exports to Bangladesh dominated different types of fabrics (HS 520939, 600622, 520942), accounting for 42% of total value of 10 top products, followed by sinking machinery (HS 843049), accounting for 13%; and washing preparations (HS 340290), accounting for 12% in 2016. In the case of Bhutan, the value of Sri Lanka's total exports was \$41,000 in 2016 and parts of air-conditioning machines (HS 841590), followed by wooden furniture (HS 940360). Sri Lanka exported \$36 million worth of exports to Maldives and two product categories took the lead. Electrical conductors and boards (HS 854449, 853710) accounted for 27%; and petroleum products (HS 271500, 271019) accounted for 26% of total value. In the case of Nepal, Sri Lanka exported \$1 million worth of exports, while brewery machinery (HS 843840), tubular containers (HS 761290), and glazed ceramic flags (HS 690890) were the major exports.

The top 10 exports contributed 55% of total value of exports to India. The leading export to India was prepared animal fodder (HS 2309990), accounting for 18%; followed by pepper (090411), accounting for 16% of total value of exports (10 major products). Three products: areca nuts (HS 080280); ships, boats, and floating structures (HS 890190); and apparel (HS 61–62) contributed equal shares to the total (10% each). Of the five leading products, except ships, etc. (HS 890190), are subject to quotas under ISFTA, indicating that Sri Lanka could not benefit fully due to import restrictions.

## Chapter 3

# Products with Export Potential from Sri Lanka to Other SASEC Countries

As per the methodology described in Chapter 1, the selection of products with export potential was carried out using three major criteria: (i) Sri Lanka exports a particular product to the world, but not to a particular SASEC country; (ii) Sri Lanka's exports as a share of a SASEC country's imports of the same products is lower than 20%; and (iii) the unit value of Sri Lanka's exports is lower than a SASEC country's unit value of imports of the same product. While (i) and (ii) give an indication of capacity of Sri Lanka in terms of quantity of production (the lower the number, the lower is the value of exports), and (iii) indicates price competition (the lower the unit value, the higher is the efficiency in price competition). Once these two tests are done, one has to identify the other factors affecting trade flows. A country could export a particular product to the rest of the world, but not to a specific country due to a number of other reasons, including tariff barriers and NTMs. Given that tariff barriers are low among the countries in South Asia due to various regional trade agreements including SAFTA, the only reason Sri Lanka does not export to another SASEC country is NTMs either in Sri Lanka or the other SASEC country, the role of which will be examined in Chapter 5. Using this methodology, the study identified 100 products with export potential to each country.

### 3.1. Potential Export Products from Sri Lanka to Bangladesh

The 100 products with export capacity in Sri Lanka and potential for exports to Bangladesh are presented in Table A3.6 in Appendix 3. These 100 products are exported to the rest of the world, but have zero or negligible exports to Bangladesh. Sri Lanka's value of exports of these products to the global market is \$403.72 million while the value of imports of the same products to Bangladesh amounts to \$1.08 billion.

As the list of products is too long for a meaningful analysis, the top HS chapters with the highest number of items at 6-digit level with zero or negligible shares of Sri Lanka's exports to Bangladesh are selected and presented in Table 3. It also includes a measure of relative unit price between Sri Lanka and Bangladesh (unit import value of Bangladesh/unit export value of Sri Lanka). Table 3 shows that the electrical machinery and equipment chapter has the highest number of products (e.g., parts of electrical motors, generators, transformers) with export potential, and followed by machinery and mechanical appliances (e.g., plows, stitching machines), paper and paper products (e.g., paper labels books, brochures, printed materials), and plastic articles (e.g., boxes, cases, crates, sacks, and bags).

The unit price differentials in the Table 3 show that except for paper and paper products (HS chapters 48, 49), the unit prices of imports to Bangladesh are significantly higher than Sri Lanka's export unit prices of the same products. Miscellaneous manufactured articles recorded the highest price differences followed by the vehicles other than railway. This indicates that it is not price differential that hinders exports from Sri Lanka to Bangladesh.

The export potential of each of these categories to Bangladesh is estimated using the UN Comtrade database, graphed and given in Appendix 4. Assuming that Bangladesh has import requirements similar to those in the Sri Lanka markets elsewhere, Sri Lanka's export potential of these products, estimated to be \$375 million, with Chapter 89: ships, boats, and floating structures being the category with the highest potential.

The leading HS chapters with export potential, and Sri Lanka's shares and unit price differentials, are presented in Table 3.

**Table 3: Top 10 Harmonized System Chapters with Highest Number of Products with Export Potential to Bangladesh (\$)**

HS Chapter	Chapter Title	Product No. (6-digit)	Global Export Value of X	X share of Exports in M	Unit Price Differential <sup>a</sup>
85 <sup>b</sup>	Electrical machinery and equipment	18	71,350,906.31	2.43	5.12
84	Machinery and mechanical appliances	8	8,950,401.50	0.02	3.57
48, 49	Paper and paper products	6	95,073,411.69	3.97	0.32
39	Plastic articles	5	37,677,998.56	3.47	2.61
40	Rubber and rubber articles	5	77,511,488.25	11.52	5.14
61–62 <sup>c</sup>	Apparel and clothing	5	9,479,018.25	0.07	1.32
94–96	Miscellaneous manufactured articles	5	13,136,864.88	0.26	9.18
87	Vehicles other than railway	4	41,122,304.00	1.23	7.57
55	Man-made staple fibers	3	20,721,336.00	1.85	1.61
89 <sup>d</sup>	Ships, boats, and floating structures	3	153,125,354.25	0.00	1.89

HS = harmonized system, M = importing country, X = country of exports.

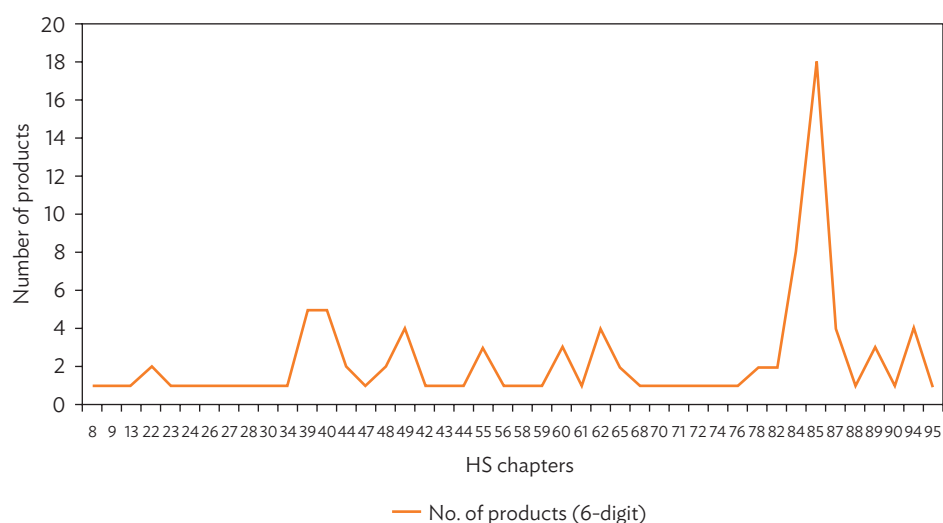
<sup>a</sup> Export unit price of Sri Lanka/import unit price of the same product in Bangladesh weighted by exports and imports of each country.

<sup>b</sup> Void the value of one product (HS 851761) due to reported unusual price difference considered as an extreme value.

<sup>c</sup> Void the values of two products (HS 620419 and 621290) due to reported unusual price difference considered as extreme values.

<sup>d</sup> Void the value of one product (HS 890190) due to reported unusual price difference considered as an extreme value.

Source: United Nations Comtrade Database at <https://comtrade.un.org/>.

**Figure 7: Product Distribution of Potential Exports to Bangladesh**

HS = harmonized system.

Source: Estimated using UN Comtrade data.

## 3.2. Potential Export Products from Sri Lanka to Bhutan

The 100 products with export capacity in Sri Lanka and potential for exports to Bhutan, prepared using the methodology described in Chapter 1, are presented in Table A3.7 in Appendix 3. These 100 products are exported to the rest of the world, but have either zero or negligible exports to Bhutan. According to Table A3.7, 96 products have zero exports to Bhutan. Sri Lanka's value of exports of these products to the global market is \$171.42 million, while the value of imports of the same products to Bhutan amounts to \$63.37 million.

To further analyze the export potential of Sri Lanka, the top HS chapters with the highest number of items at a 6-digit level with zero or negligible shares of Sri Lanka's exports to Bhutan are listed in Table 4. It also includes a measure of relative unit price between Sri Lanka and Bhutan (unit import value of Bhutan/unit export value of Sri Lanka). Table 4 shows that the machinery and mechanical appliances chapter has the highest number of products (e.g., plows, stitching machines) with export potential, followed by electrical machinery and equipment (e.g., parts of electrical motors, generators, transformers), articles of iron or steel (e.g., articles of wire, iron, or steel; articles, iron or steel), and miscellaneous manufactured articles (e.g., seats with wooden frames, furniture, sanitary towels).



It also shows that, with the exception of vehicle parts (HS 87), Bhutan's import unit prices are significantly higher than Sri Lanka's export prices of the same products. This indicates that it is not price differential that hinders exports from Sri Lanka to Bhutan.

The export potential of each of these categories to Bhutan is estimated using the UN Comtrade database, graphed and given in Appendix 4. Assuming that Bhutan has import requirements similar to those in Sri Lanka's markets elsewhere, Sri Lanka's export potential of these products is estimated to be \$39.7 million with Chapter 85, electrical machinery and equipment, being the category with the highest potential.

The leading HS chapters with export potential, and Sri Lanka's shares and unit price differentials, are presented in Table 4.

**Table 4: Top 10 Harmonized System Chapters with Highest Number of Products with Export Potential to Bhutan (\$)**

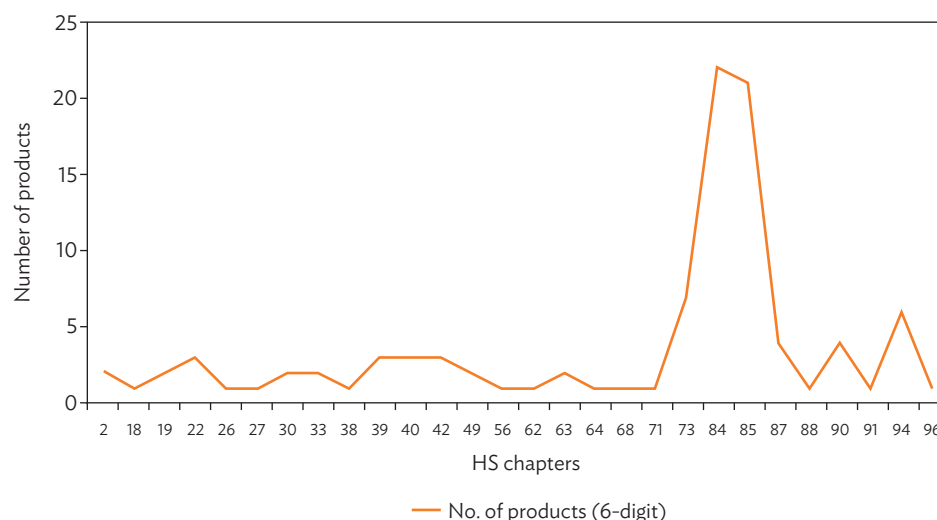
HS Chapter	Chapter title	Product No. (6-digit)	Global Export Value of X	X Share of Exports in M	Unit Price Differential <sup>a</sup>
84	Machinery and mechanical appliances	22	8,872,760.11	0.00	3.04
85 <sup>b</sup>	Electrical machinery and equipment	21	21,608,429.05	0.00	3.54
73	Articles of iron or steel	7	4,387,925.62	0.00	1.73
94-96	Miscellaneous manufactured articles	7	12,299,400.00	13.93	2.00
16-23	Prepared food	6	21,942,522.75	0.00	2.37
87	Vehicles parts	4	508,210.91	0.00	1.02
90	Optical, photographic, cinematographic, measuring, checking, precision, medical, or surgical instruments	4	26,932,042.80	0.00	2.30
39	Plastic articles	3	1,558,703.19	0.00	2.34
40	Rubber and rubber articles	3	18,090,247.00	0.00	7.72
42	Articles of leather; saddlery and harness	3	942,833.22	0.00	1.41

HS = harmonized system, M = importing country, X = country of exports.

<sup>a</sup> Export unit price of Sri Lanka/import unit price of the same product in Bhutan weighted by exports and imports of each country.

<sup>b</sup> Void the value of one product (HS 851712) due to reported unusual price deference considered as an extreme value.

Source: United Nations Comtrade Database at <https://comtrade.un.org/>.

**Figure 8: Product Distribution of Export Potential to Bhutan**

HS = harmonized system.

Source: Estimated using UN Comtrade data.

### 3.3. Potential Export Products from Sri Lanka to India

The 100 products with export capacity in Sri Lanka and potential for exports to India, prepared using the methodology described in Chapter 1, are presented in Table A3.8 in Appendix 3. These 100 products are exported to the rest of the world, but are not exported at all or exported in negligible amounts to India. According to Table A3.8, 27 products have zero share of exports to India. Sri Lanka's value of exports of these products to the global market is \$144.71 million while the value of imports of the same products to India from the rest of the world amounts to \$9.68 billion.

To further analyze the export potential of Sri Lanka, the top HS chapters with the highest number of items at 6-digit level with zero or negligible shares of Sri Lanka's exports to India are listed in Table 5. It also includes a measure of relative unit price between Sri Lanka and India (unit import value of India/unit export value of Sri Lanka).

Table 5 shows that electrical machinery and equipment chapter has the highest number of products (e.g., parts of electrical motors, generators, transformers) with export potential, followed by prepared food (e.g., beverages, biscuits, cereals), apparel and clothing, and machinery and mechanical appliances (e.g., plows, stitching machines). It also shows that the unit import prices of India are higher than Sri Lanka's export prices of most products, with the highest price differential recorded for machinery and mechanical appliances, followed by electrical machinery and equipment.

The export potential of each of these categories to India is estimated using the UN Comtrade database, graphed and given in Appendix 4. Assuming that India has import requirements similar to those in Sri Lanka's markets elsewhere, Sri Lanka's export potential of these products is estimated to be \$505 million with Chapter 85: electrical machinery and equipment, as the category with the highest potential.

The leading HS chapters with export potential, and Sri Lanka's shares and unit price differentials, are presented in Table 5.

**Table 5: Top 10 Harmonized System Chapters with Highest Number of Products with Export Potential to India (\$)**

HS Chapter	Chapter Title	Product No. (6-digit)	Global Export Value of X	X share of Exports in M	Unit Price Differential <sup>a</sup>
85	Electrical machinery and equipment	12	73,745,519.50	1.90	3.71
16-23	Prepared food	8	26,380,779.19	7.81	1.96
61-62	Apparel and clothing	8	51,503,935.25	3.11	1.03
84	Machinery and mechanical appliances	8	50,539,387.75	0.62	8.10
39	Plastic articles	7	16,208,268.81	11.49	1.45
48, 49 <sup>b</sup>	Paper and paper products	6	91,730,439.44	10.96	2.23
40	Rubber and rubber articles	5	112,703,667.63	2.60	2.21
52	Cotton fabrics and yarn	5	11,922,843.25	7.23	1.33
33	Beauty products	4	3,204,443.16	1.47	1.78
87	Vehicles parts	4	16,881,787.56	3.51	2.29

HS = Harmonized System, M = importing country, X = country of exports.

<sup>a</sup> Export unit price of Sri Lanka/import unit price of the same product in India weighted by exports and imports of each country.

<sup>b</sup> Void the value of one product (HS 490700) due to reported unusual price difference considered as an extreme value.

Source: United Nations Comtrade Database at <https://comtrade.un.org/>.

## 3.4. Potential Export Products from Sri Lanka to Maldives

The 100 products with export capacity in Sri Lanka and potential for export to Maldives, prepared using the methodology described in Chapter 1, are presented in Table A3.9 in Appendix 3. These 100 products are exported to the rest of the world. According to Table A3.9, nine products have zero share of exports to Maldives. Sri Lanka's value of exports of these products to the global market is \$10.48 million while the value of imports of the same products to Maldives amounts to \$6.58 million.

**Figure 9: Product Distribution of Export Potential to India**

HS = harmonized system.

Source: Author estimations based on UN Comtrade data.

To further analyze the export potential of Sri Lanka, the top HS chapters with the highest number of items at 6-digit level with zero or negligible shares of Sri Lanka's exports to Maldives are listed in Table 6. It also includes a measure of relative unit price between Sri Lanka and Maldives (unit import value of Maldives/unit export value of Sri Lanka). Table 6 shows that electrical machinery and equipment chapter has the highest number of products (e.g., parts of electrical motors, generators, transformers) with export potential followed by fish and crustaceans, mollusks, and other aquatic invertebrates, apparel and clothing, and machinery and mechanical appliances (e.g., plows, stitching machines).

It also shows that except for apparel and clothing (Chapters 61–62) and prepared food (Chapters 16–23), all other products' import unit prices of Maldives are significantly higher than Sri Lanka's export price of the same products. The highest price differential is recorded for machinery and mechanical appliance, followed by rubber and rubber articles.

The export potential of each of these categories to Maldives is estimated using the UN Comtrade database, graphed and given in Appendix 4. Assuming that Maldives has import requirements similar to those in the Sri Lankan markets elsewhere, Sri Lanka's export potential of these products is estimated to be \$73.407 million with Chapter 88: aircraft, spacecraft, and parts thereof being the category with the highest potential.

The leading HS chapters with export potential, and Sri Lanka's shares and unit price differentials, are presented in Table 6.

**Table 6: Top 10 Harmonized System Chapters with Highest Number of Products with Export Potential to Maldives (\$)**

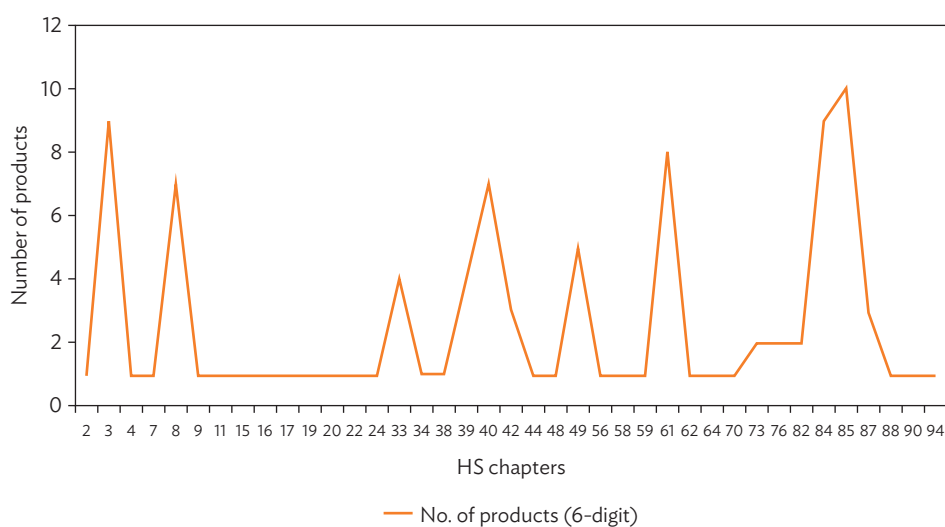
HS Chapter	Chapter Title	Product No. (6-digit)	Global Export Value of X	X Share of Exports in M	Unit Price Differential <sup>a</sup>
85	Electrical machinery and equipment	10	9,245,164.25	16.93	2.06
03	Fish and crustaceans, mollusks, and other aquatic invertebrates	9	40,200,915.50	52.27	1.49
61-62	Apparel and clothing	9	649,025,712.50	4.23	0.83
84	Machinery and mechanical appliances	9	44,935,907.63	4.95	3.73
08	Edible fruit and nuts	7	43,143,162.75	5.92	2.32
40	Rubber and rubber articles	7	105,058,017.50	27.08	2.67
48, 49	Paper and paper products	6	9,529,536.25	47.32	2.39
16-23	Prepared food	5	3,893,441.00	20.86	0.92
33	Beauty products	4	5,187,108.25	9.98	1.17
39	Plastic articles	4	9799575.25	14.66	1.09

HS = harmonized system, M = importing country, X = country of exports..

<sup>a</sup> Export unit price of Sri Lanka/import unit price of the same product in Maldives weighted by exports and imports of each country.

Source: United Nations Comtrade Database at <https://comtrade.un.org/>.

**Figure 10: Product Distribution of Export Potential to Maldives**



HS = harmonized system.

Source: Estimated using UN Comtrade data.

### 3.5. Potential Export Products from Sri Lanka to Nepal

The 100 products with export capacity in Sri Lanka and potential for export to Nepal, prepared using the methodology described in Chapter 1, are presented in Table A3.10 in Appendix 3. These 100 products are exported to the rest of the world. According to Table A3.10, 84 products have zero share of exports to Nepal. Sri Lanka's value of exports of these products to the global market is \$737.85 million, while the value of imports of the same products to Nepal amounts to \$1.33 billion.

To further analyze the export potential of Sri Lanka, the top HS chapters with the highest number of items at 6-digit level with zero or negligible shares of Sri Lanka's exports to Nepal are listed in Table 7. It also includes a measure of relative unit price between Sri Lanka and Nepal (unit import value of Nepal/unit export value of Sri Lanka). Table 7 shows that the machinery and mechanical appliances chapter has the highest number of products (e.g., parts of dishwashing, cleaning, or drying container, packing or wrapping machine) with export potential, followed by electrical machinery and equipment (e.g., parts of electrical motors, generators, transformers), vehicle parts and apparel and clothing.

It also shows that except for apparel and clothing (Chapters 61–62) and optical, photographic, cinematographic (Chapter 90), the unit import prices of all of Nepal's products are higher than the Sri Lanka export price of the same products. The highest price differential is recorded for beauty products, followed by electrical machinery and equipment.

The export potential of each of these categories to Nepal is estimated using the UN Comtrade database, graphed and given in Appendix 4. Assuming that Nepal has import requirements similar to those in Sri Lanka's markets elsewhere, Sri Lanka's export potential of these products is estimated to be \$244.59 million with Chapter 27: mineral fuels, mineral oils, and products of their distillation being the category with the highest potential.

The leading HS chapters with export potential, and Sri Lanka's shares and unit price differentials, are presented in Table 7.

The values of export potential of the 100 products estimated in this chapter for each country are in Table 8. These products have export potential in both export capacity and unit export prices of Sri Lanka, but are not exported or negligible quantities are exported due to various trade barriers, in particular, NTBs of SASEC countries. Assuming that the SASEC countries have the same levels of trade barriers or import requirements as the current export destinations of Sri Lanka, the total value of export potential is \$1.2 billion compared with the current exports of \$19.7 million.

**Table 7: Top 9 Harmonized System Chapters with Highest Number of Products with Export Potential to Nepal (\$)**

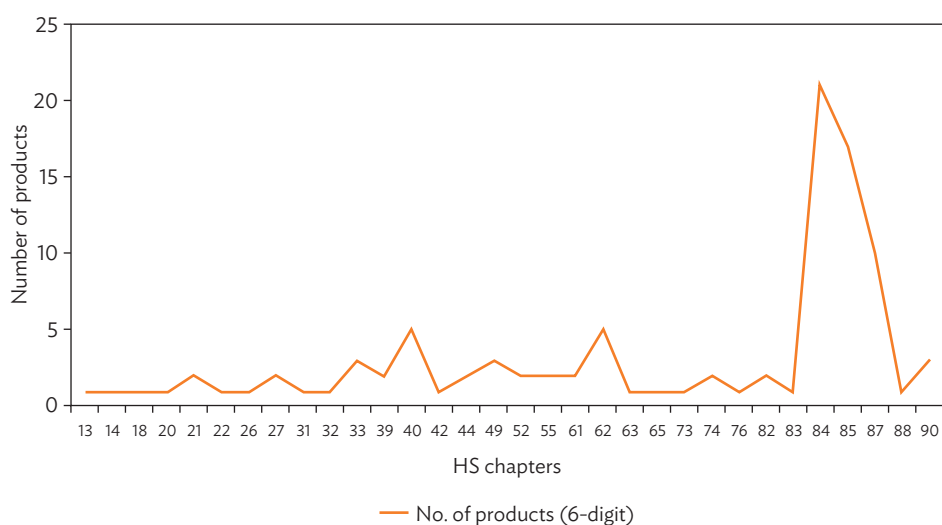
HS Chapter	Chapter Title	Product No. (6-digit)	Global Export Value of X	X Share of Exports in M	Unit Price Differential <sup>a</sup>
84	Machinery and mechanical appliances	21	8,916,288.06	1.56	1.23
85	Electrical machinery and equipment	17	70,836,229.47	4.60	2.27
87	Vehicles parts	10	7,976,323.69	0.00	1.36
61-62	Apparel and clothing	7	492,582,878.00	0.00	0.58
16-23	Prepared food	5	56,413,452.73	0.27	2.02
40	Rubber and rubber articles	5	398,246,965.50	0.99	1.44
33	Beauty products	3	2,031,343.16	0.23	2.62
49	Paper products	3	5,975,388.50	0.10	2.24
90	Optical, photographic, cinematographic, measuring, checking, precision, medical, or surgical instruments	3	1,175,239.67	0.00	0.97

HS = harmonized system, M = importing country, X = country of exports.

<sup>a</sup> Export unit price of Sri Lanka/import unit price of the same product in Nepal weighted by exports and imports of each country.

Source: United Nations Comtrade Database at <https://comtrade.un.org/>.

**Figure 11: Product Distribution of Export Potential to Nepal**



HS = harmonized system.

Source: Estimated using UN Comtrade data.

**Table 8: Sri Lanka's Exports to SASEC Countries in 2016 with Potential Exports**

Country	Sri Lanka's Exports (\$ '000)	Sri Lanka's Potential Exports (\$ '000)
Bangladesh	5,188	375,815
Bhutan	28	39,747
India	11,181	505,256
Maldives	2,870	73,407
Nepal	421	244,593
Total	19,688	1,238,818

Source: Calculated using UN Comtrade data.



# Chapter 4

## Overview of Sanitary and Phytosanitary Measures and Technical Barriers to Trade in Sri Lanka

### 4.1. The Sanitary and Phytosanitary Scenario

Sri Lanka is a signatory to the Sanitary and Phytosanitary Agreement (SPS) of WTO which came into force in 1995. It legalizes the use of SPS measures for protecting health of human life, animals, and plants without restricting trade between countries. For the purpose of the SPS Agreement, sanitary and phytosanitary measures are defined as any measures applied:

- (i) To protect human or animal life from risks arising from additives, contaminants, toxins, or disease-causing organisms in their food;
- (ii) To protect human life from plant- or animal-carried diseases;
- (iii) To protect animal or plant life from pests, diseases, or disease-causing organisms; and
- (iv) To prevent or limit other damage to a country from the entry, establishment, or spread of pests.

These include sanitary and phytosanitary measures taken to protect the health of fish and wild fauna, as well as of forests and wild flora.<sup>13</sup> The SPS measures used primarily to ensure food safety and protect health of animals and plants are developed using international standards and practices and, in case of measures developed nationally, countries are required to show they are based on scientific evidence. The SPS measures are part of nontariff measures (NTMs) and if they are used for any trade restrictive purposes, they become nontariff barriers (NTBs). The use of the SPS measures for their intended purpose without restricting trade unnecessarily depends on three major infrastructures in a country:

- (i) legal structure,
- (ii) institutional framework, and
- (iii) SPS-related infrastructure.

These three types of infrastructure in the context of Sri Lanka are presented below with a view to giving context to the analysis of identification of potential products not exported currently to SASEC countries due to NTBs in the form of SPS measures in both Sri Lanka and other SASEC countries. This chapter also gives an account of existing gaps in SPS infrastructure compared with international practices.

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<sup>13</sup> WTO webpage on the SPS Agreement: [https://www.wto.org/english/tratop\\_e/sps\\_e/spsund\\_e.htm](https://www.wto.org/english/tratop_e/sps_e/spsund_e.htm).

### 4.1.1. Legal Structure

There are a number of legislations covering various aspects of SPS in the areas of food safety and quality, protection of animals, and protection of plants, of which major acts are reported in Table 9. Sri Lanka's SPS legislation can be grouped into four major categories. First is the food safety under Food Act of 1980 managed by the Food Control Administration Unit (FCAU) of the Ministry of Health and implemented under the purview of the Food Advisory. The Act as well as various regulations, notices, and amendments, are published in the document on Food Act and Regulations of Sri Lanka.<sup>14</sup> There are 18 regulations issued from 1980 to 2017 on various aspects of food safety, including on standards, preservatives, and labeling, packaging, primarily on imports and domestic consumption. The major import requirements under the Food Act are to make sure the imported food complies with local regulations (e.g., formaldehyde level of fish, labeling and advertising, iodized salt regulations, and others).

Second, various other legislation, including on plant and animal protection, have also some role in food safety, though they are not formally integrated. Under the Plant Protection Act No. 35, 1999 and related Acts, some products, including fruits, are under import licensing and some are banned. For both export and import, a Phytosanitary certificate is required. There are also food-related export legislations on tea and coconut, as well as fish. The main legislation on plants is the Plant Protection Act 35 of 1999, supported by various other acts on seeds, pesticides, and diseases. The third category is the animal health and production regulated primarily by the Animal Act of 1956 and Animal Disease Act of 1992. Under the Act, import of poultry by-products into Sri Lanka could be allowed, subject to: (i) country of origin-importation of poultry by-products will only be allowed from countries officially declared as free from Highly Pathogenic Avian Influenza; (ii) processing facility: the processing facility of the product should be under the supervision of the government veterinary authority of the exporting country and, be registered for export purposes; (iii) processing method: all poultry by-products intended for export to Sri Lanka should be properly washed, cleaned, and subjected to relevant treatments to inactivate avian influenza viruses and other infectious agents; and (iv) post-contamination precautions should be taken to prevent contamination of the product with pathogenic agents, after processing. In certain cases, such as importation of sausages, a prior approval is required.<sup>15</sup> The last is a set of legislation on environmental protection primarily targeting domestic environmental issues.

The following gaps were identified through the review of current legislation and stakeholder consultations:

- (i) Outdated regulations. Almost all legislations were formulated at least 25 years ago and have not been reviewed and updated since then. For example, the Food Act No. 26 of 1980 was enacted 35 years ago and was not reviewed or updated to take into account recent developments of food safety quality and technology, which is likely to be an impediment to trade.

<sup>14</sup> FCAU. Ministry of Health. 1980.

<sup>15</sup> Department of Animal Production and Health.

- (ii) Failure to issue regulations due to lack of human and institutional capacities. For example, though the Plant Protection Ordinance of 1924 was replaced by 165/2 of 1981, the list of prohibited items under the old act remains unchanged.
- (iii) Poor design of regulations. Due to poor assessment of impact based on analysis and consultation, some legislation leads to counterproductive outcomes. One example is the rules and guidelines on importation of vegetable seeds issued by the Horticultural Crops Research and development Institute of Department of Agriculture which is claimed to create monopolies restricting the choice of supply of seeds and varieties.<sup>16</sup>
- (iv) Lack of consistency and overlapping legislations. As legislation was formulated in isolation, there is no congruence and recognition among various SPS-related acts. For example, the Consumer Affairs Authority (CAA) developed some regulations which encountered food safety issues.
- (v) The food-related legislation has not adequately addressed certain areas of concern.

**Table 9: Major Sanitary and Phytosanitary Regulations in Sri Lanka**

Legislation	Regulatory Agency	Purpose of the Act	Gaps or Limitations
Food Act 1980	Ministry of Health	To regulate and control the manufacture, importation, and sale of food and to establish a Food Advisory Committee	<ul style="list-style-type: none"> <li>– Not revised to take into account latest developments for 35 years (currently being revised).</li> <li>– Act applies only to any food.</li> <li>– The regulations under the Act do not address some of the key general food safety requirements, including safety and processing aids, maximum residue limits (MRLs) for pesticides and veterinary drugs and maximum levels for environmental contaminants.</li> <li>– There is no formal link between this Act and the legislation dealing with the other parts of the food chain, such as fisheries and animal health and products.</li> <li>– Overlap between food regulations under the Food Act and others, such as those under the Control of Export and Import Control Act.</li> <li>– No horizontal standards applying to all imports.</li> <li>– Analysis only from a few approved laboratories. Certain parameters cannot be tested in their approved laboratories (e.g., pesticide residues, MRL).</li> <li>– Use or recognition of reports issued by accredited laboratories is not addressed.</li> </ul>

*continued on next page*

<sup>16</sup> Verite Research. 'Sri Lanka's Domestic Barriers to Trade: Case Studies of Agricultural Exports'. 2017. See [www.veriteresearch.org/publication/sri-lankas-domestic-barriers-to-trade/](http://www.veriteresearch.org/publication/sri-lankas-domestic-barriers-to-trade/).

Table 9 continued

Legislation	Regulatory Agency	Purpose of the Act	Gaps or Limitations
National Medicines Regulatory Authority Act, No. 5 of 2015	NMRA, Ministry of Health	To regulate and control, manufacture, importation, registration, licensing, and sale of medicines and medical devices	– Cosmetics are not covered under NMRA.
Plant Protection Act No. 35, 1999	National Plant Quarantine service, Department of Agriculture (DOA)	To make provision against the introduction into Sri Lanka and spreading therein, of any organism harmful to, or injurious to, or destructive of plants and for the sanitation of plants in Sri Lanka	– Though there is a need for new regulations, already drafted regulations are not finalized.
Seed Act No. 22, 2003	DOA	To regulate the quality of seed and planting materials	
Control of Pesticide Act No. 33, 1980	Pesticide Registrar Office, DOA	Licensing of pesticides, regulating of import, packing, labeling, storage, transport, sale, and use thereof	– MRLs in production are not formulated under the Act.
Coconut Development Authority Act 1987 (based on original Act 46 of 1971)	Coconut Development Authority, Ministry of Plantation Industries	To provide for development and regulation of coconut industry and utilization of land	
Sri Lanka Tea Board Act, 1975	Sri Lanka Tea Board	To provide for development and regulation of tea industry	
EDB Act and Gazette notification	National Organic Control Unit, EDB	Competent authority for organic products, farming, processing, exports and imports	– Not functioning yet.
Regulation of Fertilizer Act No. 68, 1988	National Fertilizer Secretariat	To regulate the importation, manufacture, and distribution of fertilizer	
Animals Act 1958 and amendments	Department of Animal Production and Health	To regulate animal health, and production and importation	– Being amended.
Animal Diseases Act, 1992	Department of Animal Production and Health	To provide for control of animal diseases, importation and exportation of animals and animal products and veterinary products	<ul style="list-style-type: none"> <li>– The Act does not give authority to the department to approve imports directly. It can only make recommendations.</li> <li>– In the case of noncompliance of imports, the Act does give decision-making power to the department.</li> <li>– No regulations specifying veterinary drug and pesticide MRLs in food of animal origin under Act also being amended.</li> </ul>

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Table 9 continued

Legislation	Regulatory Agency	Purpose of the Act	Gaps or Limitations
Animal Feed Act, 1986	Department of Animal Production and Health	To regulate, supervise and control of manufacture, sale and distribution of animal feed	– Being amended.
Fisheries and Aquatic Resources Act No. 2, 1996	Department of Fisheries	The management, regulation, conservation, and development of fisheries and aquatic resources in Sri Lanka	– The primary purpose of this Act is to ensure safety and quality of fisheries exports to the European Union, but regulations under this Act do not apply to domestic consumption.
Forest Ordinance No. 16, 1907 and 65 of 2009	Forest Department	Conservation, protection, and sustainable development of forest resources	
Imports and Exports (Control) Act, 1969	Import and Export Control Department	To provide for control of importation and exportation of goods and regulation of exports	
Consumer Affairs Authority	Ministry of Industry and Commerce	To control abusive trade practices and promotes consumer education and competition	

EDB = Export Development Board, NMRA = National Medicines Regulatory Authority.

a Food and Agriculture Organization of the United Nations, *Review of the Food Safety Control System in Sri Lanka*. 2016.

Sources: Published documents.

## 4.1.2. Institutional Framework

The major regulatory agencies dealing with various aspects of SPS and their functions are listed in Table 9. The roles of some of these are described below while the functions of others, including the Sri Lanka Standard Institution (SLSI) are explained in section 4.2 below.

### ***Sri Lanka Accreditation Board***

The Sri Lanka Accreditation Board (SLAB) for Conformity Assessment is the National Accreditation Authority for Sri Lanka. The SLAB was established under Act No. 32 of 2005. The board functions as an autonomous body under the purview of the Ministry of Science, Technology and Research.<sup>17</sup> The SLAB conducts four accreditation schemes. Their purpose is to allow public and private sector bodies, once the SLAB has assessed them for competence and credibility, to perform the necessary conformity assessment for the different regulatory authorities.

The SLAB is a full member of the Asia Pacific Laboratory Accreditation Corporation (APLAC) and is a signatory to the APLAC's Mutual Recognition Agreement (MRA, since December 2009), which covers testing laboratories (International Organization

<sup>17</sup> SLAB online information: <http://www.slalab.lk/#->.

for Standardization or ISO/IEC 17025), medical laboratories (ISO 15189), calibration laboratories (ISO/IEC 17025), and inspection bodies (ISO/IEC 17020). The APLAC is a cooperation of accreditation bodies in the Asia and Pacific region that accredit laboratories, inspection bodies, and reference material producers. Accreditation bodies in 24 economies in the region are members of APLAC. The SLAB is also a full member of the International Laboratory Accreditation Cooperation (ILAC), and a signatory to ILAC's MRA (also since December 2009). The ILAC MRA covers testing laboratories, including medical testing laboratories, calibration laboratories, and inspection bodies. The SLAB also has full membership status in the Pacific Accreditation Council (PAC), an association of accreditation bodies whose objective is to facilitate trade and commerce. SLAB has been admitted to PAC Multilateral Recognition Agreement (MLA) for accreditation of system (Environmental Management System, Quality Management System, FSMS) certification, product certification and greenhouse gas validation and verification bodies among economies in the Asia and Pacific region by promoting the international acceptance of the accreditations granted by its members. The SLAB is also a member of the International Accreditation Forum (IAF) and was admitted to the IAF MLA for system certification and product certification.

### ***Food Control Administration Unit***

Food Act, No. 26 of 1980,<sup>18</sup> as amended by Food (Amendment) Act, No. 20, of the 1991, as amended by Food (Amendment) Act, No. 29, of 2011: an Act to regulate and control the manufacture, importation, sale, and distribution of food, to establish a food advisory committee, to repeal the Food and Drugs Act of 1949, and to provide for matters connected therewith or incidental thereto. Under this Act a number of food regulations were issued and have become technical regulations.

### ***Department of Import and Export Control***

The Department of Import and Export Control was established in 1969 by the Imports and Exports Control Act No. 1 of 1969, with the objective of control of the importation and exportation in the country.<sup>19</sup> The present role of the department has shifted from the being a controlling mechanism to a regulatory approach and with a future perspective of guardian of the country in international trade, while promoting and facilitating the country's international trade integration. The government's development policy spells out its intention that the need to expand and improve international trade in line with safeguarding the public and environment of the country. Accordingly, the Department of Import and Export Control has been working in a more dynamic manner to play its role as the regulator, facilitator, and the standards setter in the external trade of Sri Lanka.

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<sup>18</sup> Details of Food Act, No. 26 of 1980: <http://203.94.76.60/FOODWEB/files/regulations.html>.

<sup>19</sup> Details of the Department of Import and Export controls: <http://www.customs.gov.lk/public/uploads/dopls/DOPL467.pdf>.

### **Consumer Affairs Authority**

The Consumer Affairs Authority (CAA) was established under CAA Act No. 9 of 2003 which administers the main law regulating competition policy in Sri Lanka.<sup>20</sup> The Act, which went into force in March 2003, repealed the Fair Trading Commission Act No. 1 of 1987, the Consumer Protection Act No. 1 of 1979, and the Control of Prices Act (Cap 173). It covers competition policy, price regulation, and consumer protection.

Although the CAA Act covers both competition and consumer affairs, it is more comprehensive in consumer affairs, and the competition provisions of the Act are limited. The CAA is mandated to protect consumers against unfair trade practices and against the marketing of goods or the provision of services that are hazardous to the life and property of consumers. The CAA has the right to take necessary action to protect consumers against manufacturers and traders in respect of labeling, price marking, packaging, sale, or manufacture of any goods, and may issue general directions on these areas. The CAA may also determine standards and specifications relating to the production, manufacture, supply, transport, and sale of any goods and to the supply of any services, for the purpose of protecting consumers and ensuring the quality of the goods or services provided. In this respect, the CAA may adopt standards and specifications prescribed by the SLSI as standards and specifications determined under the CAA Act. It may also determine the “specific goods” that are essential for the living and place such goods under price regulation for the wellbeing of consumers.

Table 9 also provides the shortcomings of the current institutional structure, which are summarized below.

- (i) **Weak coordination among regulatory authorities.** As there is overlap between functions of different agencies, there should be effective coordination among agencies to minimize the procedural costs on exporters and importers. For example, seafood exporters have complained of significant delays in obtaining the Health Certificate due to lack of coordination between the National Aquatic Resources Research and Development Agency (NARA) and Department of Fisheries and Aquatic Resources (DFAR), which issues certificates based on the test reports issued by NARA.<sup>21</sup>
- (ii) **Duplication of functions.** According to consultations with traders, the research team found that they have to go through clearance by a number of institutions, in particular, with regard to exports of food. Such instances are reported in the case of perishable products where tests are conducted by customs, airport authorities, and the quarantine office. Similar cases have been reported by the importers of meat where they have to get clearance from both the Ministry of Health and Ministry of Agriculture.
- (iii) **Lack of institutional and human resources.** Consultations with the regulatory authorities point to the fact that the implementation of their work programs are constrained by lack of institutional and human capacities. For instance, it was

<sup>20</sup> Consumer Affairs online information. <http://www.consumeraffairs.gov.lk/aboutus.php>.

<sup>21</sup> Verite Research. 2017.

reported that the absence of legal drafting facilities has delayed the issuance of technical regulations on food safety-related standards.

- (iv) **Lack of information.** As shown in Table 9, there are significant information gaps, in particular, related to import and export restrictions.

**Table 10: Sanitary and Phytosanitary Institutional Structure**

Regulatory Body	Functions	Limitations
Sri Lanka Accreditation Board (SLAB)	<ul style="list-style-type: none"> <li>– National accreditation body</li> <li>– Accreditation of food laboratories, auditors, inspectors, and others</li> </ul>	<ul style="list-style-type: none"> <li>– The role of SLAB is not recognized in major acts including the Food Act.</li> <li>– Regulations and technical regulations do not have provisions to use results of accredited conformity assessment bodies for taking technical decisions for the effective implementation of regulations.</li> <li>– Proposals approved by the Cabinet of Ministers for making accreditation mandatory for taking technical decisions are not fully implemented by the regulatory bodies.</li> </ul>
Sri Lanka Standards Institution (SLSI)	<ul style="list-style-type: none"> <li>– National standard forming body</li> <li>– TBT notifications to WTO</li> <li>– WTO and TBT national inquiry point</li> <li>– ISO member body</li> <li>– Develops standards for food products on request</li> </ul>	<ul style="list-style-type: none"> <li>– SLSI is a national standard formulating body for Sri Lanka.</li> <li>– Shortage of institutional facilities.</li> </ul>
Food Control Administration Unit (FCAU) of Ministry of Health	<ul style="list-style-type: none"> <li>– SPS inquiry point</li> <li>– Management of food safety under Food Act</li> <li>– FCAU adapted 101 mandatory food standards developed by SLSI</li> </ul>	<ul style="list-style-type: none"> <li>– Most of these food standards are based on Codex and quality and compositional parameters with a reference to some food safety issues in some cases (Our food standards are based on Codex)</li> <li>– Due to inconsistency between legislations under various acts, there are significant overlaps among the functions of various institutions.</li> <li>– Lack of intersectional coordination</li> <li>– Lack of required laboratory facilities for high-end testing.</li> <li>– Procedural delays in import systems (should introduce rapid test kits).</li> <li>– Inadequate staff for domestic food control actions.</li> </ul>

*continued on next page*



Table 10 continued

Regulatory Body	Functions	Limitations
National Plant Quarantine Service of Ministry of Agriculture	<ul style="list-style-type: none"> <li>– Prevention of entry, establishment, and spread of plant pest and disease to the country through imports</li> <li>– Phytosanitary certification of local plant and plant product exports</li> </ul>	–
Department of Animal Production and Health	<ul style="list-style-type: none"> <li>– Responsible for providing technical leadership to the livestock Industry and its stakeholders in Sri Lanka</li> </ul>	<ul style="list-style-type: none"> <li>– Some areas are not addressed in legal backup, such as in Animal Disease Act No. 590, 1992 (e.g., poultry processing establishments).</li> </ul>
Tea Board	<ul style="list-style-type: none"> <li>– The objectives of the Tea Board under this act are development of the tea industry in Sri Lanka and promotion of Ceylon tea globally</li> </ul>	
Coconut Development Board	<ul style="list-style-type: none"> <li>– Functions to develop the coconut industry, to become commercially viable and sustainable in the long term</li> </ul>	
Fisheries Department	<ul style="list-style-type: none"> <li>– Fish Products (Export) Regulations, 1998</li> <li>– Export and Import of Live Fish, Regulations, 1988</li> <li>– Fish Processing Establishments Regulations, 1998</li> <li>– Aquaculture (Monitoring of Residues) Regulation, 2002</li> </ul>	
Consumer Affairs Authority	<ul style="list-style-type: none"> <li>– Looks after consumer protection and general requirements for labeling</li> </ul>	
Department of Exports and Imports Control	<ul style="list-style-type: none"> <li>– Controls and licenses imports and exports</li> <li>– Formulates gazette notifications on food regulations</li> <li>– Ensures all imports comply with the specifications in specified SLSI standards</li> </ul>	
Department of Customs	<ul style="list-style-type: none"> <li>– Makes sure requirements of above institutions are met at the border</li> </ul>	

ISO = International Organization for Standardization, SPS = sanitary and phytosanitary, TBT = technical barriers to trade, WTO = World Trade Organization.

Note: Food and Agriculture Organization of the United Nation, *Review of the Food Safety Control System in Sri Lanka*. 2016.

Sources: Prepared using the cited government agencies and their web pages.

**Table 11: Gaps in Information on Regulatory Structure**

Department	Functional Contact Point	Up-to-Date Application Form	Time Taken	Fees	Restriction or Prohibition	Procedures
National Plant Quarantine Service	x	□	□	x	x	□
Forest Department	□	x	□	x	x	□
Department of Fisheries	x	x	x	x	x	□
Seed Certification and Plant Protection Center	x	□	x	x	x	x
National Fertilizer Secretariat	x	x	x	x	x	x
Registrar of Pesticides	x	□	x	x	x	x
Department of Import and Export Control	□	□	□	□	□	□

Source: Verite Research. 2017.

### 4.1.3. Infrastructure Facilities

To conduct conformity assessment, risk analysis, inspection, and release of consignments of exports and imports efficiently with low costs, adequate infrastructure, including premises, measurement equipment, information technology (IT) equipment, and, in particular, laboratory facilities with modern equipment are needed. The issues exporters face in foreign markets reveal that the numbers and capacities of laboratories in Sri Lanka are not adequate to satisfy the demand.

The list of major laboratories and their capacities for food testing are given in Table 12. These official laboratories operate under various government agencies, such as the Ministry of Health, some assisted by the government, such as SLSI and private laboratories that are listed in Table 12. A major problem facing Sri Lanka's exporters is the lack of capacity to conduct sophisticated tests and they have to go to third countries such as Singapore for such testing.

The status of accreditation of conformity assessment bodies is listed in Table 13. Though Sri Lanka has a relatively large number of laboratories, they are accredited only for a few testing methods, such as system certification. One example in the area of seafood is the nonavailability of accredited testing facilities for the confirmatory testing of antibiotic residues including metabolites. There is also a shortage of trained staff and laboratory facilities for systematic sensory evaluation. This situation poses serious problems for exporters who face NTBs by border agencies in other countries who seek test reports from accredited laboratories of Sri Lanka.

Table 12: Food Testing Laboratories in Sri Lanka

Name of Laboratory	Role in Food Controls	Main Equipment Capability	Accreditation Status
Government Analyst Department, Colombo	– Notifies laboratory for regulatory purpose testing	– Spectrophotometer, HPLC – LCMS, GCMS, GC, AAS, – ICPMS – Only chemical tests	Accredited
City Analyst, Colombo	– Notifies laboratory for regulatory purpose testing	– Spectrophotometer, HPLC, – GC, AAS – Only chemical tests	Not accredited
City Microbiologist, Colombo	– Notifies laboratory for regulatory purpose testing	– Microbiology equipment – Microbiological testing	Not accredited
City Analyst, Kandy	– Notifies laboratory for regulatory purpose testing	– Spectrophotometer and microbiology equipment – Chemical and microbiological tests	Not accredited
NIHS, Kalutara	– Notifies laboratory for regulatory purpose testing	– Spectrophotometer and microbiology equipment – Chemical and microbiological tests	Not accredited
Department of Health, Anuradhapura	– Authorized laboratory for regulatory purpose testing	– Spectrophotometer and microbiology equipment – Chemical and microbiological tests	Not accredited
Provincial Laboratory, Kurunegala	– Notifies laboratory for regulatory purpose testing	– Proximate analysis – Chemical tests	Not accredited
Medical Research Institute, Colombo	– Notifies laboratory for testing of food and packaged water	– Microbiological testing	Not accredited
National Aquatic Resources Research and Development Agency, Colombo	– Notifies laboratory for testing of fish and aquaculture products	– Spectrophotometer, HPLC, GC, AAS, and microbiology equipment – Chemical including veterinary drug residues and microbiological tests	Accredited
University of Peradeniya	– Testing residues of veterinary drugs	– HPLC	Accredited
Industrial Technology Institute, Colombo	– Tests for imports and exports requirements. – Sometimes used for testing of regulatory samples under the Food Act – Tests samples for industries	– Spectrophotometer, HPLC, GC, GCMS, AAS, LCPMS – ICPMS – Microbiology equipment – Chemical and microbiological testing of food and water. Also, calibration service provider	Accredited for testing and calibration services

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Table 12 continued

Name of Laboratory	Role in Food Controls	Main Equipment Capability	Accreditation Status
SLSI	<ul style="list-style-type: none"> <li>Tests samples for its certification scheme</li> <li>Tests for imports and exports requirements</li> <li>Sometimes used for testing of regulatory samples under the Food Act</li> <li>Import inspection</li> <li>Product certification</li> <li>System certification</li> </ul>	<ul style="list-style-type: none"> <li>HPLC, Spectrophotometer</li> </ul>	<ul style="list-style-type: none"> <li>Accredited for testing and calibration services</li> <li>Inspection and product certification activities are not accredited</li> </ul>
ROP (Pesticide)	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>GC, HPLC</li> <li>Chemical testing of pesticides as requirement of ROP Act</li> </ul>	Accredited
CDA laboratory	<ul style="list-style-type: none"> <li>Testing of coconut products under CDA Act</li> </ul>	<ul style="list-style-type: none"> <li>HPLC, Spectrophotometer; and microbiological testing</li> <li>Chemical and microbiological tests</li> </ul>	Accredited
Sri Lanka Tea Board	<ul style="list-style-type: none"> <li>Testing of tea under Sri Lanka Tea Board Law</li> <li>Good Manufacturing Practices Certification</li> <li>Tea Inspection Scheme</li> </ul>	<ul style="list-style-type: none"> <li>GC, AAS, Spectrophotometer and microbiological testing</li> <li>Chemical and microbiological tests</li> </ul>	<ul style="list-style-type: none"> <li>Testing activities are accredited</li> <li>Inspection and GMP schemes are not accredited</li> </ul>

AAS = atomic absorption spectroscopy, CDA = Coconut Development Authority, GC = gas chromatography, GCMS = gas chromatography mass spectrometry, GMP = good manufacturing practices, HPLC = high performance liquid chromatography, ICPMS = inductively coupled plasma mass spectrometry, LCMS = liquid chromatography mass spectrometry, NIHS = National Institute of Health Sciences, ROP = Registrar of Pesticides, SLSI = Sri Lanka Standards Institution.

Source: Food and Agriculture Organization of the United Nations. 2016. *Review of the Food Safety Control System in Sri Lanka*.

Table 13: Sri Lanka Accreditation Board Accreditation, 2017 Status

Accreditation Scheme	Number of Accredited CABs	Number of Applicants
Testing laboratories	63	15
Medical laboratories	18	2
Calibration laboratories GLP	6	2 1
Inspection bodies	1	1
Personnel certification bodies	1	None
System certification bodies	3 (QMS, EMS, and FSMS)	2 (QMS) 01 (EMS, FSMS, OHSAS)
Products certification bodies	1	1
Greenhouse gas validation or verification bodies	2	None/4

CAB = Conformity Assessment Board, EMS = Environmental Management System, FSMS = Food Safety Management System, GLP = good laboratory practice, OHSAS = Occupational Health and Safety Authority, QMS = Quality Management System.

Source: Sri Lanka Accreditation Board.

Overall conclusion with respect to institutional infrastructure based on the analysis in this section is that there is a need to invest more in physical facilities, such as laboratories, as well as soft facilities, such as capacity building, training, and knowledge management.

Tables A7.1 and A7.2 in Appendix 7 show the international recognition of SLAB accreditation, and the status and list of food testing laboratories in Sri Lanka.

#### **4.1.4. Gaps in the Sanitary and Phytosanitary Legislation and Practices Compared with International Best Practices**

The preceding analysis shows various legal, institutional, and infrastructure gaps in the current SPS scenario of Sri Lanka, summarized in Table 14.

## **4.2. The Technical Barriers to Trade Scenario**

As a founding member of the WTO, Sri Lanka is a signatory to the Technical Barriers to Trade Agreement (TBT) of the WTO which came into force in 1995 with the establishment of the WTO. TBT measures include product standards, technical regulations and testing, certification, and other procedures involved in determining whether products conform to standards and technical regulations.

The main purpose of the TBT Agreement is to ensure that technical regulations, standards, and conformity assessment procedures do not create unnecessary obstacles to international trade. For this purpose, technical regulations should not be more trade-restrictive than necessary to fulfill a legitimate objective, taking account of the risks non-fulfillment would create. The legitimate objectives under the TBT agreement are, inter alia: national security requirements; the prevention of deceptive practices; protection of human health or safety, animal or plant life or health, or the environment.<sup>22</sup> The obligation to avoid unnecessary obstacles to trade applies also to conformity assessment procedures. An unnecessary obstacle to trade could result from stricter or more time-consuming procedures than are necessary to assess that a product complies with the domestic laws and regulations of the importing country.

### **4.2.1. Legal Structure**

Several pieces of legislation cover all TBT measures in Sri Lanka. TBT-related major legislation and its regulatory institutions are listed in Table 15. Based on the legislation, purposes can categorize all the legislation into several groups: (i) standards and its operations under Sri Lanka Standards Institution Act, No. 6 of 1984; (ii) consumer protection from unfair trade practices and life protection from hazards under the Consumer Affairs Authority Act (CAA Act No. 9 of 2003); (iii) food safety under Food Act, No. 26 of 1980; (iv) control of imports and exports under Imports and Exports Control

<sup>22</sup> Refer to Article 2.2 of the WTO Technical Barriers to Trade Agreement. See [https://www.wto.org/english/docs\\_e/legal\\_e/17-tbt\\_e.htm](https://www.wto.org/english/docs_e/legal_e/17-tbt_e.htm).

**Table 14: Gaps in Sanitary and Phytosanitary Infrastructure Compared with International Best Practices**

Institutional Gaps	Infrastructure Gaps	Procedural Difficulties	Deviations from International Practices
<ul style="list-style-type: none"> <li>Outdated legislation (e.g., Food Act and Control of Diseases Act was enacted 35 years ago and was not reviewed)</li> <li>Lack of intersectional coordination</li> <li>Improve, expand, and give more authority for Food Control Administration Unit to function as an independent entity under the Ministry of Health</li> </ul>	<ul style="list-style-type: none"> <li>Shortage of infrastructure (e.g., calibration laboratories)</li> <li>Lack of required laboratory facilities for high-end testing</li> <li>Inadequate staff for domestic food control actions</li> </ul>	<ul style="list-style-type: none"> <li>Overlapping of functions (e.g., clearance from both Ministry of Health and Ministry of Agriculture)</li> <li>Procedural delays in import systems (should introduce rapid test kits)</li> </ul>	<ul style="list-style-type: none"> <li>Food acts are regularly updated in other countries, e.g., New Zealand (Food Act, 2014), India (Food Safety and Standards Act, 2006)</li> <li>Roles of each regulatory agency are clearly defined (e.g., Singapore)</li> <li>Trade Information Portals are available (e.g., India, the Lao People's Democratic Republic, Thailand, Viet Nam, and Zimbabwe)</li> <li>All regulatory authorities are coordinated by one umbrella organization (e.g., People's Republic of China)</li> </ul>
Poorly designed legislation (e.g., guidelines on importation of vegetable seeds issued by the Horticultural Crops Research and Development Institute of the Department of Agriculture)	<ul style="list-style-type: none"> <li>Lack of accredited laboratories (e.g., MRI and City Analyst laboratories are not accredited)</li> <li>Some accredited laboratories are not accepted by the Food Authority.</li> </ul>	Absence of information (e.g., import and export restrictions) and trade information portal has not been established yet	
Failure to issue regulations in a timely manner (e.g., Plant Protection Ordinance of 1924 was replaced by 165/2 of 1981, but the list of prohibited items under the old act remains unchanged)	<ul style="list-style-type: none"> <li>Lack of transport facilities for the export and import inspection related to the plant quarantine</li> <li>Lack of technical training</li> <li>Insufficient office area and inspection areas at entry points</li> <li>Nonagriculture commodities are not compliant with ISPM 15</li> </ul>	Customs does not refer all the imported plants and plant products for the plant quarantine clearance	<ul style="list-style-type: none"> <li>Plant quarantine: India issues online Plant Quarantine Certificates without prior notice</li> <li>Animal quarantine: National level testing laboratories should be established for required parameters</li> </ul>
Lack of consistency (e.g., Food Act does not recognize other regulations enacted to ensure food safety in other areas of food such as animal production and plant protection)	Shortage of accredited laboratory facilities for required parameters for animal quarantine services	Legal backup does not mention the testing laboratories	
Shortage of legal draftsmen (e.g., for drafting technical regulations under the Food Act)			
Lack of coordination (e.g., between the National Aquatic Resources Research and Development Agency (NARA) and Department of Fisheries and Aquatic Resources (DFAR), which issues certificates based on the test reports issued by NARA)			

ISPM = International Standards for Phytosanitary Measures, MRI = Medical Research Institute.

Source: Prepared by the author.

Table 15: Major Technical Barriers to Trade Regulations in Sri Lanka

Legislation	Regulatory Agency	Purpose of the Act	Gaps or Limitations
Sri Lanka Standards Institution Act, No. 6 of 1984	Sri Lanka Standards Institution (SLSI)	Provides adequate powers and authority to prepare standards, promote standardization, and operate certification marks scheme	<ul style="list-style-type: none"> <li>Act is too broad and, hence, more focus for formulation and adoption of standards and adequate national standardization network are not in place</li> </ul>
The Consumer Affairs Authority Act (CAA Act No. 9 of 2003), The Act, implemented in March 2003, repealed the Fair Trading Commission Act No. 1 of 1987, the Consumer Protection Act No. 1 of 1979, and the Control of Prices Act	Consumer Affairs Authority (CAA)	Protect consumers against unfair trade practices and against the marketing of goods or the provision of services that are hazardous to the life and property of consumers. And it covers competition policy, price regulation, and consumer protection.	<ul style="list-style-type: none"> <li>CAA may not be in line with the characteristics of a New Trade Policy</li> </ul>
Food Act, No.26 of 1980, as amended by Food (Amendment) Act, No. 20, of 1991, as amended by Food (Amendment) Act, No. 29, of 2011	Ministry of Health	Regulate and control the manufacture, importation, sale, and distribution of food, to establish a food advisory committee	<ul style="list-style-type: none"> <li>Not revised to take into account the latest developments for 35 years</li> <li>Act applies only to processed food</li> <li>The regulations under the Act do not address some of the key general food safety requirements, including safety of additives and processing aids, maximum residue limits (MRLs) for pesticides and veterinary drugs and maximum levels (MLs) for environmental contaminants.</li> <li>There is no formal link between this Act and the legislation dealing with the other parts of food chain, such as fisheries and animal health and products</li> <li>Overlap between food regulations under the Food Act and other acts, such as the ones under the Control of Export and Import Control Act</li> <li>No horizontal standards apply to all imports</li> </ul>
Imports and Exports Control Act No. 1 of 1969	Department Of Import and Export Control	Control and licensing of imports and exports <ul style="list-style-type: none"> <li>Formulates Gazette notifications on food regulations</li> <li>Ensure all imports comply with the specifications in specified National standards</li> </ul>	<ul style="list-style-type: none"> <li>The Functions of the Department of Import and Export Control may not be in line with the characteristics of the New Trade Policy</li> </ul>
The Sri Lanka Accreditation Board (SLAB) Act No. 32 of 2005	SLAB	<ul style="list-style-type: none"> <li>Control of conformity assessment in the different regulatory authorities</li> </ul>	<ul style="list-style-type: none"> <li>The role of SLAB is not recognized in major acts, including the Food Act</li> </ul>
Sri Lanka Telecommunication Act no. 27 of 1996	Telecommunication Regulatory Commission	<ul style="list-style-type: none"> <li>Control and regulation of manufacture and importation of telecommunication equipment</li> </ul>	

Source: Prepared by the author.

Act No. 1 of 1969; and (v) control of the conformity assessment in the different regulatory authorities under the Sri Lanka Accreditation Board (SLAB) Act No. 32 of 2005.

Major functions of SLSI include formation of standards, conformity assessments, provision of testing laboratories, and system certification. It uses ISO/IEC Guide 2<sup>23</sup> and ISO/IEC Guide 59,<sup>24</sup> Code of Good Practice for Standardization, as the basis in formulating national standards to ensure the process of standards development is in line with the international norms. In the formulation of SLSs, the SLSI always takes into account the equivalent standards established by other countries and by international bodies, such as the ISO, IEC, ITU, and the Codex Alimentarius. Most of Sri Lanka's standards are harmonized with ISO<sup>25</sup> and IEC standards. Nonetheless, some Sri Lanka standards are not matched with international standards because respective international standards do not fulfill national needs.

The SLSI develops national standards through various technical committees (TCs) and a consultative process involving interested parties representing consumers, producers, users, public institutions, and independent technical organizations. The SLSI appoints TCs to advise in the preparation of standards. The SLSI normally gives priority to standards that facilitate internal and external trade and enhance the international competitiveness of Sri Lanka. There are 1,520 Sri Lanka standards in force, relating to products, commodities, materials, processes, and practices.<sup>26</sup> Standards are revised periodically to take into account the developments of new materials, processes, and technologies. Sri Lanka Standards are voluntary unless made compulsory under the provisions of regulatory bodies' functions in Sri Lanka such as the Consumer Affairs Authority (CAA), Department of Import and Export Control, Sustainable Energy Authority, and Food Authority. The main categories of standards are on the following:

- (i) food and agriculture,
- (ii) chemical and cosmetics products,
- (iii) textile products,
- (iv) civil engineering,
- (v) mechanical engineering,
- (vi) electrical engineering,
- (vii) electronics engineering, and
- (viii) information technology.

The SLS Marks Scheme, Sri Lanka's National Product Certification scheme, enables the SLSI, under the provisions of the Sri Lanka Standards Institution Act, to grant permits to eligible local and foreign manufacturers to use the SLS mark on their products. The SLS mark certifies that the product has been manufactured in accordance with the relevant Sri Lanka Standards specification and verified by regular inspections and tests by the SLSI. Compliance with the requirements of the specification is assured through regular monitoring of the quality assurance system, and inspections and tests by the Institution,

<sup>23</sup> ISO/IEC Guide 2:2004. Standardization and Related Activities: General Vocabulary.

<sup>24</sup> ISO/IEC Guide 59:1994. Code of Good Practice for Standardization.

<sup>25</sup> International Organization for Standardization (ISO).

<sup>26</sup> SLSI online information. <http://www.slsi.lk/about-us.php>.



and the products may, therefore, be purchased with a reasonable third-party assurance of quality.

Although product certification is essentially voluntary, the certification of 42 locally manufactured or produced products and 7 imported products are mandatory under directions issued by the Consumer Affairs Authority. Permits are valid for 3 years and may be renewed; they may be revoked if production stops for more than 6 months, if the permit holder failed to fulfill the accepted permit conditions issued along with permits or if the product does not conform to standards.

The technical regulations cover a range of products included in the Imports (Standardization and Quality Control) Regulations 2006, which must conform to the relevant Sri Lanka Standard (SLS) Specification, to be allowed for import. Sri Lanka has 124 trade-related technical regulations which the WTO has been notified of. The categories of products specified in the 2006 and 2017 Regulations include certain types of milk, milk powder, butter, certain vegetable oils, margarine, canned fish, brown sugar, biscuits, noodles, jams, fruit concentrates, some sauces, bottled water, four types of cement, some toiletries, safety matches, some polyvinyl pipes, motorcycle and bicycle tires, some types of thread, some steel products, aluminum utensils, some electrical appliances, primary and lead-acid starter batteries, compact fluorescent lamps, tungsten filament lamps, switches, plugs, miniature circuit breakers (MCBs), residual current circuit breakers (RCCBs), residual-current circuit breaker with overcurrent protection (RCBOs), cords, electric cables, electric conduits, PVC trunking, umbrellas, tiles, and porcelain ware.

The SLSI is also responsible for the elaboration and dissemination of information on technical regulations (mandatory standards). It has accepted the WTO TBT Code of Good Practice.<sup>27</sup> The Imports and Exports (Control) Act, No. 1 of 1969, as amended by Act No. 28 of 1987, specifies a list of products that must conform to the relevant SLS to be allowed to be imported.<sup>28</sup>

These goods are subject to the Import Inspection Scheme (IIS) to ensure their conformity with the relevant SLSs. For inspection purposes, goods are classified under five categories of consignments.

- (i) Category 1 consignments are accompanied by a quality certificate from an accredited overseas laboratory or an inspection agency with which SLSI has signed a memorandum of understanding.
- (ii) Category 2 consignments are accompanied by a quality certificate from the national standards body of the exporting country.
- (iii) Consignments in Category 3 are imported from a manufacturer registered with the SLSI and are accompanied by a quality certificate from the manufacturer.
- (iv) Consignments under Category 4 comprise products carrying the “certification mark” of the national standards body of the exporting country where the national

<sup>27</sup> WTO document G/TBT/CS/N/76. 7 August 1997.

<sup>28</sup> The list of mandatory standards is available on the website of the Department of Import and Export Control: <http://www.imexport.gov.lk/index.php/en/downloads/gazette.html>.

standard of the exporting country is compatible with the corresponding Sri Lanka Standard.

- (v) Consignments that do not fall into categories 1–4 are classified under Category 5. These consignments are sampled at the port and will not be released until the test report is available, or where facilities are available, the SLSI may release the goods to a customs bonded warehouse, until clearance.

Hence, goods classified under categories 1–4 carry some kind of certificate of compliance with the stipulated standard, issued by a body recognized by the SLSI. However, for Category 4 goods, if the two standards are fully compatible, a quality certificate need not be submitted. The inspection of products in these categories is done through samples drawn from the consignments, which are subject to testing either randomly or when there is a reasonable doubt regarding the quality of the consignment.

Technical regulations from trading partners are accepted as equivalent after evaluation of a declaration of conformity and a technical dossier. The certificates, tests, and inspection reports issued by conformity assessment bodies not accredited by the Sri Lanka Accreditation Board (SLAB)<sup>29</sup> may be recognized based on the equivalence of accreditation procedures, and on the basis of the technical soundness and capability of the bodies issuing the certificates.

Apart from the SLSI, the Telecommunication Regulatory Commission (TRC) sets quality regulations and technical specifications for equipment and quality of service standards.<sup>30</sup> Telecommunications equipment, including imports, requires type approval from the TRC. Provisional type approval based on sample test results is initially granted for 6 months and may be extended for another 6 months. Subject to satisfactory performance (including after-sales service), full type approval is issued, generally for 5 years. The Consumer Affairs Authority makes certain national standards as mandatory under the CAA Act to protect the consumers.

Appropriate standards and technical regulations are required to ensure the quality of both exports and imports, and their absence leads to trading of substandard products as shown in Table A7.3 in Appendix 7 which were collected from the affected companies in Sri Lanka. Complaints were received from companies regarding importation of 61 substandard products. It shows that though there are voluntary standards (SLS) and, in some cases, mandatory standards, the importation of substandard products is a major concern for local manufacturers. Among other things, one major reason could be the failure of Sri Lanka's authorities to enforce various regulations effectively.

Apart from national standards, Sri Lanka is a member of the South Asia Regional Standards Organization (SARSO) under SAARC, which is conducting a program of standards harmonization at regional level. It operates through sector committees. SARSO published its first three standards in 2017: for biscuits, refined sugar, and system standards. In addition, SARSO recently finalized some standards for *wanaspathi*,<sup>31</sup> hydrogenated vegetable fat,

<sup>29</sup> SLAB online information. <http://www.slab.lk/#->.

<sup>30</sup> TRC online information. <http://www.trc.gov.lk/>.

<sup>31</sup> A type of edible oil.

and black tea. However, member countries, including Sri Lanka, have not yet adopted any SARSO standards for implementation. In addition to harmonized standards, member countries should consider recognition of Product Certification Marks of each country (e.g., SLS of Sri Lanka), subject to assessment on compatibility of standards specifications and/or requirements.

The SLSI should consider recognition of systems certifications such, as good manufacturing practices (GMP), International Standards Organization (ISO) 22,000, Hazard Analysis and Critical Control Points (HACCP), ISO 9000, and good agriculture practices (GAP).

#### 4.2.2. Institutional Framework

The main public agencies involved in standards, technical regulations, and conformity assessment procedures in Sri Lanka are the Ministry of Science and Technology, Ministry of Industry and Trade, Ministry of Finance, Ministry of Health, and Ministry of Environment. Under these ministries, the relevant Institutions are engaged in implementing the relevant TBT legislations and measures (Table 16). Major agencies include SLSI, Consumer Affairs Authority, the Food Control Unit, Department of Import and Export Control, Sustainable Energy Authority, and Department of Commerce, some of which are described in section 4.1.

##### *Sri Lanka Standards Institution*

The Sri Lanka Standards Institution (SLSI), consisting of the Standardization, Calibration, Quality Management, and Conformity Assessments divisions, and which report to the Ministry of Science, Technology, and Research, is responsible for advising the government on issues related to standardization and quality management, and represents Sri Lanka in the International Organization for Standardization (ISO).

The SLSI is the National Standards Body of Sri Lanka, established under the Bureau of Ceylon Standards Act No. 38 of 1964 and the Sri Lanka Standards Institution Act No. 6 of 1984. Moreover, the SLSI Act provides adequate powers and authority to prepare standards, promote standardization, and to operate certification marks scheme.<sup>32</sup> The SLSI is in charge of formulating national standards, and provides services, such as certifying products and systems, inspecting imports and exports, and providing laboratory services, such as industrial measurement and calibration and testing services. Moreover, the SLSI was designated as Sri Lanka's National Inquiry Point for WTO TBT in accordance with its obligations to the agreement on TBT of the WTO, and is fully operational from the date of accession.

##### *Department of Commerce*

The Department of Commerce (DOC) is the national focal point for all WTO and WTO-related affairs in Sri Lanka, and is the central coordinating agency for all the WTO agreements through the work of 10 subcommittees.<sup>33</sup> These subcommittees, with members from other ministries, departments, institutions, and trade chambers, are also in charge of

<sup>32</sup> Sri Lanka Standards Institution Act, No. 6 of 1984.

<sup>33</sup> Department of Commerce: <http://www.doc.gov.lk/index.php?lang=en>.

drafting national legislation related to WTO issues. The DOC functions as the focal point for the joint commissions on trade and economic cooperation established under trade agreements. It performs all functions related to bilateral trade negotiations. The DOC is headed by the Director General of Commerce, and its work is carried out through four divisions: Multilateral Trade Affairs, Bilateral Trade Relations, Regional Cooperation, and Trade Promotion. The DOC is currently actively involved in protecting Sri Lanka's interests in the present Doha Round of negotiations, through representation in Geneva and through national stakeholder consultations.

**Table 16: Summary of Sri Lanka Technical Barriers to Trade Institutional Framework**

Regulatory Body	Functions	Limitations
Sri Lanka Standards Institution (SLSI)	<ul style="list-style-type: none"> <li>– National standards forming body</li> <li>– TBT notifications to World Trade Organization</li> <li>– Develops standards and nonfood products on request</li> </ul>	<ul style="list-style-type: none"> <li>– SLSI is both the standard setting agency as well as a regulatory authority</li> </ul>
Consumer Affairs Authority	<ul style="list-style-type: none"> <li>– Looks after consumer protection and general requirements for labeling</li> </ul>	–
Food Control Administration Unit (FCAU) of Ministry of Health	<ul style="list-style-type: none"> <li>– Manages food safety under Food Act</li> <li>– FCAU adopted 101 mandatory food standards developed by SLSI</li> </ul>	<ul style="list-style-type: none"> <li>– Most of these food standards are based on quality and compositional parameters with a reference to some food safety issues in some cases<sup>a</sup></li> <li>– Due to inconsistency between legislation under various Acts, there are significant overlaps among the functions of various institutions</li> <li>– Lack of intersectional coordination</li> <li>– Lack of required laboratory facilities for high-end testing</li> <li>– Procedural delays in import systems (should introduce rapid test kits)</li> <li>– Inadequate staff for domestic food control actions</li> </ul>
Controller of Exports and Imports	<ul style="list-style-type: none"> <li>– Controls and licenses imports and exports</li> <li>– Formulates Gazette notifications on food regulations</li> <li>– Ensures all imports to comply with specifications in SLSI standards</li> </ul>	
Sri Lanka Accreditation Board (SLAB)	<ul style="list-style-type: none"> <li>– National accreditation body</li> <li>– Accreditation of food laboratories, auditors, inspectors, and other entities</li> </ul>	<ul style="list-style-type: none"> <li>– The role of SLAB is not recognized in major acts, including the Food Act</li> </ul>
Measurement Units Standards and Services Department	<ul style="list-style-type: none"> <li>– Legal metrology in trade</li> </ul>	

TBT = technical barriers to trade.

<sup>a</sup> Food and Agriculture Organization of the United Nations. 2016. *Review of the Food Safety Control System in Sri Lanka*. Geneva.

Source: Prepared by the author.

### 4.2.3. Infrastructure Facilities

The SLSI or laboratories and institutions carry out testing and/or inspection in accordance with national or international standards; the SLAB accredited some of those laboratories and institutions, as discussed in section 4.1. The accreditation scheme for testing and calibration laboratories is based on ISO/IEC17025. All types of laboratories covering chemical testing, biological testing, physical and mechanical testing, and calibration are included under this scheme. The accreditation scheme for medical or clinical laboratories is based on ISO 15189, and covers clinical pathology, clinical biochemistry, hematology, microbiology and serology, histopathology, immunology, molecular biology, pharmacology, and nuclear medicine. The accreditation scheme for inspection bodies, based on ISO/IEC 17020, provides formal recognition to organizations required to conduct various types of inspections for regulatory purposes.

The scheme most relevant for international trade is the accreditation scheme for certification bodies (CBs), which covers systems and product certification, and is based on ISO/IEC 17021, and on ISO/IEC 17065. The certification provided by these CBs includes certification of Quality Management Systems, Environmental Management Systems, Food Safety Management Systems, and Occupational Health and Safety Management Systems.

In the country, there are different laboratories; some of those laboratories are accredited, but most of the laboratories are not yet accredited. Moreover, since the accredited laboratories' scope of accreditation is limited, the reports issued in these laboratories for nonaccredited tests are not recognized internationally. Hence, this places an unnecessary burden on Sri Lanka's exporters, creating trade barriers. Furthermore, the importers also face difficulties in obtaining acceptable test reports for different products.

Only six calibration laboratories are available in the country to calibrate measuring equipment, too few to handle the industry's demand. This area requires more attention as these laboratories are vital for development of the local industry as well as expansion of exports.

### 4.2.4. Gaps Comparing Current National Technical Barriers to Trade Legislation, Local Practices, and International Best Practices

The major legal, institutional, and infrastructure gaps related to the TBT scenario in Sri Lanka are in Table 17.

Table 17: Gaps in Technical Barriers to Trade Infrastructure Compared with International Best Practices

Institutional Gaps	Infrastructure Gaps	Gaps in Standards	Procedural Difficulties	Deviations from International Practices
The SLAB is not recognized in other Acts (e.g., Food Act)	Inadequate laboratory facilities (e.g., inspection of imports under technical regulations)	<ul style="list-style-type: none"> <li>Standards of importing countries are not compatible with the Sri Lanka Standards (with regard to some products), therefore, test methods are different.</li> <li>An overall assessment of existing Sri Lanka laboratories needs to be done to determine the capacity of these laboratories for conformity assessment of at least the products listed under technical regulations</li> <li>The SLSI sometimes uses other outside laboratories to obtain test reports due to lack of laboratories which is not a good practice as those laboratories are developed for students to learn techniques and may not be for commercial testing to assure product quality</li> <li>Regulatory bodies could introduce registration schemes which require uses of accredited agencies for effective implementation</li> </ul>	<ul style="list-style-type: none"> <li>Most laboratories are under different ministries and, hence, it is difficult to control and develop these laboratories to facilitate trade activities.</li> </ul>	<ul style="list-style-type: none"> <li>Best practice is to have a mechanism in the country to identify the laboratories based on competence, which are accredited to conduct relevant tests for products that fall under technical regulations, such as for testing of electrical and electronic items.</li> <li>Only those laboratories should be used to test products covered under technical regulations to provide quality-assured products to customers.</li> <li>This is one of the practices used by the European Union.</li> </ul>
The SLSI Act is narrowly designed	Act needs to be completely revised, giving more emphasis to the standards side to strengthen this area as a standards body, and all other services should be run as separate strategic business units through public-private partnerships	<ul style="list-style-type: none"> <li>A regular review of standards (at least every 3 years) with appropriate revisions is required, taking into account industry needs</li> </ul>	<ul style="list-style-type: none"> <li>The SLSI currently handles multifaceted activities and, hence, more focus is given to commercial activities than to standards development work</li> </ul>	<ul style="list-style-type: none"> <li>In view of the current increased focus on free trade agreements, standards play a vital role in importation and exportation, hence, the SLSI Act should be revised to meet new needs.</li> </ul>

continued on next page

Table 17 continued

Institutional Gaps	Infrastructure Gaps	Gaps in Standards	Procedural Difficulties	Deviations from International Practices
Shortage of human resources (e.g., in SLSI)	The SLSI should be strengthened by providing the required staff	<ul style="list-style-type: none"> <li>– Maybe due to the absence of an attractive incentive scheme based on performance and standardized salary structure, qualified and trained staff leave the organizations looking for better opportunities</li> </ul>	It is sometimes difficult to obtain approvals from the Ministry of Finance for additional staff even if justified.	<ul style="list-style-type: none"> <li>– It may be necessary to have a government policy to standardize basic salary and all additional allowances for scientific officers of the institutions, so staff retention can be managed.</li> </ul>
Measuring standards are not established having traceability to international standards	MUSSD should be given the responsibility with a time target		With the assistance of the relevant ministry, MUSSD should be tasked to manage this activity in line with international requirements	<ul style="list-style-type: none"> <li>– In the developed world, within the quality infrastructure, the works of metrology institutions (such as MUSSD in Sri Lanka) are given high priority.</li> </ul>
The national product certification mark (SLS mark) has not yet been accredited	The current scheme to be implemented effectively; laboratories in the country should be developed	<ul style="list-style-type: none"> <li>– The operational aspect of the current system needs to be revamped to make it in line with international practices.</li> </ul>		<ul style="list-style-type: none"> <li>– In other parts of the world, product certification schemes are well developed.</li> <li>– The SLS mark is misused and needs to be protected; a proper surveillance scheme should be developed.</li> <li>– Efforts should be made to make SLS marks internationally accepted by making the scheme an accredited one.</li> </ul>

MUSSD = Measurement Units Standards and Services Department, SLAB = Sri Lanka Accreditation Board, SLS = Sri Lanka Standard, SLSI = Sri Lanka Standards Institution, TBT = technical barriers to trade.

Source: Prepared by the author.

# Chapter 5

## Standards, Regulations, and Procedural Obstacles That Impede Trade

It was shown in Chapter 3 that neither the Sri Lanka unit price nor the tariffs in other countries were the major factors for low or no exports of identified products to the rest of the SASEC countries. It was also noted that transport costs should not be a major factor given the geographical proximity. This chapter analyzes the impact of SPS–TBT-related NTMs on low or zero exports of the identified products with export potential from Sri Lanka to the rest of SASEC countries using six filters<sup>34</sup> to isolate SPS and TBT effects:

- (i) Whether SPS or TBT incidence (i.e., costs of compliance) as well as procedural barriers of each SASEC country are higher than those of Sri Lanka as well as a country<sup>35</sup> representing international SPS or TBT standards and regulations (Tables A6.1 to A6.5). This indicates that SPS or TBT measures are likely to have some negative impact on zero or negligible exports of the identified products from Sri Lanka.
- (ii) Whether the incidence of SPS or TBT in each of SASEC countries is higher than that of the major export market for each of the identified Sri Lanka exports (Tables 18 to 22). The higher the incidence of SPS or TBT, the higher the costs of compliance. This indicates that the SPS or TBT measures in a concerned SASEC country are likely to have some negative impact on zero or negligible exports of the identified products from Sri Lanka (various tables in Chapter 5).
- (iii) Whether the Sri Lanka exporters experienced SPS or TBT-related barriers in other SASEC countries (Table A10.1: Survey results). This indicates that procedural barriers in a concerned SASEC country could be a reason for zero or negligible exports of the identified products from Sri Lanka.
- (iv) Whether the concerned product is included in the negative lists of each SASEC country under SAFTA and in the non-concessions lists of the Asia Pacific Trade Agreement (APTA)<sup>36</sup> (Tables A8.1 to A8.5). This indicates that the SPS or TBT measures in India are likely to have some negative impact on zero or negligible exports of the identified products from Sri Lanka.
- (v) Whether the concerned product is included in the dossier of NTBs facing Sri Lanka's exporters under ISFTA in India (Table A10.1). This indicates that procedural barriers in India could be a reason for zero or negligible exports of the identified products from Sri Lanka.

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<sup>34</sup> Data related to (iv) and (v) are available only for India.

<sup>35</sup> Germany was selected as the benchmark country to represent international standards for 25 products. The choice of Germany for comparison was made on the availability of data on NTMs at 6-digit level as well as that Germany is considered a country with good practices that uses international standards and regulations (e.g., Codex, IPPC, and OIE) to formulate its SPS and TBT measures.

<sup>36</sup> Bangladesh, India, and Sri Lanka are the only South Asian countries that are members of APTA.



- (vi) Whether the concerned product is included in the negative list of India under ISFTA.<sup>37</sup> This indicates that the SPS or TBT measures in India are likely to have some negative impact on zero or negligible exports of the identified products from Sri Lanka

## 5.1. Impediments to Exporting to Bangladesh

Table 18 (based on Table A6.1), shows an analysis of the use of SPS and TBT measures in Bangladesh compared with Sri Lanka and Germany, the benchmark country, to represent international standards for all 10 products, subject to SPS or TBT-related barriers in Bangladesh (see Figure 11). It also shows the procedural barriers in both Sri Lanka and Bangladesh. The total number of SPS and TBT measures in Bangladesh is significantly lower than that in Sri Lanka<sup>38</sup> (Figure 11).<sup>39</sup>

A product-wise analysis is carried out in Table 18. Out of 100 potential exports from Sri Lanka, Bangladesh has SPS or TBT on only 10 products and the analysis is limited to these products only. The major market for exports of cigarettes containing tobacco (HS240220) from Sri Lanka are the United Arab Emirates (UAE) (45%) and the Republic of Korea (16%), which has two NTMs on this product compared with one in Bangladesh (Table 18). On the side of Sri Lanka, there are no NTMs, but the uses of tobacco products are restricted. Similarly, there are health warnings for this product in both countries. Tobacco is under the negative list of SAFTA and non-concession list of APTA. The major markets for exports of medicaments (300490) from Sri Lanka are Maldives (58%) and India (10). Neither Bangladesh nor the major market, Maldives, has NTMs on this product. However, in Bangladesh, this item is included in the list managed by the Drug Administration Authority, which is likely to be an NTM barrier restricting exports from Sri Lanka. In the case of waste scrap paper (476790), Sri Lanka's major market is India (95%) which has eight TBT on this product while Bangladesh has only one NTM. Therefore, SPS–TBT are unlikely to be major barriers facing Sri Lanka's exports. Similarly, Bangladesh has only one NTM for plastic bags and sacks (630533) for which the Netherlands (40%) and Australia (21%) are the major markets. As the incidence of SPS–TBT in the Sri Lanka's major market is higher (i.e., higher costs of compliance) than that of Bangladesh, hence, SPS–TBT are unlikely to be a major reason. However, this product is in the negative list of Bangladesh under SAFTA.

In the case of waste and scrap of alloy steel (HS 720429), Sri Lanka's major markets are India (50%) and Pakistan (50%), where India has the higher incidence of SPS–TBT than Bangladesh, while the SPS–TBT incidence is lower in Pakistan. For the product group of generators (850213), the major markets are Pakistan (8%) and Japan (5%), where the incidence of SPS–TBT is lower than that of Bangladesh, indicating that SPS–TBT could be a potential barrier. There are three products within HS chapter 85 (electrical machinery and appliances) for which major markets are Singapore (36%) and India (33%). While NTM data are not available for Singapore, India has more SPS–TBT than Bangladesh. Australia is the major market for

<sup>37</sup> Negative list of ISFTA: [http://www.doc.gov.lk/index.php?option=com\\_content&view=category&id=13&Itemid=154&lang=en](http://www.doc.gov.lk/index.php?option=com_content&view=category&id=13&Itemid=154&lang=en).

<sup>38</sup> This is based on available data from the literature review conducted for this report, since the ITC MacMap has no data on Bangladesh.

<sup>39</sup> The analysis depends on data availability of Bangladesh; for Sri Lanka and Germany, the ITC McMap has all the related information. Therefore, the actual situation may differ from this observation.

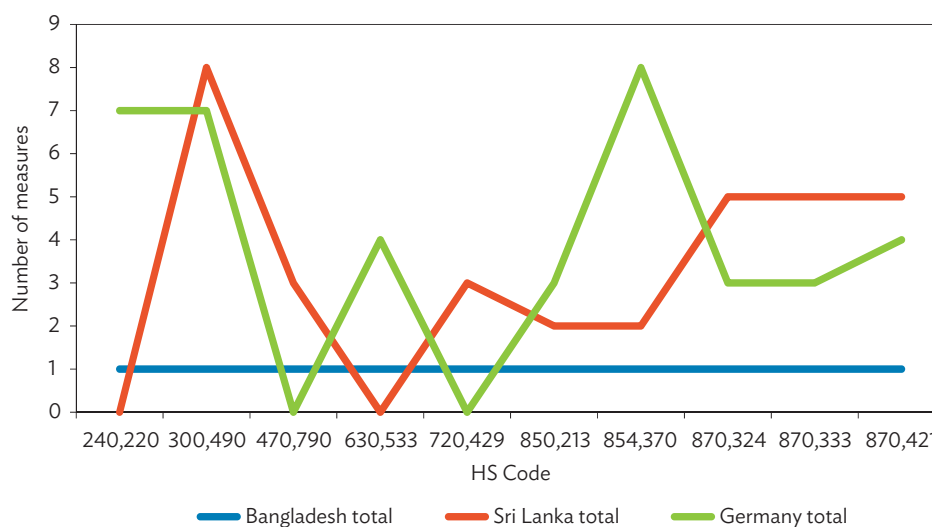
automobiles with piston engines (870324) with 50% share of total Sri Lanka exports of this item, followed by UAE (14%). For the other automobile item with diesel engines (870333), the major markets are the UK (13%) and Zimbabwe (8%), where the incidence of SPS–TBT is higher than in Bangladesh. A common feature for HS chapters 85 and 87 is that though the number of TBTs in Bangladesh is not significant compared to Sri Lanka’s major markets, the exports of products under both these chapters could be affected by procedural barriers in Bangladesh since a certificate of registration is required for all these products.

In summary, three products of potential exports: medicaments (300490), three items in HS chapter 85 (electrical machinery and appliances), and two items in HS chapter 87 (motor vehicles parts), could have been adversely affected by SPS–TBT-related barriers in Bangladesh.

## 5.2. Impediments to Exporting to Bhutan

Table 19 (based on Table A6.2 provides a comparison of status of SPS–TBT in Bhutan compared with Sri Lanka and Germany, the international benchmark country. It can be seen that for all identified products, Sri Lanka and Germany have more SPS–TBT measures (hence, higher costs of compliance) than Bhutan<sup>40</sup> (Figure 12). For all products in the list, Bhutan has only one NTM, except in the case of prepared food (200714) with two NTMs.

**Figure 12: Applicable Sanitary and Phytosanitary and Technical Barriers to Trade Measures in Bangladesh, Sri Lanka, and German Markets for 10 Selected Products, 2016**



<sup>40</sup> The analysis depends on data availability of Bangladesh; for Sri Lanka and Germany, the ITC MacMap has all the related information. Therefore, the actual situation may differ from this observation.

Table 18: Summary of Analysis: Sri Lanka Products with Export Potential to Bangladesh

HS Code	Description	Major Export Destinations of X	Export Share (%)	SPS-TBT Facing Sri Lanka's Exporters in Major Markets	Incidence of SPS-TBT Measures in Major Markets Higher than M	Possible reason for low or Zero Exports to M
240220	Cigarettes containing tobacco	UAE	45	1 SPS and 1 TBT	Yes	Inclusion in the negative list-SAFTA and non-concession list of APTA
		Republic of Korea	16	N/A	N/A	
300490	Medicaments n.e.s, in dosage	Maldives	58	0	No	Restricted imports
		India	10	8 TBT	Yes	
470790	Waste and scrap of paper or paperboard, n.e.s. (including unsorted waste and scrap)	India	95	8 TBT	Yes	Undetermined
		Pakistan	2	0	No	
630533	Sacks, bags, packing of strip plastic material	The Netherlands	40	1 SPS and 3 TBT	Yes	Inclusion in the negative list-SAFTA
		Australia	21	N/A	N/A	
720429	Waste and scrap of alloy steel, other than stainless	India	50	17 TBT	Yes	Non-concession item of APTA
		Pakistan	50	0	No	
850213	Generators, diesel, semidiesel engines of an output exceeding 375 kVA	Pakistan	82	0	No	High number of TBTs (higher costs of compliance) facing Sri Lanka's exporters
		Japan	5	0	No	
854370	Electrical machines and apparatus having individual functions, n.e.s.	Singapore	36	N/A	N/A	High number of TBTs facing Sri Lanka's exporters and non-concession item of APTA
		India	33	17 TBT	Yes	
870324	Automobiles with reciprocating piston engine displacing > 3000 cc	Australia	55	N/A	N/A	High number of TBTs (higher costs of compliance) facing Sri Lanka's exporters and inclusion in the negative list of SAFTA
		UAE	14	5 TBT	Yes	

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Table 18 continued

HS Code	Description	Major Export Destinations of X	Export Share (%)	SPS-TBT Facing Sri Lanka's Exporters in Major Markets	Incidence of SPS-TBT Measures in Major Markets Higher than M	Possible reason for low or Zero Exports to M
870333	Automobiles with diesel engine displacing more than 2500 cc	United Kingdom	13	3 TBT	Yes	High number of TBTs facing Sri Lanka's exporters and inclusion in the negative list of SAFTA
		Zimbabwe	8	N/A	N/A	
870421	Diesel-powered trucks with a GVW not exceeding 5 tons	Australia	66	N/A	N/A	High number of TBTs facing Sri Lanka's exporters and inclusion in the negative list of SAFTA
		India	22	11 TBT	Yes	

APTA = Asia Pacific Trade Agreement, cc = cubic centimeter, GVW = gross vehicle weight, HS = harmonized system, kVA = kilovolt-ampere, M = importing country, N/A = information not available in the ITC MacMap, n.e.s. = not elsewhere specified, SAFTA = South Asian Free Trade Area, SPS = sanitary and phytosanitary, TBT = technical barriers to trade, UAE = United Arab Emirates, X = country of exports.

Sources: Prepared by author using ITC MacMap.

Table 19: Summary of Analysis: Sri Lanka Products with Export Potential to Bhutan

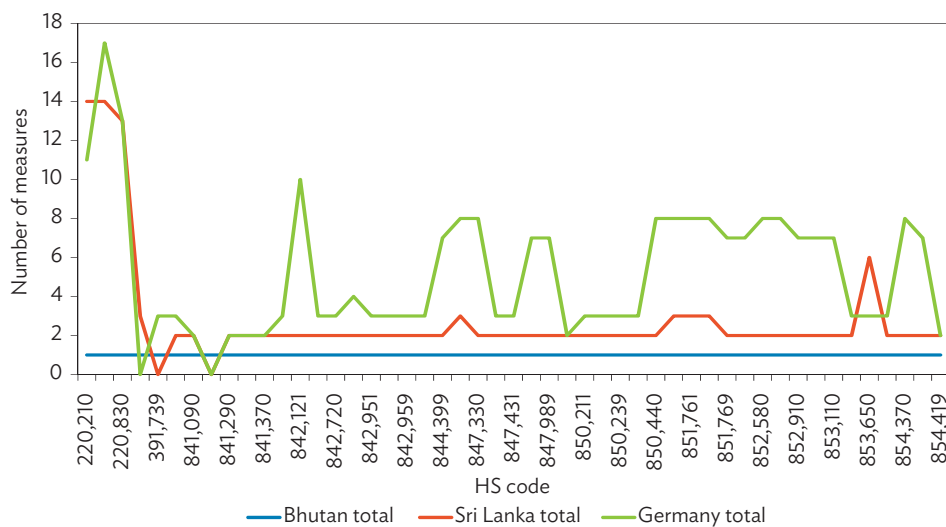
HS Chapter	Chapter Title	Major Export Destinations of X	Export Share (%)	SPS-TBT Facing Sri Lanka's Exporters in Major Markets	Incidence of SPS-TBT Measures in Major Markets Higher than M	Major Reason for Low or Zero Exports to M
84	Machinery and mechanical appliances	India	53	66 TBT	Yes	Undetermined
		Denmark	5	46 TBT	Yes	
85	Electrical machinery and equipment	France	15	56 TBT	Yes	Undetermined
		Switzerland	10	48 TBT	Yes	
16-23	Prepared food	United Arab Emirates	28	112 SPS and 8 TBT	Yes	Procedural barriers and inclusion in the negative list of SAFTA
		Ghana	24	N/A	N/A	
39	Plastic articles	People's Republic of China	30	N/A	N/A	High number of TBTs (higher costs of compliance)
		Bangladesh	18	0	No	

HS = harmonized system, M = importing country, N/A = information not available in the ITC MacMap, SAFTA = South Asian Free Trade Area, SPS = sanitary and phytosanitary, TBT = technical barriers to trade, X = country of exports.

Source: Prepared by author using ITC MacMap.

Table 19 provides a detailed analysis of SPS–TBT with related procedural obstacles in Bhutan by product groups. Of 100 potential exports from Sri Lanka, Bhutan has SPS–TBT-related NTMs for only 54 products which are categorized into chapters in Table 19. The major markets for products of export potential in HS 84 (machinery and mechanical appliances) are India (53%) and Denmark (5%) where the incidence of SPS–TBT is higher than in Bhutan. None of the items in this group is included in Bhutan’s negative list under SAFTA. On the side of Sri Lanka, there are no export restrictions or mandatory standards. The major market for electrical machinery and equipment (HS chapter 85) are France (15%) and Switzerland (10%) where the incidence of SPS–TBT is higher than in Bhutan. Also, these products are not included in the negative list under SAFTA. For prepared food (HS chapters 16–23), the major markets are UAE (28%) and Ghana (24%). While no NTM data are available for Ghana, the incidence of SPS–TBT is higher in UAE than in Bhutan. These products are subject to three SPS–TBT measures in Bhutan compared with five in Sri Lanka. Imports of food products are subject to restricted use of certain substances in Bhutan. In addition, a special authorization is required in Bhutan for importation of these products. For the last product group: articles of plastics (HS chapter 39), the major Sri Lanka markets are the People’s Republic of China (PRC) (30%) and Bangladesh (18%). While no SPS–TBT data are available for the PRC, the incidence of SPS–TBT is higher in Bhutan compared with Bangladesh, indicating a possibility that Sri Lanka’s exports could be affected by SPS–TBT measures in Bhutan.

**Figure 13: Applicable Sanitary and Phytosanitary and Technical Barriers to Trade Measures in Bhutan, Sri Lanka, and German Markets for Selected Products, 2016**



HS = harmonized system.

Source: Prepared using Table A6.2

### 5.3. Impediments to Exporting to India

Table 20 based on Table A6.3 shows an analysis of the use of SPS and TBT measures in India compared with Sri Lanka and Germany, the benchmark country to represent international standards. One can make a number of observations. First, total number of SPS and TBT measures in India are significantly higher than that of Sri Lanka (Figure 13), indicating higher costs of compliance. The gaps are more prominent in the case of fresh fruits (HS 81090), followed by edible mixes and preparations of animal or vegetable fats and oils (151790). These numbers indicate that India has more stringent NTMs (hence, higher costs of compliance) than Sri Lanka for the identified products. In contrast, except for five products, Germany has more SPS–TBT measures than Sri Lanka.

Table 20 also shows procedural barriers in both Sri Lanka and India. The analysis is conducted using product categories (HS chapters) rather than at 6-digit level as they face similar NTMs. It was found in Chapter 3 that the products listed in Table A3.3 are not exported to India either due to lack of export capacity or high unit price in Sri Lanka. It was also shown that average tariffs are relatively low in SASEC countries due to trade liberalization under SAFTA, as well as due to FTAs between India and Sri Lanka, leaving only SPS–TBT-related NTMs as a remaining potential barrier for low exports from Sri Lanka to India for the identified products in Chapter 3. Whether SPS–TBT measures acted as a barrier is analyzed below based on (i) a comparison of SPS–TBT measures between the major markets of Sri Lanka and India for the concerned product, (ii) negative lists of ISFTA and SAFTA and non-concessions list of APTA, and (iii) the survey results and consultations with the business sector in Sri Lanka (See Table A36).

#### ***Electrical Machinery and Equipment (HS 85)***

There are 12 products at HS 6-digit level with export potential to India in this group. The major Sri Lanka market for this product is Germany (14%) and Maldives (11%) where the incidence of SPS–TBT is lower than that of India (Table 20). Also, India's numbers of TBT measures are higher than Sri Lanka (nearly three times higher). On the Sri Lanka side, there are no TBT measures on exports or licensing requirements while there are 26 measures on imports, which are on the list of mandatory import regulations managed by SLIS and Import and Export Controller.<sup>41</sup> Further, these products are also not in the negative list of India under ISFTA, but are in the non-sensitive list of APTA. However, these products are not listed in the dossier on NTBs faced by Sri Lanka's exporters in India.<sup>42</sup> This analysis indicates that Sri Lankan electrical machinery and equipment face 74 TBT measures in the Indian market, and that this is a higher incidence of SPS–TBT measures than these products face in other major markets. TBT measures can thus be seen as having a negative effect on Sri Lanka's export of electrical machinery and equipment to India.

<sup>41</sup> There are 120 items covered under the Import Inspection Scheme of SLIS as per the Extra Ordinary Gazette Notification no 1844/49, dated 08 January 2014, issued under the Import and Export (Control) Act No. 01 of 1969. The list of items is available at <http://www.slsi.lk/index.php?lang=en>. Another gazette was published on 11 February 2016 to cover taps and accessories under the Import Inspection scheme: Gazette Extraordinary No. 1953/27.

<sup>42</sup> Department of Commerce. 2016. Dossier on Non-Tariff Measures/Barriers Encountered by Sri Lankan Business in India.

### ***Prepared Food (HS 16–3)***

This product group has eight items including beverages, biscuits, and cereals. The major markets of this product group are Ghana (23%) and Maldives (17%), where the incidence of SPS–TBT is found to be lower than that of India (Table 20). In terms of number of NTMs, India has more NTMs on these items than Sri Lanka for the same product group. As expected, SPS measures are significantly higher than TBTs in all cases. As per the dossier on NTBs,<sup>43</sup> Sri Lanka’s exporters face some barriers related to SPS measures in India for most items in the group. As per the dossier, exporters of tomato and green chili sauce, mango jam, coconut milk powder, and biscuits face such barriers which are of procedural nature. For example, exports of sauces were reported to be subject to discretionary products testing by two laboratories, with the second laboratory rejecting the report of the first. There are also complaints in the case of biscuits, that they face discriminatory treatment vis-à-vis local producers in the prices as well as measurements.

Further, the results of the questionnaire survey show that processed food items face a plethora of procedural barriers, including delays and high costs of tests, stringent labeling requirements, and lack of information. A case where the SPS–TBT-related NTBs became an impediment to Sri Lankan exports to India is shown in Box 1.

While these products are not in the negative lists of India under both ISFTA and SAFTA, they are in the list non-concessions of APTA. In view of this analysis and also the incidence of SPS–TBT in Sri Lanka’s major markets being lower than those of India, the most possible reason for low or zero exports from Sri Lanka is the relatively high number of SPS measures and TBTs, and related procedural barriers in India.

### ***Apparel and Clothing (HS 61–62)***

There are eight apparel and clothing items in this group of products. The major markets for this product group are the UK (49%) and the US (18%),<sup>44</sup> where the incidence of SPS–TBT is found to be higher than those of India (Table 20). In this case, Sri Lanka does not have any NTMs while India has 42 TBT compared with 49 TBT at the international level. While there are no export restrictions on these products in Sri Lanka, under ISFTA, apparel and clothing are subject to quota restrictions in India and are included in the negative list or non-concession list of SAFTA and APTA.<sup>45</sup> However, according to the results of the questionnaire survey, these products claimed to be affected by double or more inspections, nonrecognition of certificates, penalty fees, and lack of information (Table 10.1). Therefore, it is difficult to determine the cause for low or no Sri Lanka exports of apparel and clothing. It could be either due to procedural barriers in India or the inclusion of these items in the negative lists of ISFTA, SAFTA, and APTA.

<sup>43</sup> The Department of Commerce of Sri Lanka prepared a dossier of procedural barriers in India based on consultations with the business sector.

<sup>44</sup> SPS–TBT data are not available for the US for comparison purposes.

<sup>45</sup> Under this FTA, India has allowed an overall quota of 8 million pieces for Sri Lanka’s exporters.



### Box 1: Sanitary and Phytosanitary and Technical Barriers to Trade-Related Nontariff Barriers in India Forced a Sri Lanka Chocolate Exporter to Eye Other Countries

Anods Cocoa (Pvt.) Ltd., a Sri Lankan chocolate exporter, focusing on compound chocolate for industrial use, is shifting focus to the Middle East and Bangladesh after its main export market, India, was hampered by nontariff trade barriers. Compound chocolate, unlike the chocolate slabs and bars that are consumed, comes from a combination of cocoa, vegetable fat, and sweeteners, and is used as a lower-cost alternative to real chocolate.

The chocolate factory was built by Anods Cocoa (Pvt.) Ltd. with an investment of \$7 million at Pugoda, Sri Lanka, under the guidance of an Indian consultant who only targeted India. The company started commercial operations in 2013 and was to export in liquid, paste, powder, or other bulk form to India at zero duty under the Free Trade Agreement (FTA).

The company's passion for chocolate was guided by quality and innovation which was channeled toward helping clients in achieving their chocolate dreams. The company has a dedicated research and development team headed by a Singaporean expert.

The company secured an order from Ceres India (Pvt.) Ltd. to supply 168 metric tons of dark chocolate blocks worth \$487,000 from October 2013 to March 2014. According to the terms and conditions of the contractual agreement, the company had to supply 28 metric tons per month. But soon after they began exports to India, the Indian company informed them that the pending sales contracts for compound chocolates with the company had to be placed on hold due to food safety and standards regulations of India.

The first consignment of 28 metric tons of compound chocolates sent by the company to Cochin was held up at the port of Chennai by Indian custom authorities citing food safety reasons, although necessary approvals had been obtained from relevant authorities. According to Shiran Peiris, the company's director of operations:

*“Harsh testing requirement, complex harmonized code classifications, inadequate infrastructure, and special labeling requirements are among major nontariff barriers that Indian authorities have imposed, to hinder Sri Lankan exports to that country. Indian authorities impose mandatory standard requirements, additional technical regulations, and difficult banking norms. Each item of food consignment is subjected to certification by port health officers, which takes more than a month, and seriously hampers exports of food items to India.”*

Issues in the Indian market led to a suspension in production for a year until it was restarted in late 2014 by securing fresh orders from the Middle East and Bangladesh. Thus, Anods Cocoa (Pvt.) Ltd. incurred a massive loss at the outset of their operations due to the new tax law and harsh restrictions imposed by Indian state governments.

The company claims that *“when it comes to food exports from India, their confectioneries are given a free hand to enter the Sri Lankan market under the FTA without any food safety testing and they have already started exporting their products including chocolate blocks chips and buttons to Sri Lanka.”*

The company says that *“their Indian experience highlights the challenges that face local food manufacturers overseas but we have learnt a lesson and we are going forward with new vigor.”*

Source: B. Sirimanna. *Sunday Times*. 26 April 2015. <http://www.sundaytimes.lk/150426/business-times/restrictive-trading-in-india-market-forces-sri-lankan-chocolate-exporter-to-eye-other-countries-145786.html>.



### ***Machinery and Mechanical Appliances (HS 84)***

There are eight items in this product group and the major markets are the US (49%) and Germany (27%) where the incidence of SPS-TBT is found to be lower than India (Table 19). The products are subject to 66 measures of TBT in India compared with 12 in Sri Lanka and 46 at the international level. On the side of Sri Lanka, there are no export restrictions or mandatory standards while the results of the survey of exporters (Appendix 11) do not give any evidence of procedural barriers in India facing Sri Lanka's exports. Further, these products are not found in the negative lists of ISFTA, SAFTA, or APTA. In view of this analysis, and because the incidence of SPS-TBT in Sri Lanka's major markets is lower than those of India, the only possible reason for low or zero exports from Sri Lanka is the relatively high number of TBTs in India.

### ***Plastic Articles (HS 39)***

There are seven items in this product group and the major markets are Bangladesh (40%) and Maldives (9%) where the incidence of SPS-TBT is found to be lower than in India. The products are subject to 23 measures of TBT in India compared with 2 in Sri Lanka and 31 at the international level. On the side of Sri Lanka, there are no export restrictions or mandatory standards while the dossier of NTBs does not give any evidence of procedural barriers in India facing Sri Lanka's exports. Most of the items are found in the negative lists of ISFTA, SAFTA, or APTA. In view of this analysis, most probably, low or zero exports could be due to the inclusion of most of these items in the negative lists of ISFTA, SAFTA, or APTA.

### ***Paper and Paper Products (HS 48, 49)***

There are six items in this product group. The major market is Venezuela (29%) and Singapore (14%) where the incidences of SPS-TBTs are lower than that of India (Table 20). On the side of Sri Lanka, there are no export restrictions or mandatory standards while the dossier of NTBs does not give any evidence of procedural barriers in India facing Sri Lanka's exports. Four items (HS 481920, 482110, 482190, and 490700) are found in the negative list of ISFTA and two items are in the negative list of SAFTA while all these items do not have concessions under APTA. In view this analysis, the low or zero exports from Sri Lanka could be due to the high number of TBT-related issues in India and the inclusion of most items in the negative list of India.

### ***Rubber and Rubber Products (HS 40)***

There are five items in this product group and the major markets are US (42%) and Germany (15%), where the incidences of SPS-TBT are lower than in India (Table 20). These products are subject to 16 measures of TBT in India compared with zero TBT in Sri Lanka. On the side of Sri Lanka, there are no export restrictions or mandatory standards while the dossier of NTBs does not give any evidence of procedural barriers in India facing Sri Lanka's exports. However, four out of five items are found in the negative list of ISFTA. In view of this analysis, the low or zero exports from Sri Lanka could be either due to the high number of TBT-related issues in India or due to the inclusion of most items in the negative list of India.

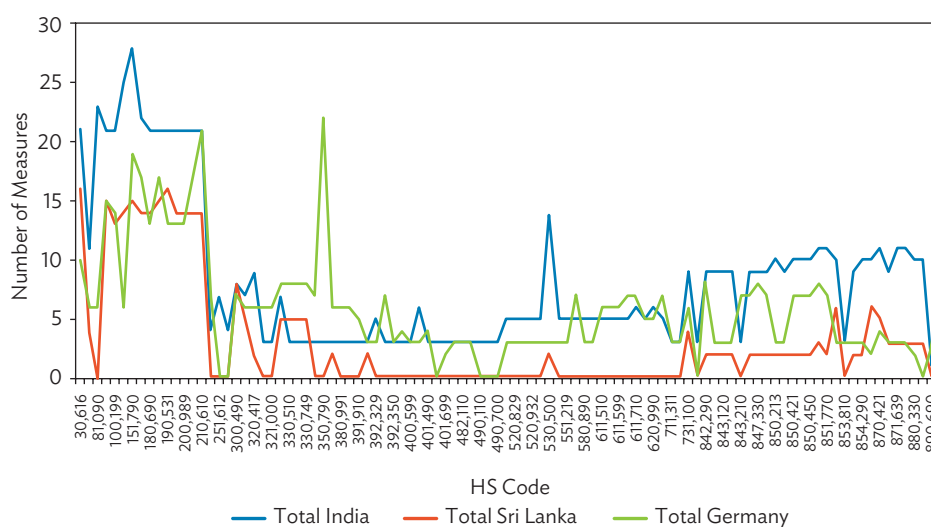
### ***Cotton Fabrics and Yarn (HS 52)***

There are five items in this product group and the major markets are Bangladesh (73%) and Egypt (8%) where the incidence of SPS–TBT is found to be lower than in India (Table 20). These products are subject to 20 measures of TBT in India compared with zero TBT in Sri Lanka. On the side of Sri Lanka, there are no export restrictions or mandatory standards, while the dossier of NTBs does not give any evidence of procedural barriers in India facing Sri Lanka's exports. However, according to the survey results (Appendix 10, Table A10.1), the exports of these products face delays and high costs of testing, double the inspections, nonrecognition of certificates, and lack of information. Though these items are found in the negative list of ISFTA, overall, the low or zero exports from Sri Lanka could be due to the high number of TBT-related issues.

### ***Beauty Products (HS 33)***

There are four items in this product group and the major markets are the UK (30%) and Maldives (19%). While the UK has a higher incidence of SPS–TBT, Maldives has lower incidence compared with India (Table 20). These products are subject to 16 measures of TBT in India compared with 20 TBT in Sri Lanka. On the side of Sri Lanka, there are no export restrictions or mandatory standards, while the dossier of NTBs does not give any evidence of procedural barriers in India facing Sri Lanka's exports. In view of this analysis, the possibly low or zero exports from Sri Lanka cannot be determined with the available data.

**Figure 14: Applicable Sanitary and Phytosanitary and Technical Barriers to Trade Measures in India, Sri Lanka, and German Markets, 2016**



HS = harmonized system.

Source: Prepared using Table A6.3.

Table 20: Summary of Analysis: Sri Lanka's Products with Export Potential to India

HS Chapters	Description	Major Export Destinations of X	Export Share (%)	SPS-TBT/ Facing Sri Lanka's Exporters in Major Markets	Incidence of SPS-TBT Measures in Major Markets Higher than M	Major Reason for Low or Zero Exports to M
85	Electrical machinery and equipment	Germany	14	48 TBT	No	High number of TBTs (higher costs of compliance)
		Maldives	11	0	No	
16-23	Prepared food	Ghana	23	N/A	N/A	High number of SPS-TBTs
		Maldives	17	0	No	
61-62	Apparel and clothing	UK	49	49	Yes	TBT, quota and negative list
		US	18	N/A	N/A	
84	Machinery and mechanical appliances	US	47	N/A	N/A	High number of TBTs
		Germany	27	46	No	
39	Plastic articles	Bangladesh	40	0	No	TBT and inclusion in the Negative Lists of ISFTA and SAFTA
		Maldives	9	0	No	
48, 49	Paper and paper products	Venezuela	29	0	No	High number of TBTs and inclusion in the negative lists
		Singapore	14	N/A	N/A	
40	Rubber and rubber products	US	42	N/A	N/A	High number of TBTs and inclusion in negative lists of ISFTA and SAFTA
		Germany	15	3SPS and 9 TBT	No	
52	Cotton fabrics and yarn	Bangladesh	73	0	No	High number of TBTs
		Egypt	8	N/A	N/A	
33	Beauty products	UK	30	32 TBT	Yes	Undetermined and inclusion in negative list of SAFTA
		Maldives	19	0	No	
87	Vehicles parts	Australia	18	N/A	N/A	High number of TBTs
		Bangladesh	11	3 TBT	No	

HS = harmonized system, ISTFA = Indo-Sri Lanka Free Trade Agreement, M = importing country, N/A = information not available in the ITC MacMap and Trade Map, SAFTA = South Asian Free Trade Area. SPS = sanitary and phytosanitary, TBT = technical barriers to trade, UK = United Kingdom, US = United States, X = country of exports.

Source: Prepared by author using ITC MacMap.

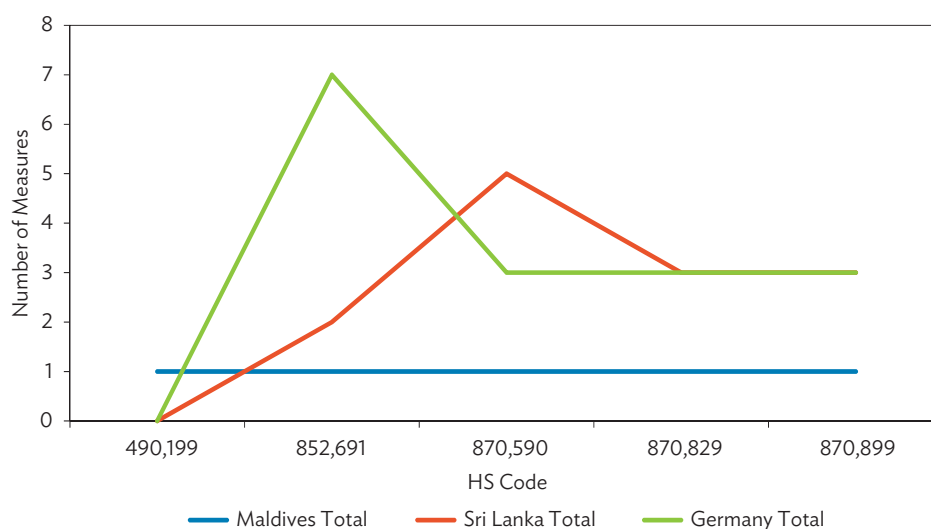
### Vehicle Parts (HS 87)

There are four items in this product group and the major markets are Australia (18%) and Bangladesh (11%) where the incidence of SPS–TBT is found to be lower than in India (Table 20). These products are subject to 43 measures of TBT in India compared with 14 TBT in Sri Lanka. On the side of Sri Lanka, there are no export restrictions or mandatory standards. These items are not found in the negative lists of ISFTA or SAFTA. Overall, the low or zero exports from Sri Lanka could be due to the high number of TBT-related issues in India.

## 5.4. Impediments to Exporting to Maldives

Table 21<sup>46</sup> shows that in number of SPS–TBT measures, Maldives has a lower number compared with both Sri Lanka and the international level (Figure 14). Out of 100 products with export potential that are not exported from Sri Lanka to Maldives, which were identified in Chapter 3, only five products are subject to SPS–TBT measures in Maldives (Table 21). For books and printed material (490199), the major market is Egypt where the incidence of SPS–TBT is higher than in Maldives. Cambodia, the second largest with a share of 19% of total export value of Sri Lanka, has a lower number of SPS–TBT measures compared to Maldives. For the next product, radio navigational equipment (852691), the major markets are Singapore (92%) and UK (4%) where the incidences of SPS–TBT are

**Figure 15: Applicable Sanitary and Phytosanitary and Technical Barriers to Trade Measures for Selected Products in Maldives, Sri Lanka, and German Markets, 2016**



<sup>46</sup> Prepared using Table A6.4.

**Table 21: Summary of Analysis: Sri Lanka Products with Export Potential to Maldives**

HS Code	Description	Major Export Destinations of x	Export Share (%)	SPS-TBT Facing Sri Lanka's Exporters in Major Markets	Incidence of SPS-TBT Measures in Major Markets Higher than M	Major Reason for Low or Zero Exports to M
490199	Books, brochures, leaflets, and similar printed matter, n.e.s.	Egypt	22	2 TBT	Yes	High number of TBTs (higher costs of compliance) facing Sri Lanka's exporters
		Cambodia	19	1 TBT	No	
852691	Radio navigational aid apparatus	Singapore	92	5 TBT	Yes	Undetermined
		UK	4	7 TBT	Yes	
870590	Special purpose motor vehicles n.e.s.	Singapore	51	N/A	N/A	Undetermined and inclusion in the negative list of SAFTA
		India	33	17 TBT		
870829	Parts and accessories of bodies n.e.s. for motor vehicles	Australia	32	N/A	N/A	Undetermined
		Seychelles	8	N/A	N/A	
870899	Motor vehicle parts n.e.s.	Japan	21	0	No	High number of TBTs facing Sri Lanka's exporters
		Australia	14	N/A	N/A	

HS = harmonized system, M = importing country, n.e.s. = not elsewhere specified, N/A = information not available in the ITC MacMap and Trade Map, SAFTA = South Asian Free Trade Area, SPS = sanitary and phytosanitary, TBT = technical barriers to trade, UK = United Kingdom, X = country of exports.

Source: Prepared by author using ITC MacMap.

higher than that of Maldives. Sri Lanka's major markets for special purpose motor vehicles and parts (870590) are Singapore (51%) and India (33%). SPS-TBT data are not available for Singapore while India has a higher incidence of SPS-TBT for this product. For auto parts (870829), the major markets are Australia (32%) and Seychelles (8%) for which SPS-TBT data are not available. Lastly, the major markets for motor vehicle parts (870899) are Japan (21%) and Australia (14%) where the incidence of SPS-TBT is lower than that of Maldives, indicating that these measures could have acted as barriers to exports of this product from Sri Lanka.

## 5.5. Impediments to Exporting to Nepal

The numbers of SPS-TBT measures at international level are higher than in both Nepal and Sri Lanka (Table A6.5 and Figure 15). A comparison between Nepal and Sri Lanka shows that each country has more or less the same SPS-TBT measures for some products.

***Machinery and mechanical appliances (HS 84)***

This product group is subject to 42 TBT measures in Nepal compared with 40 in Sri Lanka and 94 at the international level. The major Sri Lanka markets for this product group are India (63%) and Maldives (8%) (Table 22). Nepal has a lower incidence of SPS–TBT compared to Sri Lanka’s largest market (India). Therefore, SPS–TBT are unlikely to be the major reason for low or zero exports from Sri Lanka.

***Electrical Machinery and Equipment (HS 85)***

The number of TBT measures (51) in Nepal is higher than that of Sri Lanka (36). The major Sri Lanka markets are Switzerland (29%) and Maldives (12%) where incidence of SPS–TBT is lower than that of Nepal, indicating that exports are affected by these measures (Table 22). However, according to the NTM database of the United Nations Conference on Trade and Development (UNCTAD), imports of these products are banned in Nepal. On the Sri Lanka side, there are no TBT measures on exports or licensing requirements though they are in the list of mandatory import regulations managed by SLSI and Import and Export Controller.<sup>47</sup> In view of this analysis, there could be two possible reasons for low or zero exports from Sri Lanka: (i) import restrictions or bans, and (ii) the relatively high number of TBTs in Nepal.

***Vehicle Parts (HS 87)***

Products in this group, subject to 31 TBTs in Nepal compared with 46 in Sri Lanka and 33 at the international level, indicate that trade restrictiveness in terms of NTMs in Nepal is lower than Sri Lanka, as well as at the international level (Table A6.5). The major Sri Lanka markets are India (83%) and Australia (8%) (Table 22). Though the major market (India) has more SPS–TBTs than Nepal, imports of these products are either restricted or banned in Nepal, which could have been the most possible reason for low or zero exports from Sri Lanka to Nepal.

***Apparel and Clothing (HS 61–62)***

The items in this group of products are subject to 14 TBT measures in Nepal, while Sri Lanka does not have any NTMs, and there are 42 TBTs at the international level. The major Sri Lanka markets are the US (49%) and Italy (14%) (Table 22). The SPS–TBT data are not available for the US, while the incidence of SPS and TBT is higher in Italy than in Nepal. Therefore, SPS–TBT measures are unlikely to be barriers for Sri Lanka’s exports of these products. However, imports of these products are subject to import controls and are in the negative list under SAFTA, which most probably could be the reason for low or zero exports from Sri Lanka.

<sup>47</sup> There are 120 items covered under the Import Inspection Scheme of SLSI as per the Extra Ordinary Gazette Notification no. 1844/49, dated 1 August 2014, issued under the Import and Export (Control) Act No. 01 of 1969. The list of items is available at <http://www.slsi.lk/index.php?lang=en>. Another new gazette was published on 11 February 2016 to cover taps and accessories under the Import Inspection scheme. Gazette Extraordinary No.1953/27.

### ***Prepared Food (HS 16–23)***

The products in this group are subject to 12 SPS–TBT measures in Nepal. In number of NTMs, Nepal has a lower number compared with both Sri Lanka and at the international level (Appendix 6, Table A6.5). The major Sri Lanka markets are the US (20%) and the UK (15%) (Table 22). On the side of Sri Lanka, importers should be registered before they can import certain items and, also, the import of processed food is subject to various measures of conformity assessment, including labeling and packaging requirements. On the side of Nepal, there are various measures related to SPS, including maximum residue limits (MRLs), or tolerance limits of substances, such as fertilizer, pesticides, and certain chemicals. The import of prepared food products also requires a food safety certificate from exporting countries. Though it is difficult to identify the primary reason for low or zero exports from Sri Lanka, in view of general perceptions Sri Lanka's exporters have for exports of prepared food to SASEC countries, it is likely that those NTMs, in particular, SPS measures could have acted as a barrier for trade between Sri Lanka and Nepal.

### ***Rubber and Rubber Products (HS 40)***

The items in this product group, subject to 10 TBT measures in Nepal compared with zero TBT in Sri Lanka and 11 at the international level. Imports of these products also require an authorization, permit, or approval from the relevant government agency. On the side of Sri Lanka, there are no export restrictions or mandatory standards. The major Sri Lanka markets are the US (33%) and Germany (14%) (Table 22). Most products under this category are included in the negative list of Nepal under SAFTA which is most likely a major reason for the low or zero exports from Sri Lanka.

### ***Beauty Products (HS 33)***

The number of TBT measures applicable to the products of this group in Nepal is lower than those of Sri Lanka (15), as well as at the international level (22). The major Sri Lanka markets are Pakistan (19%), where the incidence of SPS–TBT is lower than that of Nepal and the UK (19%) (Table 22). Imports of these products also require an authorization, permit, or approval from the relevant government agency in Nepal. Most items under this product group are in the negative list of Nepal under SAFTA.

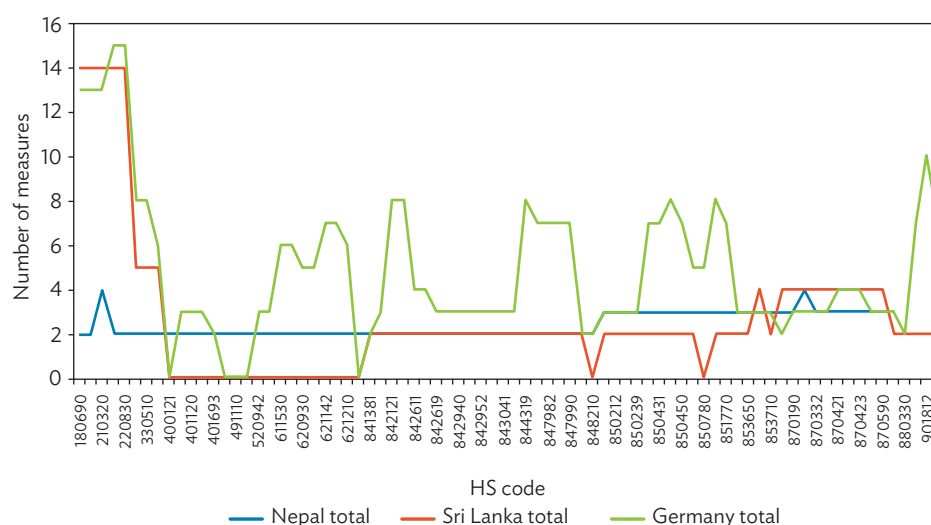
### ***Paper and Paper Products (HS 49)***

The products in this group are subject to six TBT measures in Nepal and there are no TBT measures applicable to these products in Sri Lanka. On the side of Sri Lanka, there are no export restrictions or mandatory standards. The major Sri Lanka market is Egypt (12%), where SPS–TBT incidence is lower than that of Nepal and Cambodia (11%) for which SPS–TBT data are not available (Table 22). However, imports of these products also require an authorization, permit, or approval from the relevant government agency in Nepal. Some items in this product group are included in the negative list of Nepal under SAFTA. In view of this analysis, the low or zero exports from Sri Lanka could be due to the high number of TBT-related issues in Nepal.

### Optical and Photographic Equipment (HS 90)

The products in this group are subject to six TBTs in both Nepal and Sri Lanka while there are 24 TBTs at the international level. The major Sri Lanka market is Georgia (58%), for which no data are available, followed by Belgium (22%), where the SPS–TBT incidence is higher than that of Nepal (Table 22). Once again, imports of these products also require authorization, permit, or approval from the relevant government agency in Nepal.

**Figure 16: Applicable Sanitary and Phytosanitary and Technical Barriers to Trade Measures in Nepal, Sri Lanka, and German Markets, 2016**



HS = harmonized system.

Source: Prepared using Table A6.5.

## 5.6 General Factors Affecting Low or No Exports from Sri Lanka to Other SASEC Countries

Chapter 3 shows that neither the Sri Lanka unit price nor the tariffs in other countries were the major factors for low or no exports of identified products to the rest of the SASEC countries. It was also noted that transport costs should not be a major factor given the geographical proximity. Subsequently, Chapter 5 shows the role of SPS–TBT-related NTBs in preventing Sri Lanka's products with export potential to those countries. The study already identified which products are affected by such barriers. In some instances, analysis failed to identify any particular reason for such low exports. This chapter intends to identify any other potential reasons for zero or negligible exports of those products.



Table 22: Summary of Analysis: Sri Lanka's Products with Export Potential to Nepal

HS Chapter	Chapter Title	Major Export Destinations of x	Export Share (%)	SPS-TBT Facing Sri Lanka's Exporters in Major Markets	Incidence of SPS-TBT Measures in Major Markets Higher than M	Possible Reason for Low or Zero Exports to M
84	Machinery and mechanical appliances	India	63	66 TBT	Yes	High number of TBTs (higher cost of compliance)
		Maldives	8	0	No	
85	Electrical machinery and equipment	Switzerland	29	48 TBT	No	High number of TBTs and inclusion in the negative list of SAFTA
		Maldives	12	1 TBT	No	
87	Vehicles parts	India	83	47 TBT	Yes	Inclusion in the negative list of SAFTA
		Australia	8	N/A	N/A	
61-62	Apparel and clothing	US	49	N/A	N/A	Inclusion in the negative list of SAFTA
		Italy	14	49 TBT	Yes	
16-23	Prepared food	US	20	N/A	N/A	SPS-related procedural barriers and Inclusion in the negative list of SAFTA
		UK	15	100 SPS and 24 TBT	Yes	
40	Rubber and rubber articles	US	33	N/A	N/A	Inclusion in the negative list of SAFTA
		Germany	14	3 SPS and 9 TBT	Yes	
33	Beauty products	Pakistan	19	1 SPS	No	High number of TBTs and inclusion in the negative list of SAFTA
		UK	19	32 TBT	Yes	
49	Paper products	Egypt	12	1 TBT	No	High number of TBTs and inclusion in the negative list of SAFTA
		Cambodia	11	N/A	N/A	
90	Optical, photographic, cinematographic, measuring, checking, precision, medical, or surgical instruments	Georgia	58	N/A	N/A	Undetermined
		Belgium	22	7 TBT	Yes	

HS = harmonized system, M = importing country, N/A = information not available in the ITC MacMap and Trade Map, SAFTA = South Asian Free Trade Area, SPS = sanitary and phytosanitary, TBT = technical barriers to trade, X = country of exports.

Source: Prepared by author using ITC MacMap.

## Export-Unfriendly Trade Policy Regime

To boost exports, not only required are an enabling trade policy environment with openness to international trade, domestic competitiveness, and policy coherence, but also required are proactive export promotion programs, in particular, to support small and medium-sized enterprises (SMEs) sector and market access, including through trade agreements.<sup>48</sup> While most countries have become more open to trade and attracted increased foreign investment, Sri Lanka's economy has become inward-oriented and markedly more protected. The major problems of Sri Lanka's trade regime are the promotion of production for domestic market through the high and complex import tariff regime, lack of attention to trade facilitation, low level of regional connectivity, ineffective trade agreements, and lack of supply-side capacity for exports. Sri Lanka is moving gradually from inward-orientation and high protection to outward-orientation, taking exports and foreign direct investment as major drivers of economic growth.

## Supply-Side Constraints

Table 23 shows a sample of products with export potential likely to be affected by supply-side factors, including shortage of credit facilities, resource constraints, high wages, and skills. Four products: processed food, electrical and electronic machinery, processed products, and spices were selected as strategic export sectors for further promotion by the National Export Strategy 2018–2020, developed by the Export Development Board of Sri Lanka, and certain constraints were identified. These four and other products in the table appear to be affected by a range of supply-side factors. Therefore, findings of the preceding analysis should be taken as indicators showing the role played by SPS–TBT-related barriers in respective markets.

## Low Performance of Trade Facilitation

As the average tariffs of the SASEC countries are lower than before due to regional and bilateral trade agreements such as SAFTA, various studies by ADB and United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) showed that the lower level of trade facilitation in harmonization and simplification of trade procedures and documents has become the major barrier affecting intraregional trade. Though simplification and harmonization of SPS–TBT measures, the subject of this report, constitute part of trade facilitation, there are other barriers such as cumbersome customs procedures and lack of automation of trade transactions. UNESCAP showed that in the implementation of trade facilitation measures, most SASEC countries, such as Bangladesh, Bhutan, Nepal, and Sri Lanka rank low compared with Southeast Asian countries, such as Indonesia, Malaysia, Singapore, and Thailand (Table 24).<sup>49</sup> It was also shown that the incidence of trade costs among South Asian countries was 107 compared with that of East Asia (52) and Southeast Asia (77), indicating once again lack of trade facilitation (Figure 17).<sup>50</sup>

<sup>48</sup> New Trade Policy of Sri Lanka, Ministry of Development Strategies and International Trade, 2017 highlighted these requirements for export-led trade.

<sup>49</sup> UNESCAP. 2016. *Asia-Pacific Trade and Investment Report 2015*. Bangkok.

<sup>50</sup> UNESCAP. 2014. *Asia-Pacific Trade and Investment Report 2013*. Bangkok.

**Table 23: Supply-Side Constraints for Selected Products in Sri Lanka**

Product	Potential	Possible Reasons
Processed food	<ul style="list-style-type: none"> <li>– High potential for growth and exports</li> <li>– Fluctuating production and export</li> </ul>	<ul style="list-style-type: none"> <li>– Lack of investment</li> <li>– Shortage of skilled labor</li> <li>– Need to improve quality, marketing, and business management</li> <li>– Need to improve supply chain</li> <li>– Instability of prices</li> <li>– Exports in unprocessed form</li> </ul>
Electrical and electronic products	<ul style="list-style-type: none"> <li>– High-growth industry</li> <li>– Major exports to India and Switzerland</li> </ul>	<ul style="list-style-type: none"> <li>– Lack of upgrading</li> <li>– Need for market diversification</li> <li>– Need to improve quality</li> <li>– Shortage of skilled labor</li> </ul>
Rubber products	<ul style="list-style-type: none"> <li>– Fourth-largest exporter next to Malaysia, Indonesia, and Thailand</li> <li>– Significant decline in production</li> </ul>	<ul style="list-style-type: none"> <li>– Loss of productivity</li> <li>– Low level of value addition</li> <li>– Labor shortage</li> </ul>
Apparel	<ul style="list-style-type: none"> <li>– Premier fashion and apparel outsourcing hub with \$5 billion worth of exports</li> <li>– High potential to produce over \$8 billion worth of exports</li> </ul>	<ul style="list-style-type: none"> <li>– Low marketing skills</li> <li>– Shortage of labor</li> <li>– High dependence on imported inputs</li> </ul>
Boat and marine equipment	<ul style="list-style-type: none"> <li>– Exports increased from \$8 million in 2005 to \$189 million by 2015</li> <li>– Major markets: People's Republic of China, India, and Europe</li> </ul>	<ul style="list-style-type: none"> <li>– Shortage of capital</li> <li>– Need for better technology</li> <li>– Lack of marketing and promotion</li> <li>– Need to improve quality and safety</li> </ul>
Spices and extracts	<ul style="list-style-type: none"> <li>– Sri Lanka exports a wide range of products: cinnamon, pepper, cloves, nutmeg, and cardoon</li> <li>– High potential</li> </ul>	<ul style="list-style-type: none"> <li>– Small holdings</li> <li>– Low productivity</li> <li>– High labor costs</li> <li>– Lack of incentives</li> </ul>

Sources: Federation of Chambers of Commerce and Industry of Sri Lanka, 2017, which is based on consultation and Export Development Board (EDB). 2017.

**Table 24: Sri Lanka's Intra- and Inter-Regional Bilateral Trade Cost, 2015**

Trading Partners	Sector	Trade Cost (%)
Sri Lanka–Bangladesh	Manufacturing	176
Sri Lanka–Bangladesh	Total goods	189
Sri Lanka–Bhutan	Manufacturing	–
Sri Lanka–Bhutan	Total goods	–
Sri Lanka–India	Manufacturing	100
Sri Lanka–India	Total goods	104
Sri Lanka–Maldives	Manufacturing	107
Sri Lanka–Maldives	Total goods	103
Sri Lanka–Nepal	Manufacturing	285
Sri Lanka–Nepal	Total goods	320
Sri Lanka–Singapore	Manufacturing	197

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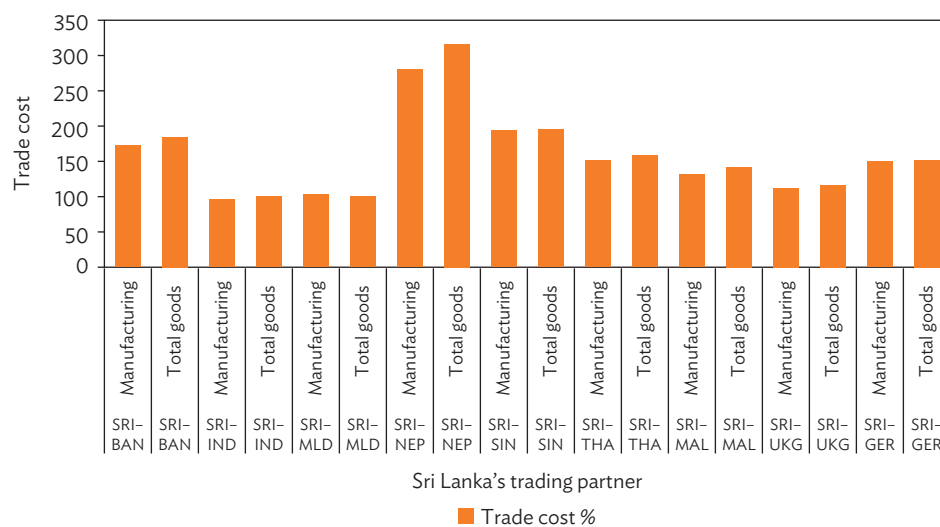
Table 24 continued

Trading Partners	Sector	Trade Cost (%)
Sri Lanka–Singapore	Total goods	199
Sri Lanka–Thailand	Manufacturing	156
Sri Lanka–Thailand	Total goods	163
Sri Lanka–Malaysia	Manufacturing	136
Sri Lanka–Malaysia	Total goods	146
Sri Lanka–United Kingdom	Manufacturing	116
Sri Lanka–United Kingdom	Total goods	120
Sri Lanka–Germany	Manufacturing	154
Sri Lanka–Germany	Total goods	156

Note: The Economic and Social Commission for Asia and the Pacific–World Bank Trade Cost Database did not record the data for Bhutan in 2015.

Source: Economic and Social Commission for Asia and the Pacific–World Bank Trade Cost Database.

**Figure 17: Sri Lanka's Intra- and Inter-Regional Bilateral Trade Cost: South Asia Subregional Economic Cooperation, Association of Southeast Asian Nations, European Union, 2015**



BAN = Bangladesh, GER = Germany, IND = India, MAL = Malaysia, MLD = Maldives, NEP = Nepal, SIN = Singapore, SRI = Sri Lanka, THA = Thailand, UKG = United Kingdom.

Source: Economic and Social Commission for Asia and the Pacific–World Bank Trade Cost Database.

## 5.7. Role of Government to Increase Sri Lanka's Exports of the Identified Products to Other SASEC Countries

While it is the role of any government to create an enabling environment for the business sector to engage in exports, including through introduction of appropriate policies and regulatory mechanisms, provision and trade logistics, and facilitation and building of efficient institutional mechanisms, Sri Lanka should undertake the following measures to increase exports of identified products with export potential to the other SASEC countries.

- (i) Develop a time-bound plan of actions and an implementation strategy to implement the aforementioned recommendations on SPS–TBT in consultation with the business sector.
- (ii) Provide financial and human resources.
- (iii) Develop an export start-up program to assist SMEs to engage in production and exports of the identified products.
- (iv) Develop and implement a marketing campaign to promote exports of these products to the other SASEC countries with the support of the Sri Lanka's foreign missions.
- (v) Include these identified products in the request lists (for market access) under FTAs that Sri Lanka is currently negotiating with SASEC countries, such as the ETCA.

## 5.8. Brief Overview of the Sanitary and Phytosanitary and Technical Barriers to Trade-Related Initiatives of Other Development Partners

There are three major initiatives on assessing SPS–TBT requirements in Sri Lanka. First, is by the FAO in 2016, which assessed the food control system in Sri Lanka and identified various gaps in food management system and areas where the system needs to be strengthened to match international safety standards of food. Having assessed the SPS-related infrastructure, the study makes recommendations to improve food risk management.

Second is the assessment of national quality infrastructure by the World Bank under its technical assistance to Sri Lanka supported by the Australian Ministry of Foreign Affairs and Trade, 2017. The main purpose of the project is to inform various reform initiatives being implemented by the Government of Sri Lanka and provide some key information that is required in the decision-making system. The need for such an assessment was identified by the Systematic Country Diagnostic for Sri Lanka by the World Bank, which emphasized the importance a functional national quality infrastructure (NQI) in an open economy.

The third is the National Quality Infrastructure Strategy 2018–2020, developed by the United Nations Industrial Development Organization (UNIDO) in 2017, with the financial

support assistance of the EU, as part of “Increasing SMEs” trade competitiveness in the regional and EU markets’ project, in close coordination with NQI stakeholders and with the inputs of other interested parties. This NQI strategy was developed on the basis of the National Quality Policy approved by the cabinet in November 2016, Sri Lanka NQI Gap Assessment, October 2017 by the World Bank, and with the methodology and technical assistance of the International Trade Centre (ITC) and UNIDO within the framework of its EU-Trade Related Assistance Project.

The EU–Sri Lanka Trade-Related Assistance Project that aims to increase the trade competitiveness of SMEs in regional and EU markets is a 4-year EU-funded project initiated in November 2017. It contributes to inclusive trade-led growth and regional integration. The project addresses compliance standards and efficiencies in cross-border procedures, which are key constraints to market access, especially for SMEs. Furthermore, the project provides technical assistance, with a strong focus on NQI and training and skills.

All three initiatives described above are different from the current study for SASEC countries under which specific gaps and solutions to SPS-TBT-related procedural barriers facing Sri Lanka’s products with export potential to the other SASEC countries are identified.

# Chapter 6

## Prioritized Recommendations for Action

The recommendations presented below are based on the review of the current statutes relating to scenarios of SPS and TBT in Sri Lanka, and the analysis conducted on the identification of products with export potential to the rest of the SASEC countries, but which are not exported at all or exported in negligible amounts due to SPS–TBT-related NTMs.

### 6.1 Legislative and Regulatory Environment

- (i) Undertake a comprehensive review of all legislation relating to both SPS and TBT to identify any that is outdated, overlapping, and not streamlined; update legislation with appropriate consideration for current developments in the management of food safety and protection of animal and plant life.
- (ii) Conduct a review of the current technical regulations, in particular, 124 mandatory import standards administered by the Department of Import and Export Control, and update as appropriate for modern needs of international trade.
- (iii) Identify, based on (ii), new import and export standards and develop these to be issued either as technical regulations or voluntary standards.
- (iv) Accredite the SLS marks product certification scheme and seek international recognition, to facilitate movement with no restriction for certified products to destination countries; consider this action as part of bilateral trade agreements so that standards do not become a barrier to trade.

### 6.2 Procedures and Processes

- (i) Develop an import risk management system which ensures transparency, predictability, and stability of procedures; and reduce procedural barriers including overlapping inspections, testing, and certifying by different institutions; and minimize associated costs and delays in trade transactions.
- (ii) Prepare a set of guidelines to develop standards and technical regulations in a transparent manner.
- (iii) Design a transparent and simple export inspection mechanism, ensuring high quality exports, and high compliance with the import requirements of foreign markets.
- (iv) Design a framework for mutual recognition or equivalency agreements with other SASEC countries, especially for product standards conformity assessment procedures and MRLs.

- (v) Encourage local manufacturers to seek accreditation by accreditation authorities of other SASEC countries and vice versa.
- (vi) Recommend SLSI to recognize Systems Certifications such as Good Manufacturing Practices (GMP), ISO 22,000, Hazard Analysis and Critical Control Points (HACCP), ISO 9000, and Good Agricultural Practices (GAP).

## 6.3 Institutional Structure

- (i) To increase efficiency of export and import clearance, reduce delays and streamline related procedures, two proposals are presented for the government's consideration:
  - (a) Establish a new institution or expand the mandate of an existing institution to coordinate all matters related to SPS and TBT, with required authority, by bringing all current responsible institutions under one umbrella, similar to a hybrid version of the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ) or Agri-Food and Veterinary Authority (AVA) of Singapore. The new institution should be a policy making and coordinating body that monitors the functions and activities of all related agencies in Sri Lanka, including the Sri Lanka Standards Institution (SLSI), Food Control Unit, Sri Lanka Accreditation Board (SLAB), National Plant Quarantine Service, Department of Import and Export Control, and the Department of Animal Production and Health, to ensure effective trade facilitation.
  - (b) Establish an SPS–TBT Center—based on a one-stop-shop concept—with officials from all regulatory agencies enabling importers and exporters to get approvals or certificates and to seek any information relating to such approval and processes in one physical place.
- (ii) Review existing regulations relevant to SPS–TBT and introduce necessary amendments to test reports or certificates issued by accredited conformity assessment bodies.
- (iii) Regulatory authorities should introduce a registration scheme for all conformity assessment bodies and services; accreditation should be one of the major requirements for registration.
- (iv) Enhance the institutional capacities of all SPS–TBT related agencies, including SLSI, SLAB, Food Control Unit of Ministry of Health, MUSSD, and the quarantine offices of the Ministry of Agriculture, enabling provision of import and export certificates and import and export inspections efficiently and in a timely manner.
- (v) Facilitate mutual recognition arrangements and agreements (MRAs) and accreditation of Sri Lanka's SPS–TBTs with international organizations.
- (vi) Establish a National SPS–TBT Coordination Committee to provide policy guidance, discuss cross-cutting trade-related SPS–TBT issues and resolve them in a timely manner.
- (vii) Establish a National SPS Focal Point at the Department of Commerce for Codex, IPPC, and OIE.
- (viii) Establish an institutional mechanism to coordinate industrial testing and calibration services for products, including electronic and electrical goods.



- (ix) Establish testing equipment at SLSI for calibration, with more investment to provide better service to local companies and simplify the processes of testing.
- (x) Strengthen the Food Control Unit with increased human and institutional capacities, including through establishment of a Food Control and Safety Authority.
- (xi) Recognize accredited laboratories in Sri Lanka (SLAB-certified) under the Food Act and other relevant acts and rules and regulations.

## 6.4 Sanitary and Phytosanitary and Technical Barriers to Trade Infrastructure

- (i) Conduct a detailed needs assessment of laboratory facilities and develop a fundable project to build additional facilities required.
- (ii) Facilitate MRAs between regulatory authorities of Sri Lanka with those of other SASEC countries (i.e., the proposed collaboration between FSSAI of India and the Ministry of Health, Sri Lanka) to recognize certificates and test reports issued by Sri Lanka's laboratories.

## 6.5 Information and Data

- (i) Expedite development of the Trade Information Portal with an effective mechanism to update information and data in a timely manner; include dedicated space to SPS and TBT information and processes.
- (ii) Develop a database on SPS-TBT-related standards, regulations, and procedures to be easily accessible by the public domain; a template proposal for such a database is provided in Table A7.4
- (iii) Set up a designated SASEC web page (either on web pages of the Export Development Board [EDB] or the Department of Commerce) providing information on import requirements of other SASEC countries for Sri Lanka's products of export potential.
- (iv) Set up a designated web page (either on web pages of EDB or the Department of Commerce) providing information on laboratory facilities with full details of accreditation status and processes required for different products

## 6.6 Human Capacity Development

- (i) Design a capacity-building program to increase the number of professionals with specialization in the field of SPS-TBT that fills the existing shortage of staff, and strengthen capacity of current staff by providing targeted training programs on standards and regulations, import and export inspection processes of Sri Lanka, and international best practices.

- (ii) Review current carder and vacancies of all related agencies, including SLAB and provide a recommendation and budget proposal to the Department of Management Services, National Budget Department, and Ministry of Public Administration to allocate required human resources.
- (iii) Conduct regular training programs to educate relevant stakeholders on SPS and TBT agreements, enabling them to contribute effectively to facilitation of trade.
- (iv) Organize field and site trips for representatives of regulatory authorities and relevant ministries to visit selected countries to learn good practices on efficient SPS–TBT-related procedures. In this regard, special attention should be given to enhance the understanding and knowledge of the representatives of the National SPS–TBT Committee on FTAs.
- (v) Introduce subjects related to standards, technical regulations, accreditation, metrology, and conformity assessment procedures in curriculums of advanced university degrees.
- (vi) Encourage regular representation by Sri Lanka’s officials of regulatory bodies and other relevant public agencies at international forums, such as WTO and Codex, IPPC, and OIE.

## 6.7 India-Specific Recommendations

Within the SASEC region, India is the biggest market for Sri Lanka’s exports as well the primary source of imports. It is also the export destination where Sri Lanka’s exporters are reported to have been met with a wide range of NTBs related to SPS–TBT. Therefore, the following recommendations are made:

- (i) Use the current periodic meetings of the Joint Committee of the proposed Economic and Technology Cooperation Agreement (ETCA), during negotiations as well as after its completion, to discuss and resolve each country’s SPS–TBT issues.
- (ii) Establish MRAs between regulatory authorities of both countries to recognize some Sri Lanka laboratories for conformity assessment.
- (iii) Remove current import quotas imposed by India for Sri Lanka’s major exports.
- (iv) Establish a Trade Facilitation Nodal Point at each country’s border crossing points to address day-to-day issues in a timely manner.

## 6.8 Regional and Bilateral Cooperation

- (i) Develop a framework for MRAs to be used by regulatory or competent authorities in the SASEC countries.
- (ii) Establish a trade facilitation focal point system at the border of major trading partners of each country within the SASEC region to resolve problems associated with SPS and TBT immediately.
- (iii) Establish a subregional industrial testing facility.
- (iv) Develop a SASEC Trade Portal with a focus on SPS and TBT measures.

## 6.9 Specific Actions by the Government to Increase Exports of Identified Products with Export Potential to Other SASEC Countries

- (i) Facilitate implementation of the recommendations on SPS–TBT in consultation with the business sector and related public institutions, with the support of international agencies, including ADB.
- (ii) Provide financial and human resources to regulatory authorities.
- (iii) Develop an export start-up program to assist SMEs to engage in production and exports of the identified products.
- (iv) Develop and implement a marketing campaign to promote exports of these products to other SASEC countries with the support of Sri Lanka's foreign missions.
- (v) Include these identified products in the request lists (for market access) under FTAs that Sri Lanka is currently negotiating with SASEC countries, such as the ETCA.

The prioritized actions and tentative time framework are given in Table 25.

**Table 25: Time Framework for Prioritized Recommendations**

Task	Time Framework	Remarks
Conduct a review of the current technical regulations and propose a new set, taking into account the FTA agenda.	Q1 2019	Begin with 124 mandatory import standards
Undertake a comprehensive review of all legislation relating to both SPS and TBT and propose a new integrated SPS–TBT structure.	Q1 2019	As they are outdated, overlapping, and not streamlined, and update taking into account current developments
Establish a SPS–TBT Center (one-stop shop) with officials from all regulatory agencies enabling importers and exporters to get approvals or certificates, and seek any information relating to such approval and processes at one place.	Q1 2019	
Develop a comprehensive proposal for establishing a new institution to coordinate all matters related to SPS and TBT with required authority by bringing all current responsible institutions under one umbrella.	Q2 2019	Take into account international experience and current Sri Lanka needs
Establish a National SPS–TBT Coordination Committee to provide policy guidance, discuss cross-cutting trade-related SPS–TBT issues, and resolve them in a timely manner.	Q2 2019	To be appointed by the Cabinet and proposed by ministers of all related agencies
Review current carder and vacancies of all related agencies, including SLSI and SLAB, and prepare a recommendation with a budget proposal to the Department of Management Services, National Budget Department, and Ministry of Public Administration to allocate required human resources.	Q2 2019	Shortage of qualified staff and high level of vacancies have been shown as a major impediment to the efficient operations of the SPS–TBT-related agencies

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Table 25 continued

Task	Time Framework	Remarks
Organize field trips to visit some selected countries to learn good practices on efficient SPS–TBT-related procedures.	Q2 2019	For representatives of regulatory authorities and relevant ministries with special attention to officials involved in free trade agreement negotiations
Design a capacity building program to strengthen capacities of current staff of SPS–TBT agencies by providing targeted training programs.	Q2 2019	On standards and regulations, import and export inspection processes of Sri Lanka, and international best practices.
Design training programs for the business sector and regulatory authorities to create awareness of SPS–TBT requirements of other SASEC countries.	Q2 2019	
Introduce subjects related to standards, technical regulations, accreditation, metrology, and conformity assessment procedures in curricula of advanced university degrees.	Q3 2019	In collaboration with the Ministry of Higher Education
Develop a database on SPS–TBT-related standards, regulations, and procedures.	Q3 2019	Take into account international experience and current Sri Lanka needs
Set up a designated SASEC web page that provides information on import requirements of other SASEC countries for Sri Lanka's products of export potential.	Q3 2019	Either on web pages of EDB or Department of Commerce
Set up a designated web page providing information on laboratory facilities with their accreditation status and processes required for different products.	Q3 2019	Either on web pages of EDB or Department of Commerce
Conduct a needs assessment of laboratory facilities and develop a fundable project to build additional facilities required.	Q4 2019	Use existing reports
Design a transparent and simple export inspection mechanism ensuring high quality exports and high compliance with the import requirements of foreign markets.	Q1 2019	Taking into account international experience and current Sri Lanka needs

EDB = Export Development Board, FTA = free trade agreement, Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter, SASEC = South Asia Subregional Economic Cooperation, SLAB = Sri Lanka Accreditation Board, SLSI = Sri Lanka Standards Institution, SPS = sanitary and phytosanitary, TBT = technical barriers to trade.

Source: Asian Development Bank.

# Conclusion

The study identified product groups affected by SPS–TBT issues per SASEC country. The nature and the extent of analysis was primarily determined by the availability of data. The study was able to undertake a comprehensive analysis in the case of India, given the relatively high level of bilateral trade between the two countries and the availability of data. The data for India were sourced not only from published databases, but also from consultations with stakeholders in Sri Lanka. In addition, a free trade agreement (FTA) between the two countries has been in force since 2000. However, the data for other countries was limited.

The findings of the study are useful for at least three purposes:

- (i) The specific needs in legal structure, institutional structure, and infrastructure facilities identified in the study can be used to formulate policies, laws, and institutions required to address SPS–TBT-related NTBs and to promote intraregional trade.
- (ii) The findings can be used as trade information for Sri Lanka’s exporters as the study provides a comprehensive coverage of export opportunities available and potential barriers exporters would face in the SASEC countries.
- (iii) The analysis of potential export opportunities in the countries with which Sri Lanka is currently engaged in FTA negotiations (i.e., India) can be used for preparation of request lists for market access under FTAs.

Based on the analysis, the study presented several recommendations to be implemented during the period of 2018–2019, which could significantly improve SPS–TBT infrastructure in Sri Lanka and enhance efficiency of SPS–TBT-related processes leading to increased intra-SASEC trade. These recommendations include building both institutional capacities, including regulations, human resources, and physical infrastructure, where the study found significant gaps.

In addition to taking all efforts to identify the distinct role of SPS–TBT in hindering the flow of Sri Lanka’s exports of the identified products to the other SASEC countries using various sources of data, the study also analyzed the possible effects of other factors, such as supply-side constraints, trade facilitation (other than SPS–TBT), and trade policy environment on export performance. The relative importance of each of these factors could be further analyzed using econometric techniques, which is proposed as a topic for future research. However, subject to these constraints, the findings of the study appear to be adequately robust for its intended purpose.

# Appendix 1

## Methodology and Data

In line with the national diagnostic studies of other South Asia Subregional Economic Cooperation (SASEC) countries, the present study uses a methodology consisting of both analysis of trade flows and qualitative methods as described below. First, following Figure 1 (section 1.4), the Sri Lanka products with export potential to the SASEC countries that could not be exported were identified using the latest 5 years trade data at 6-digit harmonized system (HS) level. The UN Comtrade database is used for this analysis. We used six filters to select products in which Sri Lanka has its export potential and partner countries have their import requirement. The purpose of this filtering exercise is to bring the number of export products at 6-digit level from Sri Lanka to each SASEC country down to 100—a manageable level for a meaningful analysis. The following six filters were used to select 100 products with export potential:

Unit value of export of Sri Lanka is calculated as the ratio of export value and quantity exported. Unit value of import of a partner country is calculated as imported value divided by quantity imported. Import share of a partner country from Sri Lanka is defined as the ratio of a partner country's import from Sri Lanka and that country's import from the world. Sri Lanka's export share to a partner country is the ratio of Sri Lanka's export to a partner country and total export of Sri Lanka. The purpose of this filtering exercise is to bring the number of export products at 6-digit level from Sri Lanka to each SASEC country down to 100.

Turning to the analysis of impediments facing Sri Lanka's exports, the preceding process ensures that neither Sri Lanka's unit price nor the export capacity were the major factors for low or no exports of identified products to the rest of the SASEC countries. It can also be presumed that transport costs should not be a major factor given the geographical proximity. Similarly, the average levels of tariffs are low in the SASEC countries due to liberalization under the South Asian Free Trade Area (SAFTA). To analyze the impact of sanitary and phytosanitary and technical barriers to trade (SPS–TBT) related nontariff measures (NTMs) on low or zero exports of the identified products with export potential from Sri Lanka to the rest of SASEC countries, the following six filters<sup>1</sup> were used:

- (i) Whether SPS–TBT incidences and procedural barriers of each SASEC country are higher than those of Sri Lanka, as well as a country<sup>2</sup> representing international

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<sup>1</sup> Data related to (iv) and (v) are available for India only.

<sup>2</sup> Germany was selected as the benchmark country to represent international standards for 25 products. The choice of Germany for comparison was due to the availability data on NTMs at 6-digit level, and because Germany is considered a country with good practices which uses international standards and regulations (e.g., Codex, International Plant Protection Convention [IPPC], and World Organization of Animal Health [OIE]) to formulate its SPS and TBT measures.

SPS-TBT standards and regulations (Tables A6.1 to A6.5). The inventory of NTMs developed by Raihan, Khan, and Quoreshi<sup>3</sup> and the United Nations Conference on Trade and Development (UNCTAD) NTM database were used to identify SPS-TBT-related measures affecting exports of 100 products to each SASEC country. The higher the incidence of SPS-TBT, the greater the compliance costs for Sri Lanka's exporters, indicating that SPS-TBT measures are likely to have some negative impact on zero or negligible exports of the identified products from Sri Lanka.

- (ii) Whether the incidence of SPS-TBT in each of the SASEC countries is higher than that of the major export market for each of the identified Sri Lanka exports (Tables 18 to 22). This indicates that the compliance costs of SPS-TBT measures in a concerned SASEC country are likely to have some negative impact on zero or negligible exports of the identified products from Sri Lanka (various tables in Chapter 5).
- (iii) Whether Sri Lanka's exporters experienced SPS-TBT-related barriers in other SASEC countries (Table A10.1: survey results). This indicates that procedural barriers in a concerned SASEC country could be a reason for zero or negligible exports of the identified products from Sri Lanka.
- (iv) Whether the concerned product is included in the negative lists of each SASEC country under SAFTA and in the non-concessions lists of the Asia Pacific Trade Agreement (APTA)<sup>4</sup> (Tables A8.1 to A8.5). This indicates that the SPS-TBT measures in India are likely to have some negative impact on zero or negligible exports of the identified products from Sri Lanka.
- (v) Whether the concerned product is included in the dossier of nontariff barriers (NTBs) facing Sri Lanka's exporters under the Indo-Sri Lanka Free Trade Agreement (ISFTA) in India (Appendix 10, Table A10.1). This indicates that procedural barriers in India could be a reason for zero or negligible exports of the identified products from Sri Lanka.
- (vi) Whether the concerned product is included in the negative list of India under ISFTA (Appendix 8, Table A8.3). This indicates that the SPS-TBT measures in India are likely to have some negative impact on zero or negligible exports of the identified products from Sri Lanka.

With regard to (iii), the list of exports on which NTMs are imposed officially was further screened using findings on actual restrictions in the guise of NTMs (NTBs) from four sources:

- (i) survey of Sri Lanka's exporters on the NTBs that they face in other SASEC countries using a comprehensive questionnaire;<sup>5</sup>
- (ii) information on NTBs from the missions of Sri Lanka in SASEC countries;

<sup>3</sup> The authors developed this database for South Asian countries using the official data received from ITC, together with unstructured data from other sources. This user-friendly inventory of NTMs was based on the latest UNCTAD 2012 classification of NTMs. S.M. Raihan, A. Khan, and S. Quoreshi. 2014. NTMs in South Asia: Assessment and Analysis. SAARC Trade Promotion Network. Nepal.

<sup>4</sup> Bangladesh, India, and Sri Lanka are the only South Asian countries that are members of APTA.

<sup>5</sup> The NTMs are legitimate and countries can use them legally under the World Trade Organization agreements of SPS and TBT. They become NTBs when such measures are used to restrict trade.

- (iii) information on NTBs from the missions of other SASEC countries located in Colombo; and
- (iv) cross-checking of the information from the business sector with Sri Lanka's regulatory authorities, Department of Commerce, Export Development Board, and other relevant public and private institutions.

Finally, the validation of findings of the study was carried out with stakeholders at a workshop on 23 October 2017. The outcome of this procedure is the identification of a list of potential exports subject to SPS-TBT-related NTMs for each country.

Data for the study were sourced from both external sources such as Comtrade, and internal sources such Customs, the Ministry of Finance, and Department of Commerce.



## Appendix 2

# Top 10 Export Products from Sri Lanka to Other SASEC Countries

Export products are listed according to the most recent year with available information, at the 6-digit harmonized system (HS) code level.

**Table A2.1: Top 10 Export Products to Bangladesh in 2016**

Sl. No.	HS Code (6-digit)	Description	Export Value (\$ million)
1	520939	Woven fabrics of cotton, containing $\geq 85\%$ cotton by weight and weighing $> 200 \text{ g/m}^2$ , dyed	15.63
2	600622	Dyed cotton fabrics, knitted or crocheted, of a width of $> 30 \text{ cm}$ (excluding warp knit fabrics)	10.74
3	843049	Boring or sinking machinery for boring earth or extracting minerals or ores, not self-propelled	9.68
4	340290	Surface-active preparations, washing preparations, including auxiliary washing preparations	8.53
5	392690	Articles of plastics and articles of other materials of headings 3901 to 3914,	5.75
6	271019	Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel	5.69
7	392620	Articles of apparel and clothing accessories produced by the stitching or sticking together	5.08
8	520942	Denim, containing $\geq 85\%$ cotton by weight and weighing $> 200 \text{ g/m}^2$ , made of yarn of different materials	4.02
9	071340	Dried, shelled lentils, whether or not skinned or split	3.78
10	350790	Enzymes and prepared enzymes, n.e.s. (excluding rennet and concentrates thereof)	2.86
<b>Total of top 10</b>			<b>71.75</b>
<b>% share of top 10 in total exports to Bangladesh</b>			<b>60.36</b>

cm = centimeter,  $\text{g/m}^2$  = gram per square meter, HS = harmonized system, n.e.s. = not elsewhere specified, SI = international system.

Source: ITC Trade Map.

Table A2.2: Top 10 Export Products to Bhutan in 2016

Sl. No.	HS Code (6-digit)	Description	Export Value (\$ million)
1	841590	Parts of air-conditioning machines, comprising a motor-driven fan and elements for changing	0.028
2	940360	Wooden furniture (excluding for offices, kitchens, bedrooms, and seats)	0.008
3	442090	Wood marquetry and inlaid wood; caskets and cases for jewelry or cutlery, and similar articles	0.002
4	681099	Articles of cement, concrete, or man-made stone, whether or not reinforced (excluding prefabricated)	0.002
5	570220	Floor coverings of coconut fibers "coir," woven, whether or not made up	0.001
6	580110	Woven pile fabrics and chenille fabrics, of wool or fine animal hair (excluding terry toweling)	0
7	580121	Uncut weft pile fabrics, of cotton (excluding terry toweling and similar woven terry fabrics)	0
8	580610	Narrow woven pile fabrics, including terry toweling and similar terry fabrics, and chenille fabrics	0
9	590110	Textile fabrics coated with gum or amylaceous substances, of a kind used for the outer covers	0
10	600191	Pile fabrics of cotton, knitted or crocheted (excluding "long pile" fabrics)	0
<b>Total of top 10</b>			<b>0.041</b>
<b>% share of top 10 in total exports to Bhutan</b>			<b>95.35</b>

HS = harmonized system, SI = international system.

Source: ITC Trade Map.

Table A2.3: Top 10 Export Products to India in 2016

Sl. No.	HS Code (6-digit)	Description	Export Value (\$ million)
1	230990	Residues and waste from the food industries, prepared animal fodder (except HS 23065010)	53.55
2	090411	Pepper of the genus piper, dried, crushed, or ground	47.59
3	080280	Other nuts, fresh or dried, whether or not shelled or peeled	33.94
4	890190	Ships, boats, and floating structures	33.88
5	61-62	Apparel	33.51
6	470790	Pulp of wood or of other fibrous cellulosic materials waste and scrap of paper or paperboard	30.10
7	854430	Insulated (including enameled or anodized) wire, cable (including coaxial cable) and other insulation	19.70

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Table A2.3 continued

Sl. No.	HS Code (6-digit)	Description	Export Value (\$ million)
8	550490	Man-made staple fibers	16.84
9	680221	Worked monumental or building stone (except slate) and articles thereof, other than goods of heading	16.82
10	940350	Other furniture and parts thereof	16.12
<b>Total of top 10</b>			<b>302.07</b>
<b>% share of top 10 in total export to India</b>			<b>54.80</b>

HS = harmonized system.

Source: Sri Lanka Customs, SI = international system.

Table A2.4: Top 10 Export Products to Maldives in 2016

Sl. No.	HS Code (6-digit)	Description	Export Value (\$ million)
1	854449	Electric conductors, for a voltage <= 1.000 volts, insulated, not fitted with connectors, n.e.s.	7.66
2	271500	Bituminous mastics, cutbacks and other bituminous mixtures based on natural asphalt	5.23
3	210690	Food preparations, n.e.s.	4.63
4	070999	Fresh or chilled vegetables, n.e.s.	4.40
5	271019	Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel	3.95
6	731829	Nonthreaded articles, of iron or steel	2.37
7	081090	Fresh tamarinds, cashew apples, jackfruit, lychees, sapodillo plums, passion fruit, carambola	2.29
8	190531	Sweet biscuits	1.98
9	300490	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes	1.96
10	853710	Boards, cabinets, and similar combinations of apparatus for electric control or the distribution	1.64
<b>Total of top 10</b>			<b>36.09</b>
<b>% share of top 10 in total exports to Maldives</b>			<b>34.62</b>

HS = harmonized system, n.e.s. = not elsewhere specified, SI = international system.

Source: ITC Trade Map.

Table A2.5: Top 10 Export Products to Nepal in 2016

Sl. No.	HS Code (6-digit)	Description	Export Value (\$ million)
1	843840	Brewery machinery (excluding centrifuges and filtering, heating, or refrigerating equipment)	0.27
2	761290	Casks, drums, cans, boxes, and similar containers, including rigid tubular containers, of aluminium	0.17
3	690890	Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes	0.13
4	010511	Live fowls of the species <i>Gallus domesticus</i> , weighing <= 185 gram (excluding turkeys and guinea)	0.08
5	382319	Fatty acids, industrial, monocarboxylic; acid oils from refining (excluding stearic acid, oleic)	0.08
6	853669	Plugs and sockets for a voltage <= 1.000 volts (excluding lamp holders)	0.07
7	940600	Prefabricated buildings, whether or not complete or already assembled	0.06
8	481940	Sacks and bags, including cones, of paper, paperboard, cellulose wadding or webs of cellulose fibers	0.05
9	090230	Black fermented tea and partly fermented tea, whether or not flavored, in immediate packings	0.05
10	853620	Automatic circuit breakers for a voltage <= 1.000 volts	0.05
<b>Total of top 10</b>			<b>1.00</b>
<b>% share of top 10 in total export to Nepal</b>			<b>79.78</b>

HS = harmonized system, SI = international system.

Source: ITC Trade Map.

# Appendix 3

## Identification of Potential Export Items That Could Not Be Exported Due to Sanitary and Phytosanitary and Technical Barriers to Trade Measures

**Table A3.1: Potential Export Products in Bangladesh Market**  
(\$)

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	X Share of Exports in M (in %) [(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	80119	Coconuts, excluding desiccated	0	3,621,023	0.5332	3,098,322	1.1739	0.00
2	130190	Natural gums, resins, gum-resins, and balsam, except Arabic gum	0	1,215,013	1.4426	4,641,143	1.9141	0.00
3	230230	Wheat bran, sharps, and other residues, pelleted or not	0	11,101,700	0.1494	59,676,732	4.9332	0.00
4	240220	Cigarettes containing tobacco	0	2,814,819	15.7203	3,733,677	27.9762	0.00
5	261400	Titanium ores and concentrates	0	10,120,807	0.2280	2,381,772	1.3205	0.00
6	271011	Light petroleum oils and preparations	0	10,815,693	0.8719	67,450,520	1.0559	0.00
7	281700	Zinc oxide; zinc peroxide	0	647,074	1.8676	2,046,829	2.1717	0.00
8	391239	Cellulose ethers, n.e.s., in primary forms	0	1,117,386	0.8654	4,196,108	9.7862	0.00
9	401490	Hygienic or pharmaceutical articles of rubber, n.e.s.	0	1,600,204	8.6957	2,307,791	15.9984	0.00
10	441114	Medium density fiberboard of wood, of a thickness >9 mm	0	15,816,460	0.4122	1,821,315	0.5266	0.00
11	490700	Unused postage, revenue stamps; check forms, banknotes, bond certificate	0	73,505,560	102.7103	5,088,785	273.4043	0.00
12	531100	Woven fabrics of other vegetable textile fibers; woven fabric of paper yarn	0	3,706,909	1.1066	9,440,586	11.0329	0.00
13	551012	Yarn, >=85% of man-made staple fibers, multiple, not put up, n.e.s.	0	1,082,813	3.6798	35,386,368	4.2259	0.00
14	620413	Women's or girls' suits, of synthetic fibers, not knitted	0	726336.2	53.3310	1,590,578	54.7841	0.00
15	620419	Women's or girls' suits, of other textile materials, not knitted	0	704,250	74.9280	8,773,972	31,954.4500	0.00
16	621290	Corsets, braces and similar articles and parts thereof, of textile materials	0	3,153,983	55.0386	28,437,070	477.0485	0.00

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Table A3.1 continued

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	X Share of Exports in M (in %)
								[(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
17	630260	Toilet and kitchen linen, of terry toweling or similar terry fabric of cotton	0	995,436.2	14.4102	3,887,305	17.6995	0.00
18	630533	Sacks, bags, packing, of strip plastic material	0	9,560,134	3.2657	2,099,950	12.0098	0.00
19	680221	Monumental, building stone, cut or sawn, flat or even, marble or travertine, alabaster	0	15,525,917	1.0226	2,476,699	1.1914	0.00
20	701090	Carboys, bottles, flasks, jars, pots, phials, and other containers	0	10,864,322	0.6559	13,401,035	1.2800	0.00
21	711319	Articles of jewelry and part thereof of precious metal within plated, clad with precious metal	0	13,592,389	4,4020.6500	1.86E+08	6,049,193.0000	0.00
22	720429	Waste and scrap, of alloy steel, other than stainless	0	529,959	0.3270	33,832,108	0.3916	0.00
23	760110	Aluminum unwrought, not alloyed	0	908,180	1.6264	92,417,376	2.0576	0.00
24	780110	Lead refined unwrought	0	6,530,381	2.1376	25,530,826	2.1767	0.00
25	780199	Lead unwrought, n.e.s.	0	4,111,055	2.1383	3,905,942	2.3918	0.00
26	821220	Safety razor blades, including razor blade blanks in strips	0	862,240	37.1786	2,952,774	60.0758	0.00
27	842290	Parts of dishwashing, cleaning or drying container, packing or wrapping machines	0	525,418	39.0014	13,141,249	82.4260	0.00
28	842619	Transporter or bridge cranes	0	1,013,238	7.8388	13040444	9.3161	0.00
29	842649	Derricks, cranes or work trucks fitted with a crane, self-propelled, n.e.s.	0	3,182,594	7.0960	8,491,802	18.4296	0.00
30	842820	Pneumatic elevators and conveyors	0	1,149,358	19.2057	3,688,763	21.2175	0.00
31	843049	Boring or sinking machinery, n.e.s., not self-propelled	0	753,161	25.4777	10,102,312	646.5101	0.00
32	847150	Digital processing units not sold as complete systems	0	859,377.4	187.1870	22,690,638	237.4315	0.00
33	847431	Concrete or mortar mixers	0	559,194	6.4435	4,510,579	7.0942	0.00
34	850213	Generating sets, diesel or semi-diesel engines, of an output exceeding 375 KVA	0	651,536	12.6765	139,000,000	18.8352	0.00
35	850450	Inductors, electric	0	1,052,659	38.3210	1,681,065	107.2014	0.00
36	851718	Telephone sets (excluding line telephone sets with cordless handsets)	0	926,495	130.3443	4,645,603	495.5613	0.00
37	851761	Base stations of apparatus for the transmission or reception of voice,	0	2,173,920	165.7673	77,448,496	2,550.7020	0.00
38	851770	Parts of telephone sets, telephones for cellular networks or for other networks	0	1,161,214	32.8170	62,307,940	47.3335	0.00

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Table A3.1 continued

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	X Share of Exports in M (in %)
								[(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
39	851822	Multiple loudspeakers, mounted in the same enclosure	0	2,030,348	28.9723	5,849,365	34.4709	0.00
40	851830	Headphones, earphones and combined microphone or speaker sets	0	725,328	100.3318	9,305,183	1,832.6460	0.00
41	854290	Parts of electronic integrated circuits and micro-assemblies	0	5,222,495	39.0357	1,736,368	386.4642	0.00
42	870324	Automobiles with reciprocating piston engine displacing > 3000 cc	0	1,516,009	24.0508	4,054,395	28.2561	0.00
43	870333	Automobiles with diesel engine displacing more than 2500 cc	0	538,859	18.5326	10,522,242	19.6561	0.00
44	880330	Aircraft parts, n.e.s.	0	20,023,212	409.9644	18,585,870	680.3363	0.00
45	890190	Cargo vessels. n.e.s. and other vessels for the transport of both persons and goods	0	92,994,720	2.0743	20,177,418	21,234.6700	0.00
46	890200	Fishing vessels and factory ships	0	852,682.	7.0845	3,174,653	15.8108	0.00
47	890510	Dredgers	0	59,277,952	12.3173	32,208,768	23.8988	0.00
48	903190	Parts and accessories for measuring or checking instruments, appliances and machines, n.e.s.	0	500,804.2	109.7241	1,836,215	134.8118	0.00
49	950669	Balls, n.e.s.	0	795,892.4	14.5527	4,809,607	199.4165	0.00
50	854370	Electrical machines and apparatus, having individual functions, n.e.s.	32	1,120,551	113.8771	28,821,530	139.6069	0.00
51	620990	Babies garments and clothing accessories of other textile materials, not knitted	4	3,579,216	28.2465	1,944,807	42.9198	0.00
52	852872	Reception apparatus for television, color, whether or not incorporated	115	592,089	32.6559	37,785,788	43.7148	0.00
53	940490	Articles of bedding or furnishing, n.e.s., stuffed or internally fitted	15	840,184.4	9.9676	3,872,207	11.5218	0.00
54	851769	Apparatus for the transmission or reception of voice, images, or others	161	642946	212.4111	5,939,367	249.3801	0.00
55	820719	Rock drilling or earth boring tools, n.e.s., parts	52	3,050,372	43.9140	1,705,935	93.8274	0.00
56	850300	Parts of electric motors, generators, generating sets and rotary converters	2,056	924,338.4	14.3627	59,449,412	19.3029	0.00
57	850440	Static converters, n.e.s.	5,102.25	2,278,176	48.3835	91,730,752	66.0644	0.01
58	491199	Printed matter, n.e.s.	589.25	4,548,658	5.1118	9,645,828	9.6510	0.01
59	851762	Machines for the reception, conversion, and transmission or regeneration	9,393	2,742,004	243.8233	140,000,000	576.6577	0.01
60	940390	Furniture parts, n.e.s.	1,009.5	1,632,283	4.6612	9,970,898	5.3260	0.01

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Table A3.1 continued

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	X Share of Exports in M (in %)
								[(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
61	850431	Transformers electric power handling capacity not exceeding 1 KVA, n.e.s.	564	29,453,038	24.4090	5,210,377	39.7881	0.01
62	850720	Lead-acid electric accumulators, n.e.s.	6,366	4,231,247	4.4282	54,117,816	31.3270	0.01
63	940350	Bedroom furniture, wooden, n.e.s.	230	6,755,212	2.5731	1,568,591	3.4319	0.01
64	847330	Parts and accessories of automatic data processing machines and units thereof	10,404	908,061.2	36.7017	61,843,288	40.9048	0.02
65	850421	Liquid dielectric transformers having a power handling capability <= 650 KVA	1,098.5	4,766,636	6.8984	5,144,999	7.5576	0.02
66	520829	Woven fabrics of cotton, >=85%, not more than 200 g/m <sup>2</sup> , bleached, n.e.s.	5,441	862,548	11.8473	19,927,978	15.2881	0.03
67	392329	Sacks and bags (including cones) of plastics, n.e.s.	3,777.2	1,477,297	3.5179	10,388,163	5.6670	0.04
68	560790	Twine, cordage, ropes and cables, of other materials	1,098.5	7,525,350	1.2069	2,796,142	9.5975	0.04
69	551219	Woven fabrics, containing >=85% of polyester staple fibers	9,260.5	551,377	9.9117	19,020,264	10.2868	0.05
70	740811	Wire of refined copper of which the max cross-sectional dimension > 6 mm	5,503	6,349,018	7.2305	10,100,267	7.6705	0.05
71	611692	Gloves, mittens and mitts, n.e.s., of cotton, knitted	1,184	1,315,234	11.7418	1,726,189	12.0361	0.07
72	300490	Medicaments, n.e.s., in dosage	37,493.25	2,943,681	14.9844	44,583,860	44.8097	0.08
73	401699	Articles of vulcanized rubber, n.e.s., other than hard rubber	11,316	60,797,432	5.4113	10,778,150	6.5845	0.10
74	90611	<i>Cinnamon Cinnamomum eylanicum Blume</i> (excluding crushed and ground)	2,933	126,000,000	8.6585	2,732,615	37.5723	0.11
75	490199	Books, brochures, leaflets, and similar printed matter, n.e.s.	34,459	1,235,629	5.3423	24,794,414	27.4201	0.14
76	540110	Sewing thread of synthetic filaments	23,241	666,765.6	6.3253	13,307,734	6.9750	0.17
77	340399	Lubricating preparations and similar preparations not counting pet oils, n.e.s.	9,064.5	620,591.2	2.6047	4,643,426	3.2520	0.20
78	940360	Furniture, wooden, n.e.s.	13,782	3,113,293	4.7728	5,918,556	5.0622	0.23
79	490110	Brochures, leaflets and similar printed matter, in single sheets	12,004.8	590,548.2	2.3280	4,604,453	5.3487	0.26
80	220300	Beer made from malt	8,331	2,156,542	1.0786	3,049,070	1.2457	0.27
81	392310	Boxes, cases, crates and similar articles of plastic	20,689.25	733,553.2	2.5584	7,290,381	4.9521	0.28
82	580632	Narrow woven fabrics of man-made fibers, n.e.s.	75,181.4	800,255.8	7.7956	25,848,850	8.8846	0.29

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Table A3.1 continued

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	X Share of Exports in M (in %)
								[(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
83	441112	Medium density fiberboard of wood, of a thickness ≤ 5 mm	7,698	7,032,306	0.3897	2,625,764	0.4059	0.29
84	401310	Inner tubes of rubber for motorcars, buses or lorries	14,570	840,264.6	4.0061	4,446,006	4.2295	0.33
85	591000	Transmission or conveyor belts or belting of textile material	8,069	5,349,003	4.6064	2,320,551	13.0687	0.35
86	400122	Technically specified natural rubber	122,826	7,190,596	3.1052	34,962,056	37.1710	0.35
87	392330	Carboys, bottles, flasks, and similar articles of plastics	22,190.5	1,330,184	2.7400	5,939,089	9.5708	0.37
88	871200	Bicycles and other cycles (including delivery tricycles), not motorized	68,564	34,924,336	20.6765	17,086,348	665.9873	0.40
89	600240	Knitted or crocheted fabrics, of a width of ≤ 30 cm, containing ≥ 5%	59,757.4	993,111.8	9.7186	11,488,084	10.6434	0.52
90	870421	Diesel-powered trucks with a GVW not exceeding 5 tons	414,941	4,143,099	8.9115	50,366,132	9.1454	0.82
91	220830	Whiskies	57,267	1,662,457	9.5538	4,945,171	9.6077	1.16
92	470790	Waste and scrap of paper or paperboard, n.e.s. (including unsorted waste and scrap)	199,590.3	18,836,516	0.2113	12,271,029	0.2733	1.63
93	481920	Cartons, boxes, and cases, folding, of noncorrugated paper or paperboard	160,290.4	5,505,182	2.9558	9,810,747	4.2039	1.63
94	551011	Yarn, ≥ 85% of man-made staple fibers, single, not put up	348,975.4	19,087,146	3.2426	19,390,444	3.3119	1.80
95	482110	Paper labels of all kinds, printed	1,441,655	9,687,835	5.7529	74,631,616	13.9730	1.93
96	600690	Fabrics, knitted or crocheted, of a width of > 30 cm (excluding of artifice)	282,533.4	2,738,028	6.4004	14,461,731	8.3730	1.95
97	854449	Electric conductors, for a voltage not exceeding 80 volts, n.e.s.	617,063.4	10,655,887	5.7263	26,081,492	6.7937	2.37
98	392321	Sacks and bags (including cones) of polymers of ethylene	358,459	33,019,578	2.6474	12,933,135	6.7034	2.77
99	600490	Knitted or crocheted fabrics, of a width of > 30 cm, containing ≥ 5%	341,062.8	2,760,074	7.7553	7,668,686	7.9998	4.45
100	400821	Plates, sheets and strip of noncellular rubber, other than hard rubber (vulcanized)	350,624.4	7,082,992	2.8053	3,264,898	2.9884	10.74

cc = cubic centimeter, GVW = gross vehicle weight, HS = harmonized system, M = importing country, mm = millimeter, n.e.s. = not elsewhere specified, UV = unit value, X = country of exports.

Source: United Nations Comtrade Database.

**Table A3.2: Potential Export Products in Bhutan Market**  
(\$)

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	Price Difference between SRI and BHU [(8)/(6)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	854419	Insulated (including enameled or anodized) winding wire, n.e.s.	0	434,325	13.17975	134,075	4,151.4730	314.99
2	560900	Articles of yarn, strip, twine, cordage, rope, and cables, n.e.s.	0	78,959.34	17.13967	124,990	251.7438	14.69
3	491199	Printed matter, n.e.s.	0	4,548,658	5.111835	116,450	75.0578	14.68
4	910211	Wrist watches, battery or accumulator-powered with mechanical display only, n.e.s.	0	104,783	466.4141	161,593	5,837.7010	12.52
5	631090	Used or new rags of textile materials, not sorted	0	2,381,883	0.459309	2,034,233	5.6278	12.25
6	851712	Telephones for cellular networks mobile telephones or for other wireless	0	338,761	610.1118	1,039,726	6,367.4300	10.44
7	401120	Pneumatic tires new of rubber for buses or lorries	0	16,954,232	4.752872	1,388,544	45.4246	9.56
8	901590	Parts and accessories for use with the apparatus of heading No. 90.15	0	71,140	79.92177	318,394	631.7490	7.90
9	851769	Apparatus for the transmission or reception of voice, images or other	0	642,946	212.4111	3,97216	1,575.4920	7.42
10	330499	Beauty or make-up preparations, n.e.s.; sunscreen or suntan preparations	0	501,470	9.123842	337,781	62.3450	6.83
11	841090	Parts of hydraulic turbines and water wheels including regulators	0	128,789	25.41695	3,724,709	147.6664	5.81
12	848180	Taps, cocks, valves and similar appliances, n.e.s.	0	338,616	15.8019	163,964	86.1362	5.45
13	851770	Parts of telephone sets, telephones for cellular networks or for other	0	1,161,214	32.81703	1,539,599	140.5540	4.28
14	854390	Parts of electrical machines and apparatus having individual functions, n.e.s.	0	387,629	109.2197	128,553	460.1891	4.21
15	220410	Grape wines, sparkling	0	66,444	5.614719	264,546	22.6063	4.03
16	391739	Tubes, pipes and hoses, n.e.s., plastic	0	64,371	2.448797	149,272	9.7421	3.98
17	852990	Parts suitable for use solely principally with the application of headings 85.25 to 85.28	0	787,406	50.85728	197,794	197.8392	3.89
18	391590	Plastics waste and scrap, n.e.s.	0	760,779	0.600674	606,039	2.1109	3.51
19	732399	Table, kitchen, or other household art and parts thereof, of iron or steel, n.e.s.	0	129,930	3.966806	195,340	13.6775	3.45
20	843041	Boring or sinking machinery, n.e.s., self-propelled	0	749,826	15.88318	271546	53.4649	3.37

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Table A3.2 continued

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	Price Difference between SRI and BHU [(8)/(6)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
21	730840	Props and similar equipment for scaffolding, shutter or pit-propping	0	218,182	2.705968	338,383	8.4490	3.12
22	852910	Airials and aerial reflectors of all kinds; parts suitable for use therewith	0	603,591	70.91051	2,117,243	220.6353	3.11
23	847330	Parts and accessories of automatic data processing machines and units thereof	0	908,061	36.70166	1,023,736	106.0898	2.89
24	850300	Parts of electric motors, generators, generating sets and rotary converters	0	924,338	14.36274	572,872	41.1380	2.86
25	844399	Parts and accessories of printers, copying machines and facsimile machines	0	153,246	22.01832	206,449	59.9421	2.72
26	300220	Vaccines, human use	0	131,316	109.5928	455,744	294.2827	2.69
27	851761	Base stations of apparatus for the transmission or reception of voice	0	2,173,920	165.7673	823,445	430.6917	2.60
28	681099	Articles of cement, of concrete or of man-made stone, n.e.s.	0	177,964	4.30232	131,993	11.0993	2.58
29	490110	Brochures, leaflets, and similar printed matter, in single sheets	0	590,548	2.327959	525,081	5.8878	2.53
30	903033	Instruments and apparatus for measuring or checking voltage, current	0	113,399	230.0343	165,947	560.9734	2.44
31	20714	Fowls ( <i>Gallus domesticus</i> ), cuts and offal, frozen	0	695,572	0.840996	114,793	1.9297	2.29
32	847420	Crushing, grinding machines for earth, stone, ores or other mineral substance	0	139,795	9.029879	1,160,629	20.0287	2.22
33	852580	Television cameras, digital cameras, and video camera recorders	0	130,151	260.4329	176,499	558.3068	2.14
34	330610	Dentifrices	0	66,025	6.467089	126,575	13.1688	2.04
35	853540	Lighting arresters, voltage limiters and surge suppressor voltage > 1,000 volts	0	490,632	39.09003	303,195	72.6192	1.86
36	851762	Machines for the reception, conversion, and transmission or regeneration	0	2,742,004	243.8233	2,336,734	437.5071	1.79
37	420292	Containers with outer surface of sheeting of plastic or textile materials, n.e.s.	0	355,319	13.08486	265,036	23.4694	1.79
38	711319	Articles of jewelry and part thereof of precious metal within plated or clad with precious metal	0	14,118,331	31,512.42	892,103	53,902.1200	1.71
39	640419	Footwear other than sports, with outer soles of rubber, plastics, and uppers of textile material	0	2,299,603	25.24336	181,659	43.1513	1.71

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Table A3.2 continued

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	Price Difference between SRI and BHU [(8)/(6)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
40	392310	Boxes, cases, crates, and similar articles of plastic	0	733,553	2.558381	164,163	4.3066	1.68
41	220830	Whiskies	0	1,662,457	9.553769	1,552,891	15.9691	1.67
42	20712	Fowls ( <i>Gallus domesticus</i> ), whole, frozen	0	278,011	1.200618	290,237	1.9882	1.66
43	850440	Static converters, n.e.s.	0	2,278,176	48.38351	496,942	78.0255	1.61
44	261900	Slag, dross, (excluding granulated slag) scaling and other waste	0	572,841	0.059039	355,048	0.0949	1.61
45	842952	Shovels and excavators with a 360-revolving superstructure	0	477,565	4.369358	5,725,160	6.9394	1.59
46	731815	Bolts or screws, n.e.s., with or without their nuts o washers, iron, or steel	0	228,196	4.871577	136,458	7.6971	1.58
47	300490	Medicaments, n.e.s., in dosage	0	2,943,681	14.98444	1,295,976	21.7370	1.45
48	190531	Sweet biscuits	0	14,419,875	1.975966	928,829	2.8140	1.42
49	870590	Special purpose motor vehicles, n.e.s.	0	226,535	10.24047	394,960	14.5702	1.42
50	842121	Filtering or purifying machinery and apparatus for water	0	175,724	20.04892	164,510	27.7780	1.39
51	841370	Centrifugal pumps, n.e.s.	0	153,579	21.56961	118,039	29.1686	1.35
52	731029	Cans, iron or steel, capacity <50 liters, n.e.s.	0	268,609	2.825482	175,483	3.7601	1.33
53	732620	Articles of wire, iron, or steel, n.e.s.	0	563,140	2.404537	182,512	3.1811	1.32
54	732690	Articles, iron or steel, n.e.s.	0	2,929,219	3.773102	1,122,005	4.9198	1.30
55	940350	Bedroom furniture, wooden, n.e.s.	5,703	6,601,137	2.584002	151,242	3.3537	1.30
56	420222	Handbags w outer surface of sheeting of plastics or of textile materials	0	426,685	33.9284	385,682	43.3950	1.28
57	902780	Instruments and apparatus for physical or chemical analysis, n.e.s.	0	145,012	269.2198	154,919	341.7151	1.27
58	903180	Measuring or checking instruments, appliances and machines, n.e.s.	0	26,602,492	207.616	195,898	262.9192	1.27
59	854370	Electrical machines and apparatus, having individual functions, n.e.s.	0	1,120,551	113.8771	177,349	143.8383	1.26
60	271011	Light petroleum oils and preparations	0	10,815,693	0.871899	3,892,429	1.0768	1.24
61	847910	Machines for public works, building, or the like, n.e.s. having individual functions	0	309,980	13.89729	165,720	17.1211	1.23
62	940320	Furniture, metal, n.e.s.	0	206,157	5.334722	311,225	6.5249	1.22
63	870190	Wheeled tractors, n.e.s.	0	173,282	8.629834	292,336	10.4313	1.21
64	853650	Electrical switches for a voltage not exceeding 1,000 volts, n.e.s.	0	591,235	28.11906	208,795	33.8477	1.20
65	841290	Parts of hydraulic and pneumatic and other power engines and motors n.e.s.	0	51,484	20.39189	165,726	24.5342	1.20
66	880330	Aircraft parts, n.e.s.	0	20,023,212	409.9644	929,502	491.1057	1.20
67	940169	Seats with wooden frames, n.e.s.	10,259	202,128	5.923084	146,283	6.9915	1.18

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Table A3.2 continued

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	Price Difference between SRI and BHU
								[(8)/(6)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
68	420212	Trunks, suitcases, and similar container with outer surface of plastics or textiles	0	160,829	19.52722	127,371	22.9271	1.17
69	382490	Chemical or allied industry preparations or products, n.e.s.	0	430,810	1.714924	116,241	2.0039	1.17
70	847431	Concrete or mortar mixers	0	559,194	6.443519	248,963	7.4894	1.16
71	630260	Toilet and kitchen linen, of terry toweling or similar terry fabric of cotton	0	1,149,879	12.03356	216,909	13.7600	1.14
72	730900	Reservoirs, tanks, vats, and similar container with capacity >300 liters, instead of similar (e.g., liquid or compressed gas type)	0	50,651	5.103836	173,831	5.8190	1.14
73	850211	Generating sets, diesel or semidiesel engines, of an output not exceed 75 kVA	0	70,799	10.7746	116,479	12.2447	1.14
74	847989	Machines and mechanical appliances, n.e.s., having individual functions	0	584,888	30.1804	950,119	33.5537	1.11
75	190219	Uncooked pasta, not stuffed or otherwise prepared, n.e.s.	0	1,216,390	2.046589	1,745,760	2.2669	1.11
76	940390	Furniture parts, n.e.s.	0	1,632,283	4.661159	348,650	5.1424	1.10
77	620530	Men's or boys' shirts, of man-made fibers, not knitted	0	2,761,392	37.61337	247,448	41.4099	1.10
78	842959	Self-propelled excavating machinery, n.e.s.	0	688,308	6.164057	1,073,961	6.7400	1.09
79	842951	Front end shovel loaders	0	406,497	5.505548	230,671	5.9959	1.09
80	842619	Transporter or bridge cranes	0	1,326,248	7.399811	163,054	8.0476	1.09
81	940360	Furniture, wooden, n.e.s.	11,470	3,113,293	4.772753	402,651	5.1784	1.08
82	842820	Pneumatic elevators and conveyors	0	1,226,650	19.18166	139,478	20.4893	1.07
83	841360	Rotary positive displacement pumps, n.e.s.	0	93,994	36.94569	137,975	39.2822	1.06
84	841280	Engines and motors, n.e.s.	0	64,358	37.36456	706,337	39.4958	1.06
85	842720	Self-propelled works trucks, n.e.s.	0	123,567	5.604498	210,743	5.8858	1.05
86	853720	Boards, panels, including numerical control panels, for a voltage > 1,000 volts	0	4,277,823	52.78289	518,563	55.2354	1.05
87	853110	Burglar or fire alarms and similar apparatus	0	255,017	87.58018	447,250	91.3853	1.04
88	850239	Electric generating sets	0	808,037	22.1048	120,397	22.7353	1.03
89	961900	Sanitary towels (pads) and tampons, napkins and napkin liners for babies, and similar articles	462	481,134	6.015452	157,230	6.1431	1.02
90	850213	Generating sets, diesel or semidiesel engines, of an output exceeding 375 kVA	0	651,536	12.67646	227,547	12.9310	1.02

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Table A3.2 continued

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	Price Difference between SRI and BHU
								[(8)/(6)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
91	220210	Waters including mineral and aerated, containing sugar or sweetening matter or flavored	0	617,286	0.931767	248,409	0.9459	1.02
92	180690	Chocolate and other food preparations containing cocoa, n.e.s.	0	3,960,070	4.965843	1,299,322	5.0231	1.01
93	940510	Chandeliers and other electric ceiling or wall lighting fittings	0	63,269	32.2278	125,747	32.5020	1.01
94	401310	Inner tubes of rubber for motorcars, buses or lorries	0	763,764	3.940917	155,187	3.9657	1.01
95	847130	Portable digital computers <10 kg	0	112,728	219.5455	658,093	220.8098	1.01
96	841440	Air compressors mounted on a wheeled chassis for towing	0	99,663	12.27979	270,027	12.3372	1.00
97	852872	Reception apparatus for television, color, whether or not incorporated	0	738,340	32.87481	125,604	33.0240	1.00
98	870321	Automobiles with reciprocating piston engine displacing not more than 1,000 cc	0	54,251	9.475489	5,679,897	9.4802	1.00
99	870290	Buses with a seating capacity of more than nine persons, n.e.s.	0	54,143	6.823468	1,106,717	6.8250	1.00
100	401140	Pneumatic tires new of rubber for motorcycles	0	37,2251	6.43775	234,039	6.4387	1.00

cc = cubic centimeter, BHU = Bhutan, HS = harmonized system, kg = kilogram, kVA = kilovolt-ampere, M = importing country, n.e.s. = not elsewhere specified, SI = international system, SRI = Sri Lanka, UV = unit value, X = country of exports.

Source: UN Comtrade Database.

**Table A3.3: Potential Export Products in India Market**  
(\$)

Sl. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	[(4)/(7)]
1	30616	Frozen cold-water shrimps and prawns	0	4,854,127	10.544	8,412,623	26.589	0.00
2	100199	Wheat and meslin (excluding seed for sowing, and durum wheat)	0	2,666,222	0.341	48,612,916	0.342	0.00
3	190110	Preparation of cereals, flour, starch or milk for infant use, put up for retail sale	0	1,347,940	5.743	4,911,674	7.631	0.00
4	210500	Ice cream and other edible ice, whether or not containing cocoa	0	826,405	2.478	2,757,032	3.639	0.00
5	391239	Cellulose ethers, n.e.s., in primary forms	0	1,117,386	0.865	144,000,000	7.175	0.00
6	540720	Woven fabric obtained from strip or the like of synthetic textile materials	0	1,201,977	2.857	3,752,117	3.235	0.00
7	611510	Graduated compression hosiery (e.g., stockings for varicose veins)	0	4,798,036	25.290	1,503,080	54.312	0.00
8	842649	Derricks, cranes, or work trucks fitted with a crane, self-propelled, n.e.s.	0	3,182,594	7.096	115,000,000	7.368	0.00
9	843210	Plows	0	815,164	6.564	3,240,784	7.708	0.00
10	854160	Mounted piezo-electric crystals	0	565,744	529.435	51,844,316	559.718	0.00
11	871640	Trailers and semitrailers, n.e.s.	0	515,116	4.301	6,165,512	4.469	0.00
12	890690	Vessels, including lifeboats (excluding warships, rowboats, and other vessels)	0	539,308	27.765	268,000,000	29.217	0.00
13	903084	Instruments and appliances for measuring or checking electrical quantities	0	1,508,758	545.596	6,050,377	636.819	0.00
14	851770	Parts of telephone sets, telephones for cellular networks, or for other	423.5	1,161,214	32.817	3,200,000,000	54.688	0.00
15	300590	Dressings and similar articles, impregnable or coated or packaged for medical use, n.e.s.	2	1,255,025	12.712	14,003,060	22.268	0.00
16	851762	Machines for the reception, conversion, and transmission or regeneration	1,962.5	2,742,004	243.823	1,710,000,000	278.172	0.00
17	490700	Unused postage, revenue stamps; check forms, banknotes, bond certificates	842	73,505,560	102.710	325,000,000	1,553.360	0.00
18	847330	Parts and accessories of automatic data processing machines and units thereof	5,967	908,061	36.702	1,500,000,000	83.385	0.00
19	210610	Protein concentrates and textured protein substances	323.5	818,790	3.530	20,936,862	8.217	0.00
20	854290	Parts of electronic integrated circuits and micro-assemblies	1,048.6	5,222,495	39.036	65,324,468	59.011	0.00

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Table A3.3 continued

Sl. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %)
								[(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
21	620990	Babies' garments and clothing accessories of other textile materials, not knitted	36.5	3,579,216	28.247	2,229,244	31.848	0.00
22	711311	Articles of jewelry and parts thereof of silver within plated or clad without precious metal	2,064.5	3,843,187	1,190.970	67,665,288	1,859.628	0.00
23	850450	Inductors, electric	4,327	1,052,659	38.321	120,000,000	44.341	0.00
24	850300	Parts of electric motors, generators, generating sets, and rotary converters	20,181	924,338	14.363	537,000,000	19.723	0.00
25	853669	Electrical plugs and sockets, for a voltage not exceeding 1,000 volts	8,803.2	1,631,031	21.320	194,000,000	23.087	0.00
26	60290	Plants live, n.e.s.	306.5	4,106,401	2.037	6735508	6.160	0.00
27	880330	Aircraft parts, n.e.s.	5,7580	20,023,212	409.964	1,250,000,000	1,036.947	0.00
28	870870	Wheels including parts and accessories for motor vehicles	8,786.25	6,697,775	3.397	123,000,000	11.788	0.01
29	844720	Flat knitting machines; stitch-bonding machines	11,191	579,389	15.269	118,000,000	21.025	0.01
30	320417	Synthetic organic pigments and preparations based thereon	7,563.667	1,139,111	4.920	77,842,408	11.047	0.01
31	711319	Articles of jewelry and part thereof of other precious metal within plated or clad with precious metal	168,264	13,592,389	44,020.650	1,600,000,000	55,059.270	0.01
32	520829	Woven fabrics of cotton, >=85%, not more than 200 g/m <sup>2</sup> , bleached, n.e.s.	311	862,548	11.847	2,479,756	12.755	0.01
33	847989	Machines and mechanical appliances n.e.s. having individual functions	117,135.4	584,888	30.180	845,000,000	30.988	0.01
34	580890	Ornamental trimmings in the piece other than knit; tassels, pompons, and similar art	1,895	4,467,095	6.153	12,293,848	7.680	0.02
35	560790	Twine, cordage, ropes, and cables, of other materials	3,561.2	7,525,350	1.207	15,570,582	1.218	0.02
36	392329	Sacks and bags (including cones) of plastics, n.e.s.	8,387.8	1,477,297	3.518	29,291,122	6.256	0.03
37	880390	Parts of balloons, dirigibles, and spacecraft, n.e.s.	32,932.5	1,546,604	379.296	107,000,000	705.992	0.03
38	320890	Paints and varnish based on polymers dissolved in a non-aqueous solvent, n.e.s.	28,509	1,483,838	4.125	89,288,336	6.754	0.03
39	81090	Fruits, fresh, n.e.s.	1,823.25	4,726,621	1.457	5,284,225	1.479	0.03
40	392310	Boxes, cases, crates, and similar articles of plastic	16,226.6	733,553	2.558	42,504,164	4.313	0.04
41	520932	Twill weave cotton fabrics, >=85%, more than 200 g/m <sup>2</sup> , dyed	4,423	5,031,186	7.721	10,022,059	12.226	0.04
42	732690	Articles, iron or steel, n.e.s.	207,839.6	2,929,219	3.773	447,000,000	7.709	0.05

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Table A3.3 continued

Sl. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %)
								[(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
43	611699	Gloves, mittens, and mitts, n.e.s., of other textile materials, knitted	2,617	538,954	21.267	5,528,097	23.757	0.05
44	330499	Beauty or make-up preparations, n.e.s.; sunscreen or suntan preparations	50,920.4	501,470	9.124	76,627,240	10.916	0.07
45	350790	Enzymes, n.e.s.; prepared enzymes, n.e.s.	49061.8	3,361,523	5.428	73,327,840	7.431	0.07
46	401699	Articles of vulcanized rubber, n.e.s., other than hard rubber	173,575.6	60,797,432	5.411	246,000,000	10.388	0.07
47	340290	Surface-active preparations, washing, and cleaning preparations, n.e.s.	36,524.4	2,735,770	1.715	51,581,656	3.092	0.07
48	300490	Medicaments, n.e.s., in dosage	369,817	2,943,681	14.984	5.2E+08	1038.859	0.07
49	843139	Parts of lifting, handling, loading, or unloading machinery, n.e.s.	128,881	1,551,937	10.914	1.44E+08	14.495	0.09
50	842290	Parts of dishwashing, cleaning or drying container, packing or wrapping machine	67,633.6	525,418	39.001	71,428,880	62.634	0.09
51	551219	Woven fabrics, containing >=85% of polyester staple fibers, other than unbleached or bleached	17,829.25	551,377	9.912	18,681,252	14.392	0.10
52	591000	Transmission or conveyor belts or belting of textile material	7,417.4	5,349,003	4.606	7,715,287	5.890	0.10
53	90420	Fruits of the genus Capsicum or Pimenta, dried, crushed, or ground	4,811	831,156	2.519	4,591,568	2.544	0.10
54	611710	Shawls, scarves, veils, and the like, of textile materials, knitted	2,194	1,262,583	31.500	2,053,608	36.694	0.11
55	854449	Electric conductors, for a voltage not exceeding 80 volts, n.e.s.	262,576	10,655,887	5.726	233,000,000	12.479	0.11
56	850213	Generating sets, diesel or semidiesel engines, of an output exceeding 375 kVA	52,802	651,536	12.676	46,720,296	13.457	0.11
57	850421	Liquid dielectric transformers having a power handling capacity <= 650 kVA	7,619.6	4,766,636	6.898	6,467,185	7.727	0.12
58	200989	Juice of fruit or vegetables, unfermented, whether or not containing added sugar or other	9,779.667	1,949,420	1.431	7,544,313	1.926	0.13
59	400599	Compounded rubber, un-vulcanized in primary forms, n.e.s.	23,042.75	26,076,390	3.053	16,537,706	3.171	0.14
60	392350	Stoppers, lids, caps, and other closures of plastics	83,061.6	945,683	5.500	57,761,240	7.218	0.14
61	380991	Finishing agents, dye carriers and other preparations, n.e.s., for use in the textile industry	78,984	1,992,498	2.207	53,541,616	3.021	0.15
62	621010	Garments made up of textile felts and of nonwoven textile fabrics	3,282.5	953,750	7.970	2,117,904	10.300	0.15

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Table A3.3 continued

Sl. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
63	321000	Paints and varnishes, n.e.s.; water pigments for finishing leather	26,491.5	629,797	3.519	16,925,090	6.460	0.16
64	490110	Brochures, leaflets, and similar printed matter, in single sheets	82,496.2	590,548	2.328	52,268,000	8.395	0.16
65	490199	Books, brochures, leaflets, and similar printed matter, n.e.s.	204,413.2	1,235,629	5.342	1.19E+08	14.159	0.17
66	120740	Sesamum seeds, whether or not broken	110,896.5	4,876,260	1.384	54,318,556	1.521	0.20
67	180690	Chocolate and other food preparations containing cocoa, n.e.s.	91,402.8	3,702,054	4.620	40,769,116	5.143	0.22
68	330590	Hair preparations, n.e.s.	59,468	969,576	4.119	2,6175,972	6.563	0.23
69	392330	Carboys, bottles, flasks, and similar articles of plastics	55,006.2	1,330,184	2.740	23,978,480	5.598	0.23
70	170290	Sugar, n.e.s., including inverted sugar	6,202.6	1,145,075	2.297	2,130,199	3.239	0.29
71	240220	Cigarettes containing tobacco	67,820	2,814,819	15.720	19,440,780	17.812	0.35
72	330749	Room perfuming or deodorizing preparations, n.e.s.	32,513	1,173,100	5.456	9,107,703	6.556	0.36
73	731100	Containers for compressed or liquefied gas of iron or steel	121,250.4	730,560	5.129	33,878,860	7.235	0.36
74	843120	Parts of forklift and other works trucks fitted with lifting equipment	92,867.75	42,391,936	5.484	22,333,200	18.153	0.42
75	151790	Edible mix or preparation of animal or vegetable fats and oils of fractions, excluding heading No, 15.16	7,444	1,275,249	1.184	1,599,372	2.712	0.47
76	520942	Denim fabrics of cotton, >/=85%, more than 200 g/m <sup>2</sup>	114,937	3,845,594	6.058	24,602,382	8.141	0.47
77	391910	Self-adhesive plates, sheets, film of plastic in rolls <20 cm wide	65,802	703,055	5.260	12,823,415	7.689	0.51
78	401691	Floor coverings and mats of rubber excluding cellular and hard rubber	19,674	9,858,933	2.031	3,827,075	5.432	0.51
79	611599	Hosiery, n.e.s., of other textile materials, knitted	79,526	10,372,340	17.988	13,570,321	18.363	0.59
80	401163	Pneumatic tires, new, of rubber, having a herring-bone or similar tread	35,732	14,370,709	4.709	5,912,453	6.410	0.60
81	850431	Transformers electric power handling capacity not exceeding 1 kVA, n.e.s.	345,326	29,453,038	24.409	49,057,020	25.319	0.70
82	330510	Hair shampoo	74,213	560,297	3.056	9,039,506	6.157	0.82
83	853810	Boards, panels for goods of heading no. 85.37, not equipped with their application	778,888	14,918,938	8.380	93,014,736	32.221	0.84
84	520931	Plain weave cotton fabrics, >/=85%, more than 200 g/m <sup>2</sup> , dyed	68,541.25	941,640	9.992	7,601,308	11.609	0.90
85	620920	Babies' garments and clothing accessories of cotton, not knitted	19,700	26,515,018	25.735	2,092,594	33.712	0.94

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Table A3.3 continued

Sl. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %)
								[(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
86	261590	Niobium, tantalum, and vanadium ores and concentrates	35,587	3,234,146	0.207	2,827,531	18.645	1.26
87	611529	Pantyhose and tights of textile materials, knitted or crocheted	37,407.	3,484,039	17.304	2,945,894	24.140	1.27
88	401490	Hygienic or pharmaceutical articles of rubber, n.e.s.	111,019	1,600,204	8.696	8,702,352	16.517	1.28
89	482190	Paper labels of all kinds, not printed	241,793	1,205,685	7.060	15,666,311	7.746	1.54
90	871639	Trailers, n.e.s. for the transport of goods	95,019	5,525,798	3.509	5,865,138	3.530	1.62
91	870421	Diesel powered trucks with a GVW not exceeding five ton	109,245	4,143,099	8.912	5,810,403	9.279	1.88
92	380210	Activated carbon	606,151	77,550,368	2.124	27,689,412	2.566	2.19
93	200980	Fruit and vegetable juice, n.e.s. (excluding mixes) unfermented unspirited, whether or not sugar or sweet	138,394	1,424,574	1.292	5,978,389	1.452	2.31
94	482110	Paper labels of all kinds, printed	1,651,377	9,687,835	5.753	54,558,872	8.135	3.03
95	190531	Sweet biscuits	208,337	15,166,522	2.244	4,293,499	2.817	4.85
96	251612	Granite, merely cut, by sawing or otherwise, into blocks	178,768	1,410,582	0.209	3,084,744	0.448	5.80
97	520523	Cotton yarn, >/=85%, single, combed, 232.56 >dtex>/=192.31, not put up	135,851	1,241,876	4.030	2,339,487	4.837	5.81
98	481920	Cartons, boxes, and cases, folding, of noncorrugated paper or paperboard	593,150	5,505,182	2.956	9,795,692	3.029	6.06
99	530500	Coconut, abaca Manila hemp or <i>Musa textilis</i> Nee, ramie, agave, and others	415,684	118,000,000	0.397	5,910,160	1.562	7.03
100	392620	Apparel and clothing accessories (including gloves) of plastic	1,907,070	9,901,111	5.358	18,095,084	6.614	10.54

dtex = decitex, g/m<sup>2</sup> = gram per cubic meter, GVW = gross vehicle weight, HS = harmonized system, kVA = kilovolt-ampere, M = importing country, n.e.s. = not elsewhere specified, SI = international system, UV = unit value, X = country of exports.

Source: UN Comtrade Database.

**Table A3.4: Potential Export Products in Maldives Market**  
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Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	X Share of Exports in M (in %) [(4)/(7)]
1	2	3	4	5	6	7	8	9
1	30289	Fresh or chilled fish, n.e.s.	0	251,447	4.446	239,955	7.658	0.00
2	30389	Frozen fish, n.e.s.	0	884,405	3.017	654,977	3.834	0.00
3	30489	Frozen fillets, other fish, n.e.s.	0	274,267	7.128	242,677	11.577	0.00
4	240210	Cigars, cheroots, and cigarillos, containing tobacco	0	6,454,593	41.307	187,766	98.589	0.00
5	420292	Containers, with outer surface of sheeting of plastic or textile materials, n.e.s.	0	344,896	14.395	557,368	17.050	0.00
6	640192	Waterproof footwear, outer sole or upper of rubber or plastic, covering ankle not knee, n.e.s.	0	605,213	8.232	907,118	9.348	0.00
7	842619	Transporter or bridge cranes	0	1,326,248	7.400	1,196,523	7.766	0.00
8	850164	AC generators, of an output exceeding 750 kVA	0	219,544	12.734	2,056,046	13.633	0.00
9	852691	Radio navigational aid apparatus	0	121,330	314.921	533,124	336.205	0.00
10	850213	Generating sets, diesel or semidiesel engines, of an output exceeding 375 kVA	605	812,791	12.578	4,131,945	13.468	0.01
11	611710	Shawls, scarves, veils, and the like, of textile materials, knitted	81	1,287,409	32.623	381,833	37.010	0.02
12	850450	Inductors, electric	64	892,990	38.321	272,780	44.217	0.02
13	20714	Fowls ( <i>Gallus domesticus</i> ), cuts, and offal, frozen	1,716	692,792	0.888	6,543,648	2.414	0.03
14	880330	Aircraft parts, n.e.s.	5,176	15,426,346	458.885	16,137,341	556.244	0.03
15	845130	Ironing mach and presses (including fusing presses) other than heading No. 84.50	278	238,296	17.517	602,081	17.840	0.05
16	851762	Machines for the reception, conversion, and transmission or regeneration	9,141	2,405,126	239.328	16,224,162	273.783	0.06
17	401695	Rubber articles inflatable, n.e.s., vulcanized rubber	608	122,238	7.439	793,040	17.620	0.08
18	902780	Instruments and apparatus for physical or chemical analysis, n.e.s.	210	126,126	267.859	229,037	268.291	0.09
19	81190	Fruits and edible nuts uncooked, steam or boil (water) sweetened or not, frozen, n.e.s.	410	188,587	3.212	397,416	3.492	0.10
20	610349	Mens' or boys' trousers and shorts, of other textile materials, knitted	2,550	27,113,128	28.786	1,823,534	30.440	0.14
21	580790	Labels, badges, and similar articles, not woven, of textile materials, n.e.s.	397	1,591,394	25.642	261,208	35.351	0.15

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Table A3.4 continued

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	X Share of Exports in M (in %) [(4)/(7)]
1	2	3	4	5	6	7	8	9
22	40210	Milk powder not exceeding 1.5% fat	5,024	157,078	4.486	3,264,478	4.945	0.15
23	220210	Waters including mineral and aerated, containing sugar or sweetening matter or flavored	15,394	607,717	0.923	9,647,756	1.704	0.16
24	420500	Articles of leather or of composition leather, n.e.s.	541	113,105	13.732	318,611	53.050	0.17
25	611529	Pantyhose and tights of textile materials, knitted or crocheted	245	4,050,684	16.551	142,455	23.856	0.17
26	80550	Fresh or dried lemons "Citrus limon, Citrus limonum," and limes "Citrus"	5,104	579,588	1.196	2,817,878	2.203	0.18
27	611120	Babies' garments and clothing accessories of cotton, knitted	526	103,488,000	19.877	279,876	28.475	0.19
28	382490	Chemical or allied industry preparations or products, n.e.s.	3,561	464,455	1.907	1,837,062	3.373	0.19
29	610449	Women's or girls' dresses, of other textile materials, knitted	1,865	31,398,312	78.532	887,898	82.695	0.21
30	590290	Tire cord fabric made of viscose rayon high tenacity yarns	900	737,474	3.941	413,012	7.343	0.22
31	400911	Tubes, pipes and hoses, of vulcanized rubber (excluding hard rubber)	1,378	262,763	7.615	537,495	13.105	0.26
32	847990	Parts of machines and mechanical appliances n.e.s. having individual functions	2,098	122,610	5.728	730,821	46.499	0.29
33	30611	Rock lobster and other sea crawfish, frozen in shell or not including boiled in shell	2,384	535,112	16.102	804,446	19.505	0.30
34	843120	Parts of fork-lift and other works trucks fitted with lifting equipment	1,182	41,502,052	6.256	361,496	15.565	0.33
35	847989	Machines and mechanical appliances, n.e.s. having individual functions	6,110	510,833	29.504	1,631,099	29.774	0.37
36	610339	Men's or boys' jackets and blazers, of other textile materials, knitted	626	12,945,952	41.420	159,619	41.529	0.39
37	420299	Containers, n.e.s.	5,188	170,872	10.374	1,145,888	16.264	0.45
38	850710	Lead-acid electric accumulators of a kind used for starting piston engines	2,896	347,455	2.619	485,551	3.064	0.60
39	80280	Areca nuts	18,088	37,704,148	1.601	2,902,956	2.856	0.62
40	611595	Full-length or knee-length stockings, socks and other hosiery	1,377	5,417,024	15.458	220,759	18.451	0.62
41	330300	Perfumes and toilet waters	47,548	2,503,090	33.856	7,338,837	34.398	0.65
42	848180	Taps, cocks, valves, and similar appliances, n.e.s.	37,086	309,609	17.605	5,701,230	25.631	0.65

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Table A3.4 continued

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	X Share of Exports in M (in %) [(4)/(7)]
1	2	3	4	5	6	7	8	9
43	853690	Electrical appliance for switching or protecting electric circuits, not exceeding 1,000 volts, n.e.s.	12,310	466,278	27.251	1,865,985	38.634	0.66
44	870899	Motor vehicle parts, n.e.s.	12,758	184,117	12.033	1,848,925	12.321	0.69
45	71290	Vegetables and mixtures dried, but not further prepared, n.e.s.	2,093	102,211	5.183	294,682	5.326	0.71
46	851770	Parts of telephone sets, telephones for cellular networks	4,483	707,071	35.187	625,586	206.882	0.72
47	401693	Gaskets, washers, and other seals of vulcanized rubber	12,902	16,590,357	13.534	1,728,428	26.910	0.75
48	80720	Papaws (papayas), fresh	1,448	1,127,198	0.915	185,035	1.745	0.78
49	330499	Beauty or make-up preparations, n.e.s.; sunscreen or suntan preparations	54,230	404,781	9.681	6,672,945	16.150	0.81
50	392410	Tableware and kitchenware of plastics	12,219	201,202	5.076	1,451,000	5.402	0.84
51	80290	Nuts edible, fresh or dried, whether or not shelled or peeled, n.e.s.	8,344	2,955,744	3.688	966,969	6.844	0.86
52	80450	Guavas, mangoes, and mangosteens, fresh or dried	34,068	348,353	1.903	3,768,091	4.396	0.90
53	841459	Fans, n.e.s.	11,782	126,296	16.062	1,262,579	16.891	0.93
54	611190	Babies' garments and clothing accessories of other textile materials, knitted	2,752	8,968,596	20.995	271,695	41.032	1.01
55	392610	Office or school supplies, of plastics	3,350	116,164	4.782	307,291	5.211	1.09
56	30319	Frozen Pacific salmon <i>Oncorhynchus gorbuscha</i> , <i>Oncorhynchus keta</i>	5,545	185,068	5.660	491,515	18.643	1.13
57	560890	Knotted netting of twine, cordage, rope, n.e.s., and made up nets of other textile materials	4,159	244,701	5.623	364,475	6.901	1.14
58	843880	Machines, n.e.s. of the individual preparation or manufacture of food or drink except for extract or prepared vegetable fat or oil	2,923	147,728	37.547	251,028	37.850	1.16
59	842290	Parts of dishwashing, cleaning, or drying container, packing, or wrapping machines	4,818	652,237	43.768	411,437	117.135	1.17
60	870590	Special purpose motor vehicles, n.e.s.	7,033	118,943	9.806	600,202	11.947	1.17
61	110630	Flour, meal and powder of edible fruits and nuts and peel of citrus fruit or melons	1,732	390,240	3.809	145,869	8.495	1.19
62	731029	Cans, iron, or steel, capacity <50 liters, n.e.s.	3,721	228,737	3.203	310,545	4.661	1.20
63	821599	Tableware articles not in sets and not plated with precious metal	7,666	131,891	6.477	582,408	11.581	1.32
64	940350	Bedroom furniture, wooden, n.e.s.	65,807	6,569,547	2.535	4,989,291	2.635	1.32
65	621210	Brassieres and parts thereof, of textile materials	4,303	454,356,608	61.627	291,715	66.957	1.47

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Table A3.4 continued

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	X Share of Exports in M (in %) [(4)/(7)]
1	2	3	4	5	6	7	8	9
66	190410	Prepared food obtained by the swelling or roasting of cereal or cereal products	19,656	195,208	4.259	1,290,155	4.840	1.52
67	761699	Articles of aluminum, n.e.s.	14,586	416,042	8.379	923,292	10.701	1.58
68	340120	Soap n.e.s.	9,514	198,839	1.475	565,304	2.017	1.68
69	401699	Articles of vulcanized rubber, n.e.s., other than hard rubber	13,072	58,743,008	5.950	657,523	6.304	1.99
70	151190	Palm oil and its fractions refined, but not chemically modified	12,328	1,499,449	1.141	554,599	1.177	2.22
71	732690	Articles, iron, or steel, n.e.s.	107,141	2,249,505	4.229	4,793,177	7.028	2.24
72	491199	Printed matter, n.e.s.	31,944	4,814,826	5.856	1,422,883	15.528	2.25
73	81010	Strawberries, fresh	14,482	239,545	3.743	587,302	12.861	2.47
74	330749	Room perfuming or deodorizing preparations, n.e.s.	12,845	1,298,428	5.406	498,839	6.166	2.57
75	392620	Apparel and clothing accessories (including gloves) of plastic	11,263	8,841,078	6.006	425,909	9.495	2.64
76	401691	Floor coverings and mats of rubber excluding cellular and hard rubber	8,517	9,920,918	2.128	286,807	3.299	2.97
77	870829	Parts and accessories of bodies, n.e.s. for motor vehicles	14,516	129,303	6.695	429,651	11.579	3.38
78	401590	Articles of apparel and clothing accessories, n.e.s., of vulcanized rubber	5,546	350,000	13.956	163,970	17.774	3.38
79	490199	Books, brochures, leaflets, and similar printed matter, n.e.s.	127,220	1,196,896	5.454	3,663,419	9.948	3.47
80	821210	Razors, including safety razors and open blade type	15,957	1,987,045	19.631	433,617	20.332	3.68
81	30449	Fresh or chilled fillets, n.e.s.	5,783	5,165,991	10.047	147,655	21.295	3.92
82	850440	Static converters, n.e.s.	20,763	1,645,964	48.157	452,325	48.974	4.59
83	330590	Hair preparations, n.e.s.	127,515	980,810	4.348	2,144,747	6.079	5.95
84	160249	Swine meat and meat offal, n.e.s., excluding livers, including mixtures, prepared or preserved	16,087	535,921	7.214	269,139	13.290	5.98
85	701090	Carboys, bottles, flasks, jars, pots, phials, and other containers	21,169	11,024,096	0.668	349,564	1.034	6.06
86	440290	Wood charcoal, including shell or nut charcoal, whether or not agglomerate	14,604	3,635,658	0.515	229,753	0.799	6.36
87	200190	Vegetables, fruit, nut and edible parts of plants, n.e.s., prepared or preserved by vinegar or acetic acid	32,389	1,430,252	1.757	499,490	2.949	6.48
88	490290	Newspapers, journals, and periodicals, n.e.s.	16,145	202,493	3.279	244,708	7.189	6.60
89	170290	Sugar, n.e.s., including inverted sugar	29,808	1,124,344	2.214	444,112	4.154	6.71
90	760719	Foil, aluminum, not backed and not exceeding 0.2mm thick, n.e.s.	16,616	143,367	5.843	187,760	6.820	8.85

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Table A3.4 continued

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	X Share of Exports in M (in %) [(4)/(7)]
1	2	3	4	5	6	7	8	9
91	481930	Sacks and bags, of paper, having a base of a width of 40 cm or more	45,496	2,967,068	1.405	495,125	2.046	9.19
92	491110	Trade advertising material, commercial catalog and the like	34,649	205,935	4.590	376,424	7.846	9.20
93	391910	Self-adhesive plates, sheets, film of plastic in rolls <20 cm wide	43,070	641,132	5.618	427,041	7.990	10.09
94	853669	Electrical plugs and sockets, for a voltage not exceeding 1,000 volts	77,364	1,626,616	23.398	753,134	45.880	10.27
95	30749	Cuttlefish and squid, shelled or not, frozen, dried, salted or in brine	118,298	2,958,822	6.273	988,350	6.626	11.97
96	30614	Crabs frozen, in shell or not, including boiled in shell	158,688	12,327,641	9.040	1,021,635	18.147	15.53
97	90240	Black tea (fermented) and partly fermented tea in packages exceeding 3 kilos	65,633	769,210,176	3.761	420,157	4.006	15.62
98	491000	Calendars of any kind, printed, including calendar blocks	26,063	142,319	3.855	156,898	7.165	16.61
99	401120	Pneumatic tires new of rubber for buses or lorries	26,824	19,068,734	4.792	151,859	5.030	17.66
100	30617	Other frozen shrimps and prawns	1,093,626	17,618,164	10.270	5,628,067	14.764	19.43

cm = centimeter, HS = harmonized system, kVA = kilovolt-ampere, M = importing country, mm = millimeter, n.e.s. = not elsewhere specified, SI = international system, UV = unit value, X = country of exports.

Source: UN Comtrade Database.



**Table A3.5: Potential Export Products in Nepal Market**  
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Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	Price Difference between SL and NPL [(8)/(6)]
1	2	3	4	5	6	7	8	9
1	271019	Other petroleum oils and preparations	208,551	112,687,152	0.964	347,214,976	13.377	13.87
2	851770	Parts of telephone sets, telephones for cellular networks	0	1,161,214	32.817	5,243,913	206.886	6.30
3	847990	Parts of machines and mechanical appliances, n.e.s. having individual functions	0	130,500	9.958	772,179	46.499	4.67
4	310100	Animal or vegetable fertilizers, in packages weighing more than 10 kg	0	197,995	0.119	1,137,006	0.499	4.20
5	491199	Printed matter, n.e.s.	0	4,548,658	5.112	2,558,432	15.694	3.07
6	842290	Pts of dishwashing, cleaning or drying container, packing or wrapping machines	21,353	525,418	39.001	1,368,496	117.757	3.02
7	420330	Belts and bandoliers of leather or of composition leather	0	325,068	24.515	1,045,412	61.894	2.52
8	401693	Gaskets, washers, and other seals of vulcanized rubber	0	15,747,954	12.459	1,592,169	26.910	2.16
9	853669	Electrical plugs and sockets, for a voltage not exceeding 1,000 volts	35,292	1,631,031	21.320	1,407,425	45.880	2.15
10	853650	Electrical switches for a voltage not exceeding 1,000 volts, n.e.s.	17,558	591,235	28.119	1,766,034	60.007	2.13
11	330499	Beauty or make-up preparations, n.e.s.; sunscreen or suntan preparations	4	501,470	9.124	18,972,990	19.450	2.13
12	210610	Protein concentrates and textured protein substances	0	818,790	3.530	1,987,460	7.525	2.13
13	830249	Mountings, fittings, and similar articles of base metal, n.e.s.	0	148,410	6.335	2,317,055	12.484	1.97
14	140490	Vegetable products, n.e.s.	0	16,801,748	0.849	1,348,012	1.625	1.91
15	490199	Books, brochures, leaflets, and similar printed matter, n.e.s.	1,074	1,235,629	5.342	5,257,156	10.090	1.89
16	732690	Articles, iron or steel, n.e.s.	0	2,929,219	3.773	2,307,809	7.028	1.86
17	330590	Hair preparations, n.e.s.	16,679	969,576	4.119	7,214,394	7.253	1.76
18	520839	Woven fabrics of cotton, >=85%, not more than 200 g/m <sup>2</sup> , dyed, n.e.s.	0	718,436	10.213	1,051,700	17.234	1.69

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Table A3.5 continued

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	Price Difference between SL and NPL
								[(8)/(6)]
1	2	3	4	5	6	7	8	9
19	853620	Automatic circuit breakers for a voltage not exceeding 1,000 volts	21,761	408,699	22.908	1,996,675	38.197	1.67
20	848180	Taps, cocks, valves, and similar appliances, n.e.s.	0	338,616	15.802	6,573,875	26.315	1.67
21	491110	Trade advertising material, commercial catalogue and the like	647.25	191,102	4.679	841,556	7.769	1.66
22	854449	Electric conductors, for a voltage not exceeding 80 volts, n.e.s.	66	10,655,887	5.726	1,938,182	9.331	1.63
23	843139	Parts of lifting, handling, loading, or unloading machinery, n.e.s.	0	1,551,937	10.914	1,068,540	16.890	1.55
24	261900	Slag, dross (excluding granulated slag), scaling and other waste	0	514,612	0.055	1,112,250	0.083	1.50
25	130190	Natural gums, resins, gum-resins, and balsam, except Arabic gum	0	1,215,013	1.443	636,738	2.134	1.48
26	551219	Woven fabrics, containing >/=85% of polyester staple fibers, other than unbleached or bleached	0	551,377	9.912	3,401,858	14.392	1.45
27	821220	Safety razor blades, including razor blade blanks in strips	0	862,240	37.179	7,908,239	53.634	1.44
28	853710	Boards, panels, including numerical control panels, for a voltage <=1,000 volts	46	18,344,118	67.958	3,127,528	97.571	1.44
29	440799	Lumber, non-coniferous, n.e.s.	0	736,245	0.720	1,347,848	1.030	1.43
30	760110	Aluminum unwrought, not alloyed	0	908,180	1.626	4,062,703	2.317	1.42
31	330510	Hair shampoo	2	560,297	3.056	8,238,637	4.349	1.42
32	844720	Flat knitting machines; stitch-bonding machines	0	579,389	15.269	797,113	21.025	1.38
33	440729	Lumber, tropical hardwood, n.e.s., sawn lengthwise >6 mm	0	408,155	0.996	772,556	1.366	1.37
34	842951	Front end shovel loaders	0	406,497	5.506	2,591,607	7.552	1.37
35	520942	Denim fabrics of cotton, >/=85%, more than 200 g/m <sup>2</sup>	0	3,845,594	6.058	2,290,390	8.141	1.34
36	842952	Shovels and excavators with a 360-revolving superstructure	0	477,565	4.369	3,362,769	5.849	1.34
37	844319	Offset printing machinery, n.e.s.	0	194,699	33.177	1,140,467	42.158	1.27
38	870540	Mobile concrete mixers	0	2,189,146	3.937	739,072	4.992	1.27
39	870423	Diesel powered trucks with a GVW exceeding 20 ton	0	108,668	5.372	3,088,071	6.704	1.25

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Table A3.5 continued

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	Price Difference between SL and NPL
								[(8)/(6)]
1	2	3	4	5	6	7	8	9
40	870422	Diesel powered trucks with a GVW excluding 5 tons, but not exceeding 20 ton	0	319,396	5.337	3,306,322	6.632	1.24
41	901812	Ultrasonic scanning apparatus	0	193,731	282.349	2,174,843	347.416	1.23
42	870590	Special purpose motor vehicles, n.e.s.	0	226,535	10.240	2,426,730	12.562	1.23
43	842940	Tamping machines and road rollers, self-propelled	0	374,198	5.576	799,356	6.702	1.20
44	842612	Mobile lifting frames on tires and straddle carriers	0	426,055	7.094	751,671	8.481	1.20
45	850710	Lead-acid electric accumulators of a kind used of starting piston engines	0	305,755	2.609	12,009,235	3.113	1.19
46	870899	Motor vehicle parts, n.e.s.	0	195,595	10.775	18,574,724	12.625	1.17
47	210320	Tomato ketchup and other tomato sauces	0	100,328	1.447	636,787	1.695	1.17
48	611530	Women's full-length or knee-length hosiery, knitted or crocheted	0	545,012	25.017	833,907	29.033	1.16
49	850450	Inductors, electric	0	1,052,659	38.321	1,906,753	44.343	1.16
50	851762	Machines for the reception, conversion, and transmission or regeneration	0	2,742,004	243.823	17,808,208	278.173	1.14
51	220830	Whiskies	0	1,662,457	9.554	6,465,525	10.851	1.14
52	621210	Brassieres and parts thereof, of textile materials	0	473,342,272	59.024	1,398,130	66.708	1.13
53	620990	Babies garments and clothing accessories of others textile materials, not knitted	0	3,579,216	28.247	868,104	31.848	1.13
54	650590	Hats and other headgear, knitted or made up from lace, or other textile materials	0	18,422,510	27.785	807,400	30.872	1.11
55	320417	Synthetic organic pigments and preparations based thereon	0	1,139,111	4.920	908,360	5.419	1.10
56	620930	Babies garments and clothing accessories of synthetic fibers, not knitted	0	1,177,988	28.716	1,650,841	31.506	1.10
57	180690	Chocolate and other food preparations containing cocoa, n.e.s.	20.536	3,702,054	4.620	7,542,695	5.065	1.10

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Table A3.5 continued

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	Price Difference between SL and NPL
								[(8)/(6)]
1	2	3	4	5	6	7	8	9
58	392590	Builders' ware n.e.s., of plastics	0	104,316	4.565	1,213,182	4.997	1.09
59	630221	Bed linen, of cotton, printed, not knitted	0	803,756	10.688	800,313	11.642	1.09
60	842920	Graders and levelers, self-propelled	0	163,399	7.998	779,516	8.702	1.09
61	870190	Wheeled tractors, n.e.s.	0	173,282	8.630	51,437,468	9.356	1.08
62	621142	Women's or girls' garments n.e.s., of cotton, not knitted	0	1,754,404	29.142	9,710,583	31.590	1.08
63	850422	Liquid dielectric transfer having a power handling cap >650 kVA, but <= 10,000 kVA	0	385,982	6.728	2,362,219	7.277	1.08
64	621143	Women's or girls' garments, n.e.s., of man-made fibers, not knitted	0	1,811,646	32.665	6,879,893	35.108	1.07
65	401110	Pneumatic tire new of rubber motorcar including station wagons and racing cars	44.885	2,932,438	5.285	6,141,683	5.663	1.07
66	850164	AC generators, of an output exceeding 750 kVA	0	219,544	12.734	4,934,386	13.633	1.07
67	870410	Dump trucks designed for off-highway use	0	251,705	6.939	1,923,007	7.419	1.07
68	271011	Light petroleum oils and preparations	0	10,815,693	0.872	934,783,232	0.927	1.06
69	850213	Generating sets, diesel or semidiesel engines, of an output exceeding 375 kVA	0	651,536	12.676	4,660,261	13.457	1.06
70	842619	Transporter or bridge cranes	0	1,013,238	7.839	683,207	8.290	1.06
71	821210	Razors including safety razors and open blade type	0	1,682,998	19.830	761,270	20.934	1.06
72	841459	Fans, n.e.s.	0	145,252	16.158	1,159,015	17.005	1.05
73	842959	Self-propelled excavating machinery, n.e.s.	0	688,308	6.164	23,276,074	6.485	1.05
74	551449	Woven fabrics of other synthetic staple fib, <85%, mixed with cotton, >170 g/m <sup>2</sup> , printed	0	276,631	7.986	2,511,188	8.386	1.05
75	740811	Wire of refined copper of which the maximum cross-sectional dimension > 6 mm	0	6,349,018	7.231	18,027,632	7.554	1.04
76	200819	Nuts and seeds n.e.s. including mix, preserved, sugared, sweetened, spirited or not	0	50,129,824	3.360	665,815	3.502	1.04

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Table A3.5 continued

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	Price Difference between SL and NPL
								[(8)/(6)]
1	2	3	4	5	6	7	8	9
77	401120	Pneumatic tires new of rubber for buses or lorries	30,567	16,954,232	4.753	13,122,527	4.950	1.04
78	870421	Diesel powered trucks with a GVW not exceeding 5 tons	0	4,143,099	8.912	24,603,892	9.279	1.04
79	870332	Automobiles with diesel engine displacing more than 1,500 cc to 2,500 cc	0	133,315	12.729	9,060,528	13.222	1.04
80	850239	Electric generating sets	0	616,811	22.782	7,650,502	23.638	1.04
81	850431	Transformers electric power handling capacity not exceeding 1 kVA, n.e.s.	0	29,453,038	24.409	867,901	25.319	1.04
82	870323	Automobiles w reciprocating piston engine displacing > 1,500 cc to 3,000 cc	0	235,585	11.295	15,610,401	11.688	1.03
83	401290	Solid or cushioned tires, interchangeable tire treads and tire flaps of rubber	1,689	338,009,152	3.928	5,965,801	4.061	1.03
84	842121	Filtering or purifying machinery and apparatus for water	0	175,724	20.049	2,702,627	20.713	1.03
85	740400	Waste and scrap, copper or copper alloy	0	926,232	5.832	11,691,905	6.023	1.03
86	847982	Machine for mixing, kneading, crushing, grinding, n.e.s. having individual functions	0	101,086	27.489	2,781,162	28.365	1.03
87	843041	Boring or sinking machinery, n.e.s., self-propelled	0	530,495	16.066	875,697	16.555	1.03
88	847989	Machines and mechanical appliances, n.e.s. having individual functions	0	584,888	30.180	730,130	30.989	1.03
89	902780	Instruments and apparatus for physical or chemical analysis, n.e.s.	0	145,012	269.220	1,378,612	276.272	1.03
90	400121	Natural rubber in smoked sheets	0	24,603,190	3.088	951,604	3.156	1.02
91	850440	Static converters, n.e.s.	0	2,278,176	48.384	7,042,479	49.396	1.02
92	611599	Hosiery, n.e.s., of other textile materials, knitted	0	10,372,340	17.988	2,096,683	18.363	1.02
93	841381	Pumps, n.e.s.	0	159,369	24.566	7,766,551	24.942	1.02
94	880330	Aircraft parts, n.e.s.	0	20,023,212	409.964	17,277,368	414.230	1.01
95	842611	Gantry and overhead traveling cranes on fixed support	0	158,236	7.801	2,233,129	7.880	1.01

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Table A3.5 continued

Sl. No.	HS Code	Description	Export Value of X to M	Global Export Value of X	UV Exports of X	Global Import Value of M	UV Imports of M	Price Difference between SL and NPL
								[(8)/(6)]
1	2	3	4	5	6	7	8	9
96	850780	Electric accumulators, n.e.s.	0	111,210	65.444	744,809	65.977	1.01
97	901580	Surveying, hydrographic, oceanographic, meteorologic, geophysical instruments, n.e.s.	0	836,497	370.368	1,081,878	372.954	1.01
98	850212	Generating sets, diesel, semidiesel exceeding 75 kVA, but not exceeding 375 kVA	0	227,332	10.273	3,085,817	10.322	1.00
99	848210	Bearings, ball	0	191,419	21.103	3,499,276	21.203	1.00
100	392410	Tableware and kitchenware of plastics	0	199,013	5.446	1,556,111	5.465	1.00

cc = cubic centimeter, g/m<sup>3</sup> = gram per cubic meter, GVW = gross vehicle weight, HS = harmonized system, kVA = kilovolt-ampere, M = importing country, n.e.s. = not elsewhere specified, NPL = Nepal, SI = international system, SL = Sri Lanka, UV = unit value, X = country of exports.

Source: UN Comtrade Database.

**Table A3.6: Sri Lanka's Harmonized System Chapter-Wise  
Potential Exports to Bangladesh Market**

HS Chapter	Potential Exports (\$ '000)	HS Chapter	Potential Exports (\$ '000)
08	3,098	58	725
09	2,733	59	2,321
13	1,215	60	5,808
22	3,753	61	1,314
23	11,102	62	6,529
24	2,815	63	3,095
26	2,382	68	2,477
27	10,816	70	10,864
28	647	71	13,592
30	2,906	72	530
34	612	74	6,344
39	17,545	76	908
40	23,537	78	10,436
44	4,447	82	2,568
47	12,271	84	8,940
48	13,591	85	42,981
49	11,417	87	22,869
52	857	88	18,586
53	3,707	89	53,239
54	644	90	501
55	20,363	94	7,140
56	2,796	96	796

HS = harmonized system.

Source: ADB consultant's estimates based on United Nations Comtrade Database.

**Table A3.7: Sri Lanka's Harmonized System Chapter-Wise  
Potential Exports to Bhutan Market**

HS Chapter	Potential Exports (\$ '000)	HS Chapter	Potential Exports (\$ '000)
02	393	62	247
18	1,299	63	2,251
19	2,145	64	182
22	1,868	68	132
26	355	71	892
27	3,892	73	2,015
30	1,427	84	5,658
33	404	85	9,329
38	116	87	508
39	835	88	930
40	1,778	90	525
42	265	91	105
49	642	94	1,318
56	79	96	157

HS = harmonized system.

Source: ADB consultant's estimates based on United Nations Comtrade Database.



**Table A3.8: Sri Lanka's Harmonized System Chapter-Wise Potential Exports to India Market**

HS Chapters	Potential Exports (\$ '000)	HS Chapters	Potential Exports (\$ '000)
03	4,854	39	14,073
06	4,106	40	88,390
08	4,725	48	13,912
09	826	49	75,044
10	2,666	52	11,599
12	4,765	53	5,910
15	1,268	54	1,202
17	1,139	55	534
18	3,611	56	7,522
19	5,641	58	4,465
20	3,226	59	5,342
21	1,645	61	16,539
24	2,747	62	6,622
25	1,232	71	17,265
26	2,828	73	3,331
30	3,829	84	30,150
32	3,190	85	72,262
33	2,987	87	16,669
34	2,699	88	21,479
35	3,312	89	539
38	29,603	90	1,509

HS = harmonized system.

Source: ADB consultant's estimates based on UN Comtrade Database.

**Table A3.9: Sri Lanka's Harmonized System Chapter-Wise  
Potential Exports to Maldives Market**

HS Chapter	Potential Exports (\$ '000)	HS Chapter	Potential Exports (\$ '000)
02	691	44	230
03	9,636	48	495
04	152	49	2,966
07	100	56	241
08	5,357	58	261
09	420	59	413
11	146	61	4,168
15	555	62	292
16	269	64	605
17	444	70	350
19	176	73	2,367
20	499	76	528
22	592	82	558
24	188	84	3,365
33	4,158	85	6,451
34	189	87	398
38	461	88	15,421
39	1,155	90	126
40	3,372	94	4,989
42	623		

HS = harmonized system.

Source: ADB consultant's estimates based on UN Comtrade Database.

**Table A3.10: Sri Lanka's Harmonized System Chapter-Wise  
Potential Exports to Nepal Market**

HS Chapters	Potential Exports (\$ '000)	HS Chapters	Potential Exports (\$ '000)
13	637	52	3,009
14	1,348	55	828
18	3,682	61	2,642
20	666	62	7,010
21	919	63	800
22	1,662	65	807
26	515	73	2,308
27	123,294	74	7,275
31	198	76	908
32	908	82	1,624
33	2,015	83	148
39	303	84	8,082
40	24,520	85	18,054
42	325	87	6,526
44	1,144	88	17,277
49	3,983	90	1,175

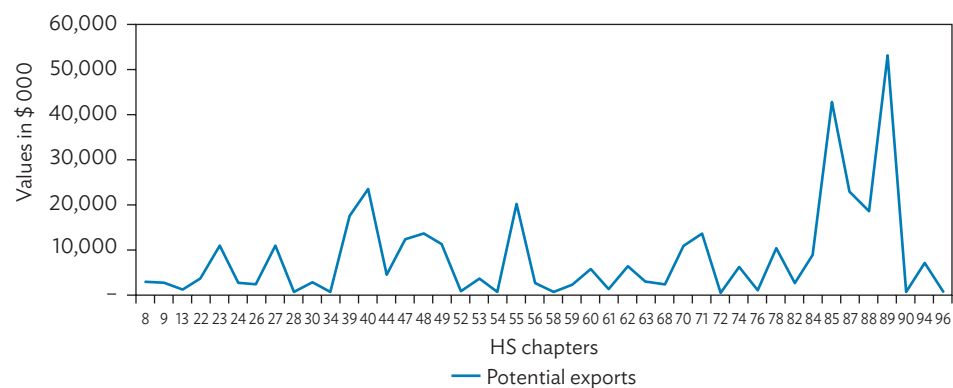
HS = harmonized system.

Source: ADB consultant's estimates based on UN Comtrade Database.

# Appendix 4

## Export Potential of Sri Lanka to SASEC Countries

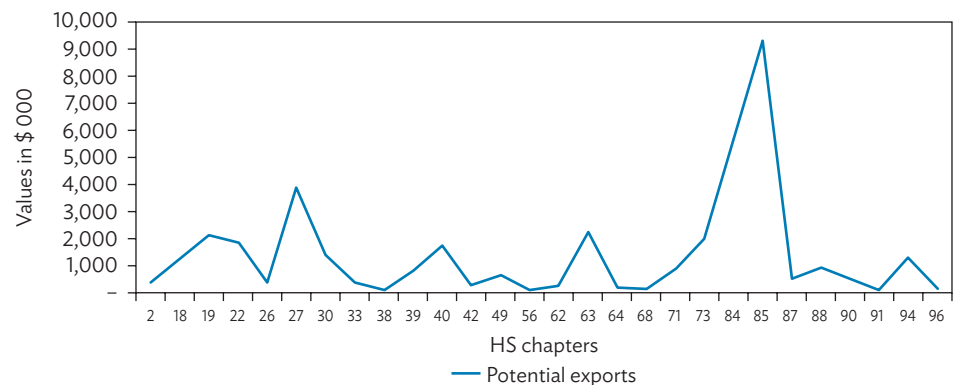
**Figure A4.1: Sri Lanka's Export Potential to Bangladesh by Product Categories**



HS = harmonized system.

Source: ADB consultant's estimates based on UN Comtrade Database.

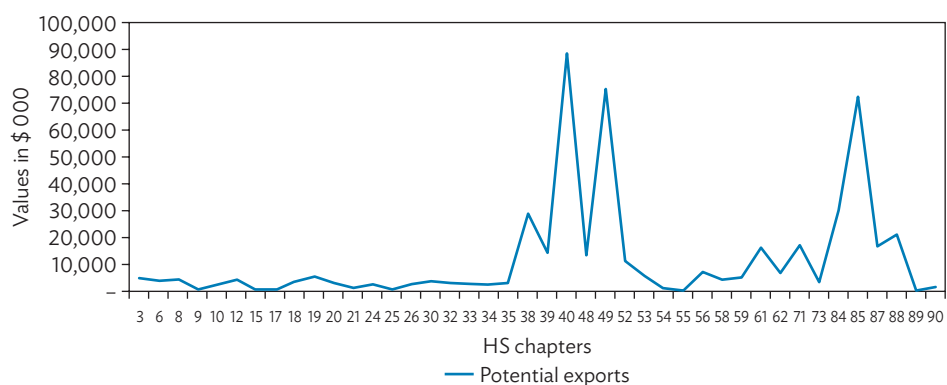
**Figure A4.2: Sri Lanka's Export Potential to Bhutan by Product Categories**



HS = harmonized system.

Source: ADB consultant's estimates based on UN Comtrade Database.

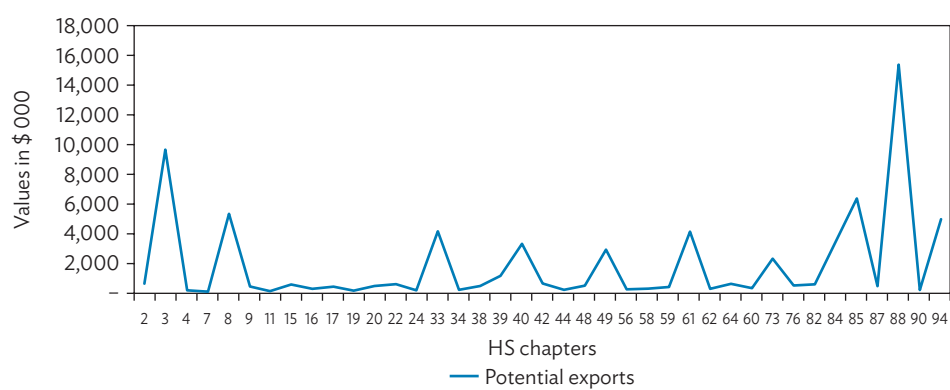
**Figure A4.3: Sri Lanka's Export Potential to India  
by Product Categories**



HS = harmonized system.

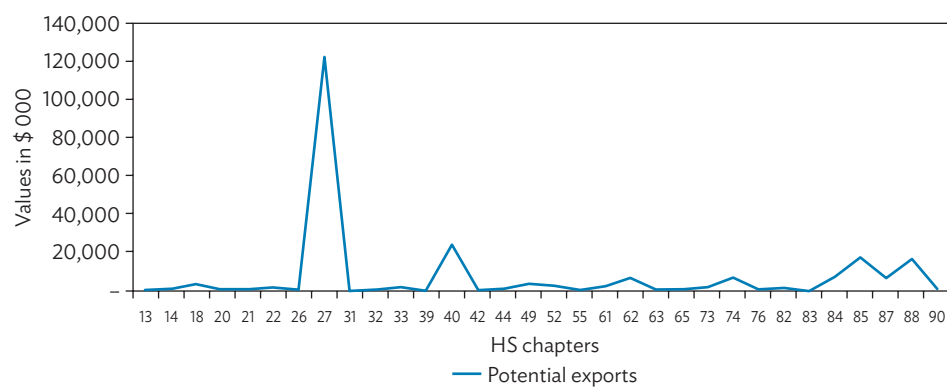
Source: ADB consultant's estimates based on UN Comtrade Database.

**Figure A4.4: Sri Lanka's Export Potential to Maldives  
by Product Categories**



HS = harmonized system.

Source: ADB consultant's estimates based on UN Comtrade Database.

**Figure A4.5: Sri Lanka's Export Potential to Nepal by Product Categories**

HS = harmonized system.

Source: ADB consultant's estimates based on UN Comtrade Database.

# Appendix 5

## Existing Gaps in Standards and Regulations, Sanitary and Phytosanitary and Technical Barriers to Trade Measures and Procedural Obstacles of Exporting and Importing Country on the Identified Items

Table A5.1: Existing Gaps in Bangladesh Market

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
240220	Cigarettes containing tobacco	0	–	1 SPS	7 TBT	Ministry of Commerce	–	– Statutory warning: “Smoking is injurious to health”) printed clearly in Bangladesh on the cigarette packet.
300490	Medicaments, n.e.s., in dosage	1 SPS and 6 TBT	Department of Fisheries and Aquatic Resources, Food Control Administration Unit, Department of Imports and Export Control, Department of Agriculture, Cosmetic Devices and Drugs Regulatory Authority	1 TBT	7 TBT	Ministry of Commerce	<ul style="list-style-type: none"> <li>– Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons;</li> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection;</li> <li>– Requirement that importers should be registered to import certain products;</li> <li>– Measures regulating the kind, color, and size of printing on packages and labels and defining the information that should be provided to the consumer;</li> <li>– Product registration requirement in the importing country, e.g., only the registered drugs and medicine may be imported; and</li> </ul>	– Must be included in importable list through government gazette notification by Drug Administration Authority

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Table A5.1 continued

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
							<ul style="list-style-type: none"> <li>– Requirement for products to be tested against a given regulation, such as performance level: includes sampling requirement, maintaining record of all imports, and sale of cosmetics.</li> </ul>	
470790	Waste and scrap of paper or paperboard, n.e.s. (including unsorted waste and scrap)	1 SPS and 2 TBT	Department of Fisheries and Aquatic Resources, Food Control Administration Unit, Department of Imports and Export Control, Department of Agriculture	1 TBT	0	Ministry of Commerce	<ul style="list-style-type: none"> <li>– Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons;</li> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection; and</li> <li>– Requirement that importers should be registered to import certain products.</li> </ul>	– Importable for use as industrial raw material
630533	Sacks, bags, packing, of strip plastic material	0	–	1 TBT	1 SPS and 3 TBT	Ministry of Commerce	–	– Import of polypropylene bag is banned
720429	Waste and scrap, of alloy steel, other than stainless	1 SPS and 2 TBT	Department of Fisheries and Aquatic Resources, Food Control Administration Unit, Department of Imports and Export Control, Department of Agriculture	1 TBT	0	Ministry of Commerce	<ul style="list-style-type: none"> <li>– Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons;</li> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection;</li> <li>– Requirement that importers should be registered to import certain products.</li> </ul>	– Only recognized bona fide user mills will import iron and steel

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Table A5.1 continued

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
850213	Generating sets, diesel or semidiesel engines of an output exceeding 375 kVA	2 TBT	Food Control Administration Unit, Department of Agriculture	1 TBT	3 TBT	Ministry of Commerce	<ul style="list-style-type: none"> <li>Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection; and</li> <li>Requirement that importers should be registered to import certain products.</li> </ul>	<ul style="list-style-type: none"> <li>In case of import of generators or generating sets</li> </ul>
854370	Electrical machines and apparatus, having individual functions, n.e.s.	2 TBT	Food Control Administration Unit, Department of Agriculture	1 TBT	8 TBT	Ministry of Commerce,	<ul style="list-style-type: none"> <li>Requirement that the importer should receive authorization, permit or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection; and</li> <li>Requirement that importers should be registered to import certain products.</li> </ul>	<ul style="list-style-type: none"> <li>Importable item subject to submission of a certificate from Bangladesh Standards and Testing Institution to the Customs</li> </ul>
870324	Automobiles with reciprocating piston engine displacing > 3,000 cc	1 SPS and 4 TBT	Department of Fisheries and Aquatic Resources, Food Control Administration Unit, Department of Imports and Export Control, Department of Agriculture, Sri Lanka Standards Institution	1 TBT	3 TBT	Ministry of Commerce	<ul style="list-style-type: none"> <li>Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons;</li> <li>Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection;</li> <li>Requirement that importers should be registered to import certain products;</li> <li>Conditions to be satisfied in terms of performance (e.g., durability, hardness) or quality; and</li> </ul>	<ul style="list-style-type: none"> <li>Certificate of registration and certificate of cancellation of registration (from the country of use) have to be submitted to the customs authority; and a certificate containing age, model number, and chassis number of the old car has to be provided.</li> </ul>

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Table A5.1 continued

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
							<ul style="list-style-type: none"> <li>- Certification of conformity with a given regulation required by the importing country, but may be issued in the exporting or the importing country.</li> </ul>	
870333	Automobiles with diesel engine displacing more than 2500 cc	1 SPS and 4 TBT	Department of Fisheries and Aquatic Resources, Food Control Administration Unit, Department of Imports and Export Control, Department of Agriculture, Sri Lanka Standards Institution	1 TBT	3 TBT	Ministry of Commerce	<ul style="list-style-type: none"> <li>- Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons;</li> <li>- Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection;</li> <li>- Requirement that importers should be registered to import certain products;</li> <li>- Conditions to be satisfied in terms of performance (e.g., durability, hardness) or quality;</li> <li>- Certification of conformity with a given regulation: required by the importing country but may be issued in the exporting or the importing country.</li> </ul>	<ul style="list-style-type: none"> <li>- Certificate of registration and certificate of cancellation of registration (from the country of use) have to be submitted to the customs authority and a certificate containing age, model number, and chassis number of the old car has to be provided</li> </ul>
870421	Diesel powered trucks with a GVW not exceeding five tons	1 SPS and 4 TBT	Department of Fisheries and Aquatic Resources, Food Control Administration Unit, Department of Imports and Export Control, Department of Agriculture, Sri Lanka Standards Institution	1 TBT	4 TBT	Ministry of Commerce	<ul style="list-style-type: none"> <li>- Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons;</li> <li>- Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection;</li> </ul>	<ul style="list-style-type: none"> <li>- Certificate of registration and certificate of cancellation of registration (from the country of use) have to be submitted to the customs authority, and a certificate containing age, model number, and chassis number of the old car has to be provided.</li> </ul>

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Table A5.1 continued

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
							<ul style="list-style-type: none"> <li>– Requirement that importers should be registered to import certain products;</li> <li>– Conditions to be satisfied in terms of performance (e.g., durability, hardness) or quality;</li> <li>– Certification of conformity with a given regulation: required by the importing country but may be issued in the exporting or the importing country.</li> </ul>	

cc = cubic centimeter, GVW = gross vehicle weight, HS = harmonized system, kVA = kilovolt-ampere, M = importing country, n.e.s. = not elsewhere specified, SPS = sanitary and phytosanitary, TBT = technical barriers to trade, X = country of exports.

Note: Among the selected 100 products list, only 10 items are subject to SPS and TBT measures.

Sources: Practical field studies, interviews, review of studies, and ITC MacMap.

Table A5.2: Existing Gaps in Bhutan Market

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
84	Machinery and mechanical appliances	1 SPS and 42 TBT	Food Control Administration Unit, Department of Agriculture, Department of Fisheries and Aquatic Resources, Department of Imports and Export Control	22 TBT	2 SPS and 86 TBT	National Environment Commission, Ministry of Economic Affairs	<ul style="list-style-type: none"> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection;</li> <li>– Requirement that importers should be registered to import certain products; and</li> <li>– Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons.</li> </ul>	– Special authorization requirement
85	Electrical machinery and equipment	5 SPS and 44 TBT	Food Control Administration Unit, Department of Agriculture, Department of Fisheries and Aquatic Resources, Department of Imports and Export Control, Sri Lanka Standards Institution, Cosmetic Devices and Drugs Regulatory Authority	21 TBT	121 TBT	National Environment Commission, Ministry of Economic Affairs	<ul style="list-style-type: none"> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection;</li> <li>– Requirement that importers should be registered to import certain products;</li> <li>– Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons;</li> <li>– Certification of conformity with a given regulation: required by the importing country, but may be issued in the exporting or the importing country;</li> <li>– Requirement for product inspection in the importing country: may be performed by public or private entities;</li> <li>– Certification of conformity with a given regulation: required by the importing country but may be issued in the exporting or the importing country; and</li> <li>– Requirement for product inspection in the importing country: may be performed by public or private entities.</li> </ul>	– Special authorization requirement

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Table A5.2 continued

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
16-23	Prepared food	23 SPS and 18 TBT	Food Control Administration Unit, Sri Lanka Standards Institution, Department of Fisheries and Aquatic Resources, Department of Imports and Export Control, Department of Agriculture	3 TBT	36 SPS and 5 TBT	Department of Trade, Ministry of Economic Affairs	<ul style="list-style-type: none"> <li>Regulations cover the import, labeling and sale of food coloring substances, and the use of these substances in food;</li> <li>Regulations establish detailed labeling requirements for food contained in a package or container;</li> <li>Measures regulating the kind, color, and size of printing on packages and labels and defining the information that should be provided to the consumer;</li> <li>All items imported into Sri Lanka shall, at the point of entry into the country, possess a minimum period of 60% of unexpired shelf life;</li> <li>Certification of conformity with a given regulation: required by the importing country but may be issued in the exporting or the importing country;</li> <li>Requirement for product inspection in the importing country: may be performed by public or private entities;</li> <li>Certification of conformity with a given regulation: required by the importing country but may be issued in the exporting or the importing country;</li> <li>Requirement for product inspection in the importing country: may be performed by public or private entities;</li> <li>Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons;</li> <li>Requirement that importers should be registered before they can import certain products;</li> <li>Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection;</li> </ul>	<ul style="list-style-type: none"> <li>Restricted use of certain substances</li> </ul>

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Table A5.2 continued

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
							<ul style="list-style-type: none"> <li>– Requirement that importers should be registered to import certain products; and</li> <li>– Requirements related to food quality, composition, and safety, which are usually based on hygienic and good manufacturing practices, production, or post-production requirements.</li> </ul>	
39	Plastic articles	2 SPS and 3 TBT	Food Control Administration Unit, Department of Agriculture, Department of Fisheries and Aquatic Resources, Department of Imports and Export Control	3 TBT	1 SPS and 5 TBT	Ministry of Economic Affairs	<ul style="list-style-type: none"> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection;</li> <li>– Requirement that importers should be registered to import certain products; and</li> <li>– Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons.</li> </ul>	– Special authorization requirement

HS = harmonized system, M = importing country, SPS = sanitary and phytosanitary, TBT = technical barriers to trade, X = country of exports.

Note: Among the selected 100 products list, only 54 items are subject to SPS and TBT measures.

Sources: Practical field studies, interviews, review of studies, and ITC MacMap.

Table A5.3: Existing Gaps in India Market

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
85	Electrical machinery and equipment	26 TBT	Sri Lanka Standards Institution	113 TBT	56 TBT	Ministry of Environment, Forest and Climate Change, Ministry of Environment and Forests, Department of Environment, Forest and Wildlife, Food Safety and Standards Authority of India, Ministry of Consumer Affairs, Food and Public Distribution, Food Control Administration Unit, Department of Agriculture, Ministry of Agriculture, Department of Rural Development, Directorate of Marketing and Inspection, Ministry of Consumer Affairs, Food and Public Distribution, Food Safety and Standards Authority of India	<ul style="list-style-type: none"> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency for reasons such as national security and environment protection;</li> <li>– Requirement that importers should be registered to import certain products;</li> <li>– Certification of conformity with a given regulation: required by the importing country, but may be issued in the exporting or the importing country; and</li> <li>– Requirement for product inspection in the importing country: may be performed by public or private entities.</li> </ul>	<ul style="list-style-type: none"> <li>– Conditions to be satisfied in terms of performance (e.g., durability, hardness) or quality;</li> <li>– The regulation specifies the manner in which some agricultural products which were graded according to their quality must be labeled;</li> <li>– Measures regulating the mode in which goods must be or cannot be packed, and defining the packaging materials to be used;</li> <li>– Certification of conformity with a given regulation: required by the importing country, but may be issued in the exporting or the importing country;</li> <li>– Disclosure of information on when and/or how the goods were distributed during any time after production and before final consumption;</li> <li>– The importer shall maintain records of hazardous and other wastes imported by it in Form 3;</li> <li>– Restriction on the use of certain substances as components or material to prevent the risks arising from their use; and</li> <li>– Requirements on certain conditions under which products should be stored and/or transported.</li> </ul>

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Table A5.3 continued

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
16-23	Prepared food	48 SPS and 51 TBT	Food Control Administration Unit, Department of Fisheries and Aquatic Resources, Sri Lanka Standards Institution, Department of Agriculture	128 SPS and 41 TBT	100 SPS and 24 TBT	Food Safety and Standards Authority of India, Ministry of Agriculture, Department of Rural Development, Directorate of Marketing and Inspection, Ministry of Consumer Affairs, Food and Public Distribution, Ministry of Environment, Forest and Climate Change, Ministry of Consumer Affairs, Food and Public Distribution, Department of Environment, Forest and Wildlife	<ul style="list-style-type: none"> <li>– Import licensing;</li> <li>– Labeling and sale of food coloring substances, and the use of these substances in food, detailed labeling requirements for food contained in a package or container;</li> <li>– All items imported into Sri Lanka shall, at the point of entry into the country, possess a minimum period of 60% of unexpired shelf life;</li> <li>– Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons;</li> <li>– Requirement that importers should be registered before they can import certain products;</li> <li>– Requirements related to food quality, composition, and safety, usually based on hygienic and good manufacturing practices;</li> <li>– Certification of conformity with a given regulation: required by the importing country, but may be issued in the exporting or the importing country;</li> <li>– Requirement for product inspection in the importing country: may be performed by public or private entities.</li> </ul>	<ul style="list-style-type: none"> <li>– Edible fats, oils, and processed and packaged food with declared shelf-life will declare total trans-fat content and total saturated fat content;</li> <li>– Steviol glycoside may be used only in specified food articles and in quantities not exceeding the limits mentioned;</li> <li>– Steviol glycoside is subject to a range of standard product requirements;</li> <li>– No person shall import, export, transport, manufacture, or sell any hazardous microorganisms of genetically engineered organisms except with the approval of the Genetic Engineering Approval Committee;</li> <li>– Fats, oils, and margarine are subject to a maximum limit of trans fatty acids, the requirement that importers should be registered before they can import certain products;</li> <li>– Requirements on certain conditions under which food and feed, plants, and animal should be stored and/or transported;</li> <li>– Other requirements on production or post-production processes;</li> <li>– Requirement for products to be tested against a given regulation, such as MRL: It includes sampling requirement;</li> <li>– Certification of conformity with a given regulation: required by the importing country, but may be issued in the exporting or the importing country;</li> <li>– Requirement for product inspection in the importing country: may be performed by public or private entities;</li> <li>– Disclosure of information on when and how the goods were distributed from the time of their delivery to distributors until they reach the final consumer, traceability requirements;</li> </ul>

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Table A5.3 continued

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
								<ul style="list-style-type: none"> <li>– Measures regulating the mode in which goods must be or cannot be packed, or defining the packaging materials to be used, which are directly related to food safety;</li> <li>– Proprietary food product shall comply with the food additives provisions as prescribed in Appendix A and the microbiological specifications as prescribed in Appendix B;</li> <li>– Requirement to kill or devitalize microorganisms, bacteria, viruses, or insects that might be present in food and feed products by using irradiated energy;</li> <li>– Requirements principally intended to give guidance on the establishment and application of microbiological criteria for food at any point in the food chain from primary production to final consumption;</li> <li>– Regulation specifies the manner in which some agricultural products, graded according to their quality, must be labeled;</li> <li>– Measures defining the information for transport and customs that the transport or distribution packaging of goods should carry;</li> <li>– Measures regulating the mode in which goods must be or cannot be packed, and defining the packaging materials to be used;</li> <li>– Conditions to be satisfied to identify a product with a certain denomination (including biological or organic labels);</li> <li>– Conditions to be satisfied in terms of performance (e.g., durability, hardness) or quality, and measures regulating the kind, color, and size of printing on packages and labels, and defining the information that should be provided to the consumer.</li> </ul>

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Table A5.3 continued

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
61-62	Apparel and clothing	0 TBT	–	42 TBT	49 TBT	Ministry of Commerce and Industry, Department of Commerce, Ministry of Agriculture, Department of Rural Development, Directorate of Marketing and Inspection, Ministry of Consumer Affairs, Food and Public Distribution, Ministry of Environment, Forest and Climate Change, Food Safety and Standards Authority of India	–	<ul style="list-style-type: none"> <li>– Requirement for products to be tested against a given regulation, such as performance level: it includes sampling requirement;</li> <li>– Certification of conformity with a given regulation: required by the importing country, but may be issued in the exporting or the importing country;</li> <li>– Regulation specifies the manner in which some agricultural products, graded according to their quality, must be labeled;</li> <li>– Measures regulating the mode in which goods must be or cannot be packed, and defining the packaging materials to be used;</li> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country; and</li> <li>– Measures regulating the kind, color, and size of printing on packages and labels and defining the information that should be provided to the consumer.</li> </ul>
84	Machinery and mechanical appliances	12 TBT	Food Control Administration Unit, Department of Agriculture	66 TBT	46 TBT	Ministry of Agriculture, Department of Rural Development, Directorate of Marketing and Inspection, Ministry of Consumer Affairs, Food and Public Distribution, Ministry of Environment, Forest and Climate Change, Food Safety and Standards Authority of India	<ul style="list-style-type: none"> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection; and</li> <li>– Requirement that importers should be registered to import certain products.</li> </ul>	<ul style="list-style-type: none"> <li>– Regulation specifies the manner in which some agricultural products, graded according to their quality, must be labeled;</li> <li>– Measures regulating the mode in which goods must be or cannot be packed, and defining the packaging materials to be used;</li> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country;</li> <li>– Measures defining the information for transport and customs that the transport or distribution packaging of goods should carry;</li> <li>– Requirements on certain conditions under which products should be stored and/or transported;</li> </ul>

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Table A5.3 continued

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
								<ul style="list-style-type: none"> <li>- Certification of conformity with a given regulation: required by the importing country, but may be issued in the exporting or the importing country;</li> <li>- Disclosure of information on all stages of production: may include their locations, processing methods, and/or equipment and materials used;</li> <li>- Importer shall maintain record of hazardous and other wastes imported in Form 3;</li> <li>- Measures regulating the kind, color, and size of printing on packages and labels and defining the information that should be provided to the consumer.</li> </ul>
39	Plastic articles	1 SPS and 1 TBT	Department of Fisheries and Aquatic Resources, Food Control Administration Unit	23 TBT	5 SPS and 26 TBT	Ministry of Agriculture , Department of Rural Development, Directorate of Marketing and Inspection, Ministry of Consumer Affairs, Food and Public Distribution, Ministry of Environment, Forest and Climate Change, Food Safety and Standards Authority of India, Department of Environment, Forest and Wildlife, Ministry of Environment, Forest and Climate Change	<ul style="list-style-type: none"> <li>- Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons; and</li> <li>- Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection.</li> </ul>	<ul style="list-style-type: none"> <li>- Regulation specifies the manner in which some agricultural products, graded according to their quality, must be labeled;</li> <li>- Measures regulating the mode in which goods must be or cannot be packed, and defining the packaging materials to be used;</li> <li>- Measures regulating the kind, color, and size of printing on packages and labels and defining the information that should be provided to the consumer;</li> <li>- Conditions to be satisfied in terms of performance (e.g., durability, hardness) or quality; and</li> <li>- Importers must establish a system for collecting back the plastic waste generated due to their products.</li> </ul>

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Table A5.3 continued

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
48, 49	Paper and paper products	0 TBT	–	18 TBT	3 SPS and 6 TBT	Ministry of Agriculture, Department of Rural Development, Directorate of Marketing and Inspection, Ministry of Consumer Affairs, Food and Public Distribution, Ministry of Environment, Forest and Climate Change, Food Safety and Standards Authority of India	–	<ul style="list-style-type: none"> <li>– Regulation specifies the manner in which some agricultural products, graded according to their quality, must be labeled; and</li> <li>– Measures regulating the mode in which goods must be or cannot be packed, and defining the packaging materials to be used, measures regulating the kind, color, and size of printing on packages and labels and defining the information that should be provided to the consumer.</li> </ul>
40	Rubber and rubber products	0 TBT	–	18 TBT	2 SPS and 9 TBT	Ministry of Agriculture, Department of Rural Development, Directorate of Marketing and Inspection, Ministry of Consumer Affairs, Food and Public Distribution, Ministry of Environment, Forest and Climate Change, Food Safety and Standards Authority of India, Forest and Wildlife, Ministry of Commerce and Industry, Department of Commerce	–	<ul style="list-style-type: none"> <li>– Regulation specifies the manner in which some agricultural products, graded according to their quality, must be labeled;</li> <li>– Measures regulating the mode in which goods must be or cannot be packed, and defining the packaging materials to be used;</li> <li>– Conditions to be satisfied in terms of performance (e.g., durability, hardness) or quality;</li> <li>– Requirement for products to be tested against a given regulation, such as performance level: it includes sampling requirement;</li> <li>– Certification of conformity with a given regulation: required by the importing country, but may be issued in the exporting or the importing country; and</li> <li>– Measures regulating the kind, color, and size of printing on packages and labels and defining the information that should be provided to the consumer.</li> </ul>

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Table A5.3 continued

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
52	Cotton fabrics and yarn	0 TBT	–	20 TBT	12 TBT	Ministry of Commerce and Industry, Department of Commerce, Ministry of Agriculture, Department of Rural Development, Directorate of Marketing and Inspection, Ministry of Consumer Affairs, Food and Public Distribution, Ministry of Environment, Forest and Climate Change, Food Safety and Standards Authority of India	–	<ul style="list-style-type: none"> <li>– Requirement for products to be tested against a given regulation, such as performance level: it includes sampling requirement;</li> <li>– Certification of conformity with a given regulation: required by the importing country, but may be issued in the exporting or the importing country;</li> <li>– Regulation specifies the manner in which some agricultural products, graded according to their quality, must be labeled;</li> <li>– Measures regulating the mode in which goods must be or cannot be packed, and defining the packaging materials to be used; and</li> <li>– Measures regulating the kind, color, and size of printing on packages and labels, and defining the information that should be provided to the consumer.</li> </ul>
33	Beauty products	20 TBT	Department of Agriculture, Food Control Administration Unit, Cosmetic Devices and Drugs Regulatory Authority	16 TBT	32 TBT	Ministry of Agriculture, Department of Rural Development, Directorate of Marketing and Inspection, Ministry of Consumer Affairs, Food and Public Distribution, Ministry of Environment, Forest and Climate Change, Food Safety and Standards Authority of India, Ministry of Health and Family Welfare, Department of Health	<ul style="list-style-type: none"> <li>– Requirement that importers should be registered in order to import certain products;</li> <li>– Measures regulating the kind, color, and size of printing on packages and labels and defining the information that should be provided to the consumer;</li> <li>– Product registration requirement in the importing country, e.g., only the registered drugs and medicine may be imported;</li> <li>– Requirement for products to be tested against a given regulation, such as performance level: it includes sampling requirement; and</li> <li>– Maintaining record of all imports and sale of cosmetics.</li> </ul>	<ul style="list-style-type: none"> <li>– Regulation specifies the manner in which some agricultural products, graded according to their quality, must be labeled, measures regulating the mode in which goods must be or cannot be packed, and defining the packaging materials to be used;</li> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country;</li> <li>– Measures regulating the kind, color, and size of printing on packages and labels and defining the information that should be provided to the consumer;</li> <li>– Prohibition of import of cosmetic containing hexachlorophene, lead or arsenic compound, and mercury compounds;</li> </ul>

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Table A5.3 continued

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
								<ul style="list-style-type: none"> <li>- Measure that establishes a maximum level or "tolerance limit" of substances used during their production process, but are not their intended ingredients; and</li> <li>- Restriction on the use of certain substances as components or material to prevent the risks arising from their use.</li> </ul>
87	Vehicles parts	4 SPS and 10 TBT	Department of Fisheries and Aquatic Resources, Food Control Administration Unit, Department of Agriculture, Sri Lanka Standards Institution	42 TBT	13 TBT	Ministry of Agriculture, Department of Rural Development, Directorate of Marketing and Inspection, Ministry of Consumer Affairs, Food and Public Distribution, Ministry of Environment, Forest and Climate Change, Department of Environment, Forest and Wildlife, Food Safety and Standards Authority of India, Ministry of Commerce and Industry, Department of Commerce	<ul style="list-style-type: none"> <li>- Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons;</li> <li>- Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection;</li> <li>- Requirement that importers should be registered to import certain products;</li> <li>- Conditions to be satisfied in terms of performance (e.g., durability, hardness) or quality; and</li> <li>- Certification of conformity with a given regulation: required by the importing country, but may be issued in the exporting or the importing country.</li> </ul>	<ul style="list-style-type: none"> <li>- Regulation specifies the manner in which some agricultural products, graded according to their quality, must be labeled;</li> <li>- Conditions to be satisfied in terms of performance (e.g., durability, hardness) or quality;</li> <li>- Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country;</li> <li>- Measures defining the information for transport and customs that the transport or distribution packaging of goods should carry;</li> <li>- Requirements on certain conditions under which products should be stored and/or transported;</li> <li>- Certification of conformity with a given regulation: required by the importing country, but may be issued in the exporting or the importing country;</li> <li>- Disclosure of information on all stages of production: may include their locations, processing methods and/or equipment and materials used;</li> <li>- Requirement for products to be tested against a given regulation, such as performance level: it includes sampling requirement;</li> <li>- Measures regulating the mode in which goods must be or cannot be packed, and defining the packaging materials to be used;</li> </ul>

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Table A5.3 continued

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
								<ul style="list-style-type: none"> <li>– Importer shall maintain record of hazardous and other wastes imported by in Form 3; and</li> <li>– Measures regulating the kind, color, and size of printing on packages and labels and defining the information that should be provided to the consumer.</li> </ul>

HS = harmonized system, M = importing country, MRL = maximum residue limit, SPS = sanitary and phytosanitary, TBT = technical barriers to trade, X = country of exports.

Sources: Practical field studies, interviews, review of studies, and ITC MacMap.

Table A5.4: Existing Gaps in Maldives Market

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
490199	Books, brochures, leaflets, and similar printed matter, n.e.s.	0	-	1 TBT	0	Ministry of Economic Development	-	- Import requires approval.
852691	Radio navigational aid apparatus	2 TBT	Food Control Administration Unit, Department of Agriculture	1 TBT	7 TBT	Ministry of Economic Development	<ul style="list-style-type: none"> <li>- Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection; and</li> <li>- Requirement that importers should be registered to import certain products.</li> </ul>	- Import requires approval.
870590	Special purpose motor vehicles, n.e.s.	1 SPS and 4 TBT	Department of Fisheries and Aquatic Resources, Food Control Administration Unit, Department of Imports and Export Control, Department of Agriculture, Sri Lanka Standards Institution	1 TBT	3 TBT	Ministry of Economic Development	<ul style="list-style-type: none"> <li>- Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons;</li> <li>- Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection;</li> <li>- Requirement that importers should be registered to import certain products;</li> <li>- Conditions to be satisfied in terms of performance (e.g., durability, hardness) or quality; and</li> <li>- Certification of conformity with a given regulation: required by the importing country, but may be issued in the exporting or the importing country.</li> </ul>	- Imports of used motor vehicles and cycles over 5 years old and 3 years old.

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Table A5.4 continued

HS Code	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
870829	Parts and accessories of bodies, n.e.s., for motor vehicles	1 SPS and 2 TBT	Department of Fisheries and Aquatic Resources, Food Control Administration Unit, Department of Imports and Export Control, Department of Agriculture	1 TBT	3 TBT	Ministry of Economic Development	<ul style="list-style-type: none"> <li>– Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons;</li> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection; and</li> <li>– Requirement that importers should be registered to import certain products.</li> </ul>	<ul style="list-style-type: none"> <li>– Imports of used motor vehicles and cycles over 5 years old and 3 years old.</li> </ul>
870899	Motor vehicle parts, n.e.s.	1 SPS and 2 TBT	Department of Fisheries and Aquatic Resources, Food Control Administration Unit, Department of Imports and Export Control, Department of Agriculture	1 TBT	3 TBT	Ministry of Economic Development	<ul style="list-style-type: none"> <li>– Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons;</li> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection; and</li> <li>– Requirement that importers should be registered to import certain products.</li> </ul>	<ul style="list-style-type: none"> <li>– Imports of used motor vehicles and cycles over 5 years old and 3 years old.</li> </ul>

HS = harmonized system, M = importing country, n.e.s. = not elsewhere specified, SPS = sanitary and phytosanitary, TBT = technical barriers to trade, X = country of exports.

Sources: Practical field studies, interviews, review of studies, and ITC MacMap.

Table A5.5: Existing Gaps in Nepal Market

HS Chapter	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
84	Machinery and mechanical appliances	40 TBT	Food Control Administration Unit, Department of Agriculture	42 TBT	2 SPS and 92 TBT	Ministry of Environment, N/A	<ul style="list-style-type: none"> <li>Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection; and</li> <li>Requirement that importers should be registered to import certain products.</li> </ul>	<ul style="list-style-type: none"> <li>Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons, such as national security and environment protection; and</li> <li>Requirement for verification that a given TBT requirement has been met: it could be achieved by one or combined forms of inspection and approval procedure, including procedures for sampling, testing, and inspection, evaluation, verification, and assurance of conformity, accreditation and approval.</li> </ul>
85	Electrical machinery and equipment	and SPS and 36 TBT	Food Control Administration Unit, Sri Lanka Standards Institution, Department of Fisheries and Aquatic Resources, Department of Imports and Export Control, Department of Agriculture	51 TBT	80 TBT	Ministry of Environment, N/A	<ul style="list-style-type: none"> <li>Certification of conformity with a given regulation: required by the importing country but may be issued in the exporting or the importing country;</li> <li>Requirement for product inspection in the importing country: may be performed by public or private entities;</li> <li>Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons;</li> </ul>	<ul style="list-style-type: none"> <li>Import prohibition for reasons set out in B1, e.g., imports are prohibited for hazardous substances, including explosives, certain toxic substances covered by the Basel Convention, such as aerosol sprays containing CFCs, a range of HCFCs and BFCs, halons, methyl chloroform, and carbon tetrachloride;</li> <li>Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons, such as national security and environment protection; and</li> </ul>

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Table A5.5 continued

HS Chapter	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
							<ul style="list-style-type: none"> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection;</li> <li>– Requirement that importers should be registered to import certain products;</li> <li>– Certification of conformity with a given regulation: required by the importing country, but may be issued in the exporting or the importing country; and</li> <li>– Requirement for product inspection in the importing country: may be performed by public or private entities.</li> </ul>	<ul style="list-style-type: none"> <li>– Requirement for verification that a given TBT requirement has been met: it could be achieved by one or combined forms of inspection and approval procedure, including procedures for sampling, testing, and inspection, evaluation, verification and assurance of conformity, accreditation and approval.</li> </ul>
87	Vehicles parts	8 SPS and 38 TBT	Department of Fisheries and Aquatic Resources, Food Control Administration Unit, Department of Imports and Export Control, Department of Agriculture, Sri Lanka Standards Institution	31 TBT	33 TBT	Ministry of Environment, N/A, Department of Commerce and Trade and Export Promotion Center	<ul style="list-style-type: none"> <li>– Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons;</li> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons, such as national security and environment protection;</li> </ul>	<ul style="list-style-type: none"> <li>– Import prohibition for reasons set out in B1, e.g., imports are prohibited for hazardous substances, including explosives, certain toxic substances covered by the Basel Convention, such as aerosol sprays containing CFCs, a range of HCFCs and BFCs, halons, methyl chloroform, and carbon tetrachloride;</li> </ul>

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Table A5.5 continued

HS Chapter	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
							<ul style="list-style-type: none"> <li>- Requirement that importers should be registered to import certain products;</li> <li>- Conditions to be satisfied in terms of performance (e.g., durability, hardness) or quality; and</li> <li>- Certification of conformity with a given regulation: required by the importing country but may be issued in the exporting or the importing country.</li> </ul>	<ul style="list-style-type: none"> <li>- Certification of conformity with a given regulation: required by the importing country, but may be issued in the exporting or the importing country, e.g., certificate of conformity for electric products is required.</li> </ul>
61-62	Apparel and clothing	0	-	14 TBT	42 TBT	Ministry of Environment, N/A	-	<ul style="list-style-type: none"> <li>- Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons, such as national security and environment protection.</li> <li>- Requirement for verification that a given TBT requirement has been met: it could be achieved by one or combined forms of inspection and approval procedure, including procedures for sampling, testing, and inspection, evaluation, verification, and assurance of conformity, accreditation, and approval;</li> <li>- Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons, such as national security and environment protection.</li> </ul>

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Table A5.5 continued

HS Chapter	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
16-23	Prepared food	40 SPS 30 TBT	Food Control Administration Unit, Department of Fisheries and Aquatic Resources, Department of Imports and Export Control, Department of Fisheries and Aquatic Resources, Sri Lanka Standards Institution, Department of Agriculture	1 SPS and 11 TBT	59 SPS and 8 TBT	Department of Food Technology and Quality Control, Department of Food Technology and Quality Control, Ministry of Environment, N/A	<ul style="list-style-type: none"> <li>- Requirement that importers should be registered before they can import certain products;</li> <li>- Regulations cover the import, labeling, and sale of food coloring substances and the use of these substances in food;</li> <li>- Regulations establish detailed labeling requirements for food contained in a package or container;</li> <li>- All items imported into Sri Lanka shall, at the point of entry into the country, possess a minimum period of 60% of unexpired shelf life;</li> <li>- Requirement that importer should receive authorization, permit, or approval from a relevant government agency of the destination country for SPS reasons;</li> <li>- Requirements related to food quality, composition, and safety, which are usually based on hygienic and good manufacturing practices, certification of conformity with a given regulation: required by the importing country, but may be issued in the exporting or the importing country;</li> </ul>	<ul style="list-style-type: none"> <li>- Measure that establishes a maximum residue limit (MRL) or "tolerance limit" of substances such as fertilizers, pesticides, and certain chemicals and metals in food and feed, used during their production process, but are not their intended ingredients;</li> <li>- Conditions to be satisfied to identify a product with a certain denomination (including biological or organic labels);</li> <li>- Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection;</li> <li>- Requirement for verification that a given TBT requirement has been met: it could be achieved by one or combined forms of inspection and approval procedure, including procedures for sampling, testing, and inspection, evaluation, verification, and assurance of conformity, accreditation and approval.</li> </ul>

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Table A5.5 continued

HS Chapter	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
							<ul style="list-style-type: none"> <li>- Requirement for product inspection in the importing country: may be performed by public or private entities, measures regulating the kind, color, and size of printing on packages and labels and defining the information that should be provided to the consumer;</li> <li>- Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection;</li> <li>- Requirement that importers should be registered to import certain products, production or post-production requirements;</li> <li>- Certification of conformity with a given regulation: required by the importing country, but may be issued in the exporting or the importing country; and</li> <li>- Requirement for product inspection in the importing country: may be performed by public or private entities.</li> </ul>	
40	Rubber and rubber articles	0	-	10 TBT	11 TBT	Ministry of Environment, N/A	-	- Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection; and

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Table A5.5 continued

HS Chapter	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
								<ul style="list-style-type: none"> <li>– Requirement for verification that a given TBT requirement has been met: it could be achieved by one or combined forms of inspection and approval procedure, including procedures for sampling, testing, and inspection, evaluation, verification and assurance of conformity, accreditation, and approval.</li> </ul>
33	Beauty products	15 TBT	Department of Agriculture, Food Control Administration Unit, Cosmetic Devices and Drugs Regulatory Authority	6 TBT	22 TBT	Ministry of Environment, N/A	<ul style="list-style-type: none"> <li>– Requirement that importers should be registered to import certain products;</li> <li>– Measures regulating the kind, color, and size of printing on packages and labels and defining the information that should be provided to the consumer;</li> <li>– Product registration requirement in the importing country, e.g., only the registered drugs and medicine may be imported;</li> <li>– Requirement for products to be tested against a given regulation, such as performance level: It includes sampling requirement; and</li> <li>– Maintaining record of all imports and sale of cosmetics.</li> </ul>	<ul style="list-style-type: none"> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection; and</li> <li>– Requirement for verification that a given TBT requirement has been met: it could be achieved by one or combined forms of inspection and approval procedure, including procedures for sampling, testing, and inspection, evaluation, verification and assurance of conformity, accreditation, and approval.</li> </ul>
49	Paper products	0	–	6 TBT	0	Ministry of Environment, N/A	–	<ul style="list-style-type: none"> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection; and</li> </ul>

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Table A5.5 continued

HS Chapter	Description	SPS-TBT Measures of X	Details of SPS-TBT Agency of X	SPS-TBT Measures of M	Is SPS-TBT of M Based on International Standard?	Details of SPS-TBT Agency of M	Details of Procedural Obstacles in X	Details of Procedural Obstacles in M
								<ul style="list-style-type: none"> <li>– Requirement for verification that a given TBT requirement has been met: it could be achieved by one or combined forms of inspection and approval procedure, including procedures for sampling, testing, and inspection, evaluation, verification and assurance of conformity, accreditation, and approval.</li> </ul>
90	Optical, photographic, cinematographic, measuring, checking, precision, medical, or surgical instruments	6 TBT	Food Control Administration Unit, Department of Agriculture	6 TBT	24 TBT	Ministry of Environment, N/A	<ul style="list-style-type: none"> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection;</li> <li>– Requirement that importers should be registered to import certain products</li> </ul>	<ul style="list-style-type: none"> <li>– Requirement that the importer should receive authorization, permit, or approval from a relevant government agency of the destination country, for reasons such as national security and environment protection; and</li> <li>– Requirement for verification that a given TBT requirement has been met: it could be achieved by one or combined forms of inspection and approval procedure, including procedures for sampling, testing, and inspection, evaluation, verification and assurance of conformity, accreditation, and approval.</li> </ul>

BFC = bromofluorocarbon, CFC = chlorofluorocarbon, HCFC = hydrochlorofluorocarbon, HS = harmonized system, M = importing country, N/A = information not available in the ITC MacMap, SPS = sanitary and phytosanitary, TBT = technical barriers to trade, X = country of exports.

Sources: Practical field studies, interviews, review of studies, and ITC MacMap.



# Appendix 6

## Comparison of Applicable Sanitary and Phytosanitary and Technical Barriers to Trade Measures in SASEC and Other Markets

**Table A6.1: Comparison of Applicable Sanitary and Phytosanitary Measures and Technical Barriers to Trade in Bangladesh, Sri Lanka, and German Markets, 2016**

S. No.	HS Code	Description	SPS-TBT Code	SPS-TBT Code Description	Description of Measures	Legislation	Implementing Authority	Sri Lanka Measures	Germany Measures
1	240220	Cigarettes containing tobacco	A31	A31: Labeling requirements	Statutory warning: "Smoking is injurious to health" shall be printed clearly in Bangladesh on the cigarette packet.	Import Policy Order, 2012–2015,	Ministry of Commerce	0	B11, B22, B31, B33, B7, B82, B85
12	2300490	Medicaments, n.e.s., in dosage	B81	Product registration requirement	Must be included in importable list through government gazette notification by Drug Administration Authority	Import Policy Order, 2012–2015,	Ministry of Commerce	A14, B14, B15, B31, B81, B82, B859	B11, B14, B15, B31, B33, B81, B82
3	470790	Waste and scrap of paper or paperboard, n.e.s. (including unsorted waste and scrap)	B19	Prohibitions or restrictions of imports for objectives set out in the TBT agreement	Importable for use as industrial raw material	Import Policy Order, 2012–2015	Ministry of Commerce	A14, B14, B15	0
4	630533	Sacks, bags, packing, of strip plastic material	B11	B11: prohibition for TBT reason	Import of polypropylene bag is banned.	Import Policy Order, 2012–2015	Ministry of Commerce	0	A22, B31, B32, B82
5	720429	Waste and scrap, of alloy steel, other than stainless	B19	Prohibitions or restrictions of imports for objectives set out in the TBT agreement	Only recognized bona fide user mills will import iron and steel	Import Policy Order, 2012–2015	Ministry of Commerce	A14, B14, B15	0
6	850213	Generating sets, diesel or semidiesel engines, of an output exceeding 375 kVA	B83	Certification requirement	In case of import of generators or generating sets	Import Policy Order, 2012–2015,	Ministry of Commerce	B14, B15	B7, B8, B83
7	854370	Electrical machines and apparatus, having individual functions, n.e.s.	B83	Certification requirement	Importable subject to submission of a certificate from Bangladesh Standards and Testing Institution to the Customs	Import Policy Order, 2012–2015	Ministry of Commerce	B14, B15	B15, B22, B31, B49, B7, B8, B83, B84

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Table A6.1 continued

S. No.	HS Code	Description	SPS-TBT Code	SPS-TBT Code Description	Description of Measures	Legislation	Implementing Authority	Sri Lanka Measures	Germany Measures
8	870324	Automobiles with reciprocating piston engine displacing > 3000 cc	B83	Certification requirement	Certificate of registration and certificate of cancellation of registration (from the country of use) have to be submitted to the customs authority; and a certificate containing age, model number, and chassis number of the old car have to be provided	Import Policy Order, 2012–2015,	Ministry of Commerce	A14, B14, B15, B7, B83	B11, B7, B83
9	870333	Automobiles with diesel engine displacing more than 2500 cc	B83	Certification requirement	Certificate of registration and certificate of cancellation of registration (from the country of use) have to be submitted to the customs authority; and a certificate containing age, model number, and chassis number of the old car have to be provided	Import Policy Order, 2012–2015	Ministry of Commerce	A14, B14, B15, B7, B83	B11, B7, B83
10	870421	Diesel-powered trucks with a GVW not exceeding five tons	B83	Certification requirement	Certificate of registration and certificate of cancellation of registration (from the country of use) have to be submitted to the customs authority; and a certificate containing age, model number, and chassis number of the old car have to be provided	Import Policy Order, 2012–2015	Ministry of Commerce	A14, B14, B15, B7, B83	B11, B42, B7, B83

cc = cubic centimeter, GVW = gross vehicle weight, HS = harmonized system, kVA = kilovolt-ampere, S. No. = serial number, SPS = sanitary and phytosanitary, TBT = technical barriers to trade.

Notes: Out of the selected 100 products, only 10 products have SPS and TBT measures and many products are applicable to other nontariff measures, but not SPS or TBT measures.

Germany represents the European Union market as an international good practitioner using multiple regulations. See the European Union Export Helpdesk website for further details.

Source: Inventory of nontariff measures developed by S. M. Raihan, A. Khan, and S. Quoreshi. 2014. *NTMs in South Asia: Assessment and Analysis*. SAARC Trade Promotion Network. Kathmandu.

**Table A6.2: Comparison of Applicable Sanitary and Phytosanitary Measures and Technical Barriers to Trade in Bhutan, Sri Lanka, and German Markets, 2016**

S. No	HS Code	Description	SPS-TBT Code	SPS-TBT Code Description	Description of Measures	Legislation	Implementing Authority	Sri Lanka Measures	Germany Measures
1	220210	Waters including mineral and aerated, containing sugar or sweetening matter or flavored	B22	B22, restricted use of	Restricted use of certain substances	Sales Tax, Customs and Excise Act 2000, Bhutan Micro Retail, Wholesale Trade Regulations 2006, Bhutan Agriculture and Food Regulatory Authority	Department of Trade, Ministry of Economic Affairs	A22, A31, B31, A49, A83, A84, B83, B84, A14, A15, B14, B15, A4, B4	A13, A15, A21, A22, A14, A42, A63, A85, A851, A852, A853
2	220410	Grape wines, sparkling	B22	B22, restricted use of	Restricted use of certain substances	Sales Tax, Customs and Excise Act 2000, Bhutan Micro Retail, Wholesale Trade Regulations 2006, Bhutan Agriculture and Food Regulatory Authority	Department of Trade, Ministry of Economic Affairs	A22, A31, B31, A49, A14, A15, B14, B15, A4, A83, A84, B4, B83, B84	A13, A15, A21, A22, A31, A33, A41, A42, A63, A83, A85, A851, A852, A853, B14, B31, B33
3	220830	Whiskies	B22	B22, restricted use of	Restricted use of certain substances	Sales Tax, Customs and Excise Act 2000, Bhutan Micro Retail, Wholesale Trade Regulations 2006, Bhutan Agriculture and Food Regulatory Authority	Department of Trade, Ministry of Economic Affairs	A22, A31, B31, A14, A15, B14, B15, A4, A83, A84, B4, B83, B84	A13, A15, A21, A22, A41, A42, A63, A85, A851, A852, A853, B14, B31
4	391590	Plastics waste and scrap, n.e.s.	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	Ministry of Economic Affairs	B14, B15, A14	0
5	391739	Tubes, pipes and hoses, n.e.s., plastic	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	Ministry of Economic Affairs	0	B7, B83, B84
6	392310	Boxes, cases, crates and similar articles of plastic	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	Ministry of Economic Affairs	A14, B14	A22, B31, B32
7	841090	Parts of hydraulic turbines and water wheels, including regulators	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B83

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Table A6.2 continued

S. No	HS Code	Description	SPS-TBT Code	SPS-TBT Code Description	Description of Measures	Legislation	Implementing Authority	Sri Lanka Measures	Germany Measures
8	841280	Engines and motors n.e.s.	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	0	0
9	841290	Parts of hydraulic and pneumatic and other power engines and motors, n.e.s.	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B83
10	841360	Rotary positive displacement pumps, n.e.s.	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B83
11	841370	Centrifugal pumps, n.e.s.	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B83
12	841440	Air compressors mounted on a wheeled chassis for towing	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B83, B84
13	842121	Filtering or purifying machinery and apparatus for water	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	A22, A31, B15, B22, B31, B49, B7, B8, B83, B84
14	842619	Transporter or bridge cranes	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B83, B84
15	842720	Self-propelled works trucks, n.e.s.	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B8, B83
16	842820	Pneumatic elevators and conveyors	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B8, B83, B84

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Table A6.2 continued

S. No	HS Code	Description	SPS-TBT Code	SPS-TBT Code Description	Description of Measures	Legislation	Implementing Authority	Sri Lanka Measures	Germany Measures
17	842951	Front-end shovel loaders	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B8, B83
18	842952	Shovels and excavators with a 360-revolving superstructure	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B8, B83
19	842959	Self-propelled excavating machinery, n.e.s.	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B8, B83
20	843041	Boring or sinking machinery, n.e.s., self-propelled	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B8, B83
21	844399	Parts and accessories of printers, copying machines and facsimile machines	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B15, B22, B31, B49, B7, B8, B83
22	847130	Portable digital computers <10 kg	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15, A14	B15, B22, B31, B49, B7, B8, B83, B84
23	847330	Parts and accessories of automatic data processing machines and units thereof	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B15, B22, B31, B49, B7, B8, B83, B84
24	847420	Crushing or grinding machines for earth, stone, ores or other minerals substances	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B8, B83
25	847431	Concrete or mortar mixers	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B8, B83

continued on next page

Table A6.2 continued

S. No	HS Code	Description	SPS-TBT Code	SPS-TBT Code Description	Description of Measures	Legislation	Implementing Authority	Sri Lanka Measures	Germany Measures
26	847910	Machines for public works, building, or the like, n.e.s., having individual functions	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B15, B22, B31, B49, B7, B8, B83
27	847989	Machines and mechanical appliances, n.e.s., having individual functions	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B15, B22, B31, B49, B7, B8, B83
28	848180	Taps, cocks, valves, and similar appliances, n.e.s.	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B83
29	850211	Generating sets, diesel or semidiesel engines, of an output not exceeding 75 KVA	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B8, B83
30	850213	Generating sets, diesel or semidiesel engines, of an output exceeding 375 KVA	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B8, B83
31	850239	Electric generating sets	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B8, B83
32	850300	Parts of electric motors, generators, generating sets, and rotary converters	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B8, B83
33	850440	Static converters, n.e.s.	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B15, B22, B31, B49, B7, B8, B83, B84
34	851712	Telephones for cellular networks, mobile telephones, or for other wireless networks	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	A14, B14, B15	B15, B22, B31, B49, B7, B8, B83, B84

continued on next page

Table A6.2 continued

S. No	HS Code	Description	SPS-TBT Code	SPS-TBT Code Description	Description of Measures	Legislation	Implementing Authority	Sri Lanka Measures	Germany Measures
35	851761	Base stations of apparatus for the transmission or reception of voice	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	A14, B14, B15	B15, B22, B31, B49, B7, B8, B83, B84
36	851762	Machines for the reception, conversion, and transmission or regeneration	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	A14, B14, B15	B15, B22, B31, B49, B7, B8, B83, B84
37	851769	Apparatus for the transmission or reception of voice, images, or other	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B15, B22, B31, B49, B7, B8, B83
38	851770	Parts of telephone sets, telephones for cellular networks, or for other	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B15, B22, B31, B49, B7, B8, B83
39	852580	Television cameras, digital cameras, and video camera recorders	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B15, B22, B31, B49, B7, B8, B83, B84
40	852872	Reception apparatus for television, color	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B15, B22, B31, B49, B7, B8, B83, B84
41	852910	Aerials and aerial reflectors of all kinds; parts suitable for use therewith	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B15, B22, B31, B49, B7, B8, B83
42	852990	Parts suitable for use solely or principally with the application of headings 85.25 to 85.28	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B15, B22, B31, B49, B7, B8, B83
43	853110	Burglar or fire alarms and similar apparatus	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B15, B22, B31, B49, B7, B8, B83

continued on next page

Table A6.2 continued

S. No	HS Code	Description	SPS-TBT Code	SPS-TBT Code Description	Description of Measures	Legislation	Implementing Authority	Sri Lanka Measures	Germany Measures
44	853540	Lighting arresters, voltage limiters, and surge supp voltage > 1,000 volts	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B8, B83
45	853650	Electrical switches for a voltage not exceeding 1,000 volts, n.e.s.	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15, A83, A84, B83, B84	B7, B8, B83
46	853720	Boards, panels, including numerical control panels, for a voltage > 1,000 volts	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B8, B83
47	854370	Electrical machines and apparatus, having individual functions, n.e.s.	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B15, B22, B31, B49, B7, B8, B83, B84
48	854390	Parts of electrical machines and apparatus having individual functions, n.e.s.	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B15, B22, B31, B49, B7, B8, B83
49	854419	Insulated (including enameled or anodized) winding wire, n.e.s.	B14	B14, authorization requirement for TBT reasons	Special authorization requirement	Sales Tax, Customs and Excise Act 2000	National Environment Commission, Ministry of Economic Affairs	B14, B15	B7, B83

HS = harmonized system, n.e.s. = not elsewhere specified, S. No. = series number, SPS = sanitary and phytosanitary, TBT = technical barriers to trade.

Notes: Out of the selected 100 products, only 54 products have SPS and TBT measures and many products are applicable to other nontariff measures, but not SPS or TBT measures.

Germany represents the European Union market as an international good practitioner using multiple regulations. See the European Union Export Helpdesk website for further details.

Source: Inventory of nontariff measures developed by S. M. Raihan, A. Khan, and S. Quoreshi. 2014. *NTMs in South Asia: Assessment and Analysis*. SAARC Trade Promotion Network. Kathmandu.



**Table A6.3: Comparison of Applicable Sanitary and Phytosanitary Measures and Technical Barriers to Trade in India, Sri Lanka, and German Markets, 2016**

S. No.	HS Code	Description	India					Sri Lanka					Germany					
			Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	
1	30616	Frozen cold-water shrimps and prawns	A31, A41, A22, A14, A21, A15, A64, A69, A82, A83, A84, A853, A859, A33, A52, A42	B31, B32, B33, B6, B15	16	5	21	A22, A14, A31, A21, A83, A49, A15, A4, A84	B18, B31, B14, B15, B4, B83, B84	9	7	16	A12, A21, A31, A4, A41, A82, A82, A84	B14, B83	8	2	10	
2	60290	Plants live, nes	A41, A14, A49, A53, A83, A84, A86	B31, B33, B14, B15	7	4	11	A14, A19, A84	B15	3	1	4	A15, A19, A84	B14, B31, B7	3	3	6	
3	81090	Fruits, fresh nes	A31, A33, A22, A14, A21, A15, A64, A69, A82, A83, A84, A853, A859, A41, A61, A52, A42	B31, B32, B33, B6, B7, 15	17	6	23	No records available			0	0	0	-	B11, B14, B15, B31, B33, B84	0	6	6
4	90420	Fruits of the genus Capsicum or Pimenta, dried, crushed or ground	A31, A22, A14, A21, A15, A64, A69, A82, A83, A84, A853, A859, A52, A41, A33,	B32, B31, B33, B6, B7, B15	15	6	21	A22, A15, A31, A49, A14, A4, A83, A84	B7, B15, B31, B14, B4, B83, B84	8	7	15	A12, A13, A14, A15, A21, A22, A41, A42, A63, A85, A851, A852, A853	B14, B31	13	2	15	
5	100199	Wheat and meslin (excl. seed for sowing, and durum wheat)	A31, A22, A14, A21, A15, A64, A69, A82, A83, A84, A853, A859, A33, A41, A52, A42	B31, B32, B33, B6, B15	16	5	21	A22, A31, A49, A14, A15, A4, A83, A84	B15, B31, B14, B83, B84	8	5	13	A13, A19, A21, A22, A31, A32, A33, A41, A42, A63, A83, A84, A852	B14	13	1	14	
6	120740	Sesamum seeds, whether or not broken	A31, A22, A14, A21, A15, A64, A69, A82, A83, A84, A853, A859, A33, A41, A52, A42	B31, B32, B33, B7, B14, B859, B83, B6, B15	16	9	25	A15, A22, A31, A49, A14, A4, A83, A84	B15, B31, B14, B4, B83, B84	8	6	14	A15, A19, A84	B14, B31, B7	3	3	6	

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Table A6.3 continued

S. No.	HS Code	Description	India					Sri Lanka					Germany				
			Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total
7	151790	Edible mx/prep of animal/veg fats & oils/of fractions ex hd No 15.16	A31, A22, A14, A21, A15, A64, A69, A82, A83, A84, A853, A859, A33, A41, A63, A52, A42	B31, B32, B33, B82, B83, B6, B14, B42, B852, B859, B15	17	11	28	A22, A31, A49, A14, A15, A4, A83, A84	B7, B15, B14, B31, B4, B83, B84	8	7	15	A12, A13, A15, A19, A21, A22, A32, A33, A4, A82, A83, A84, A85, A851, A852, A853	B11, B14, B31	16	3	19
8	170290	Sugar nes, including invert sugar	A31, A22, A14, A21, A15, A64, A69, A82, A83, A84, A853, A859 A33, A41, A52, A42	B31, B32, B33, B6, B7, B15	16	6	22	A22, A31, A49, A14, A15, A4, A83, A84	B31, B14, B15, B4, B83, B84	8	6	14	A13, A15, A19, A21, A22, A32, A33, A85, A851, A852, A853	B11, B14, B15, B31, B33, B84	11	6	17
9	180690	Chocolate and other food preparations containing cocoa n.e.s	A31, A22, A14, A21, A15, A64, A69, A82, A83, A84, A853, A859, A33, A41, A52, A42	B31, B32, B33, B6, B15	16	5	21	A15, A22, A31, A49, A14, A4, A83, A84	B31, B14, B15, B4, B83, B84	8	6	14	A13, A15, A21, A22, A41, A42, A63, A85, A851, A852, A853	B14, B31	11	2	13
10	190110	Prep of cereals, flour, starch/milk f infant use, put up f retail sale	A31, A22, A14, A21, A15, A64, A69, A82, A83, A84, A853, A859, A33, A41, A52, A42	B31, B6, B32, B33, B15	16	5	21	A22, A31, A49, A14, A15, A4, A83, A84	B7, B15, B31, B14, B4, B83, B84	8	7	15	A12, A13, A15, A21, A22, A4, A41, A42, A82, A83, A84, A85, A851, A852, A853	B14, B31	15	2	17
11	190531	Sweet biscuits	A31, A22, A14, A21, A15, A64, A69, A82, A83, A84, A853, A859, A33, A41, A52, A42	B31, B6, B32, B33, B15	16	5	21	A22, A31, A49, A83, A84, A14, A15, A4	B7, B15, B31, B83, B84, B14, B15, B4	8	8	16	A13, A15, A21, A22, A41, A42, A63, A85, A851, A852, A853	B14, B31	11	2	13
12	200980	Fruit & vegetable juice n.e.s. (excluding mx) unfermented, unspirited, whether or not sugar/sweet	A31, A22, A14, A21, A15, A64, A69, A82, A83, A84, A853, A859, A33, A41, A52, A42t	B31, B32, B33, B6, B15	16	5	21	A22, A31, A49, A83, A84, A14, A15, A4	B31, B83, B84, B14, B15, B4	8	6	14	A13, A15, A21, A22, A41, A42, A63, A85, A851, A852, A853	B14, B31	11	2	13

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Table A6.3 continued

S. No.	HS Code	Description	India					Sri Lanka					Germany				
			Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total
13	200989	Juice of fruit or vegetables, unfermented, whether or not containing added sugar or other	A31, A22, A14, A21, A15, A64, A69, A82, A83, A84, A853, A859, A33, A41, A52, A42	B31, B32, B33, B6, B15	16	5	21	A22, A31, A49, A83, A84, A14, A15, A4	B31, B83, B84, B14, B15, B4	8	6	14	A13, A15, A21, A22, A41, A42, A63, A85, A851, A852, A853	B14, B31	11	2	13
14	210500	Ice cream and other edible ice, whether or not containing cocoa	A31, A22, A14, A21, A15, A64, A69, A82, A83, A84, A853, A859, A33, A41, A52, A42	B31, B32, B33, B6, B15	16	5	21	A22, A31, A49, A83, A84, A14, A15, A4	B31, B83, B84, B14, B15, B4	8	6	14	A12, A13, A15, A21, A22, A4, A41, A42, A82, A83, A84, A85, A851, A852, A853	B14, B31	15	2	17
15	210610	Protein concentrates and textured protein substances	A31, A22, A14, A21, A15, A64, A69, A82, A83, A84, A853, A859, A33, A41, A52, A42	B31, B32, B33, B6, B15	16	5	21	A22, A31, A49, A14, A15, A4, A83, A84	B31, B14, B15, B4, B83, B84	8	6	14	A12, A13, A15, A21, A22, A4, A41, A42, A82, A83, A84, A85, A851, A852, A853	B11, B14, B15, B31, B33, B84	15	6	21
16	240220	Cigarettes containing tobacco	A31	B31, B33, B15	1	3	4	No records available		0	0	0	-	B11, B22, B31, B33, B7, B82, B85	0	7	7
17	251612	Granite, merely cut, by sawing or otherwise, into blocks etc	A14, A83, A84	B14, B31, B33, B15	3	4	7	No records available		0	0	0	No records available		0	0	0
18	261590	Niobium, tantalum and vanadium ores and concentrates	-	B14, B31, B33, B15	0	4	4	No records available		0	0	0	No records available		0	0	0
19	300490	Medicaments n.e.s., in dosage	-	B11, B14, B15, B31, B33, B7, B853, B859	0	8	8	A14	B14, B15, B31, B81, B82, B859	2	6	8	-	B11, B14, B15, B31, B33, B81, B82	0	7	7
20	300590	Dressings & similar articles, impregnated or coated or packaged for md use, n.e.s.	-	B31, B33, B14, B15, B42, B7, B859	0	7	7	-	B15, B31, B81, B82, B859	0	5	5	-	B31, B33, B7, B82, B83, B84	0	6	6
21	320417	Synthetic organic pigments and preparations based thereon	-	B31, B33, B14, B32, B42, B83, B852, B859, B15	0	9	9	-	B14, B15	0	2	2	-	B11, B14, B15, B31, B33, B84	0	6	6

continued on next page

Table A6.3 continued

S. No.	HS Code	Description	India					Sri Lanka					Germany				
			Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total
22	320890	Paints and varnish-based on polymers dissolved in a non aqueous solvent n.e.s.	-	B31, B33, B15	0	3	3	No records available		0	0	0	-	B11, B14, B15, B31, B33, B84	0	6	6
23	321000	Paints and varnishes n.e.s.; water pigments for finishing leather	-	B31, B33, B15	0	3	3	No records available		0	0	0	-	B11, B14, B15, B31, B33, B84	0	6	6
24	330499	Beauty or make-up preparations n.e.s.; sunscreen or sun tan preparations	-	B31, B33, B14, B15, B19, B21, B22	0	7	7	-	B15, B31, B81, B82, B859	0	5	5	-	B11, B14, B15, B22, B31, B33, B84, B853	0	8	8
25	330510	Hair shampoos	-	B31, B33, B15	0	3	3	-	B15, B31, B81, B82, B859	0	5	5	-	B11, B14, B15, B22, B31, B33, B84, B853	0	8	8
26	330590	Hair preparations, n.e.s.	-	B31, B33, B15	0	3	3	-	B15, B31, B81, B82, B859	0	5	5	-	B11, B14, B15, B22, B31, B33, B84, B853	0	8	8
27	330749	Room perfuming or deodorizing preparations, n.e.s.	-	B31, B33, B15	0	3	3	-	B15, B31, B81, B82, B859	0	5	5	-	B11, B14, B15, B22, B31, B33, B84, B853	0	8	8
28	340290	Surface-active preparations, washing and cleaning preparations, n.e.s.	-	B31, B33, B15	0	3	3	No records available		0	0	0	-	B11, B14, B15, B31, B33, B7, B84	0	7	7
29	350790	Enzymes n.e.s.; prepared enzymes n.e.s.	-	B31, B33, B15	0	3	3	No records available		0	0	0	A12, A13, A15, A19, A21, A22, A32, A33, A4, A82, A83, A84, A85, A851, A852, A853	B11, B14, B15, B31, B33, B84	16	6	22
30	380210	Activated carbon	-	B31, B33, B15	0	3	3	A14	B14	1	1	2	-	B11, B14, B15, B31, B33, B84	0	6	6
31	380991	Finishing agents, dye carriers & other prep, n.e.s., for use in the textile industry	-	B31, B33, B15	0	3	3	No records available		0	0	0	-	B11, B14, B15, B31, B33, B84	0	6	6
32	391239	Cellulose ethers nes, in primary forms	-	B31, B33, B15	0	3	3	No records available		0	0	0	-	B11, B14, B15, B31, B33, B84	0	6	6

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Table A6.3 continued

S. No.	HS Code	Description	India					Sri Lanka					Germany				
			Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total
33	391910	Self-adhesive plates, sheets, film etc, of plastic in rolls <20 cm wide	-	B31, B33, B15	0	3	3	No records available		0	0	0	A22	B31, B32, B7, B83	1	4	5
34	392310	Boxes, cases, crates & similar articles of plastic	-	B31, B33, B15	0	3	3	A14	B14	1	1	2	A22	B31, B32	1	2	3
35	392329	Sacks and bags (including cones) of plastics n.e.s.	-	B31, B33, B7, B9, B15	0	5	5	No records available		0	0	0	A22	B31, B32	1	2	3
36	392330	Carboys, bottles, flasks and similar articles of plastics	-	B31, B33, B15	0	3	3	No records available		0	0	0	A22	B31, B32, B33, B7, B83, B84	1	6	7
37	392350	Stoppers, lids, caps and other closures of plastics	-	B31, B33, B15	0	3	3	No records available		0	0	0	A22	B31, B32	1	2	3
38	392620	Apparel and clothing accessories (incl gloves) of plastic	-	B31, B33, B15	0	3	3	No records available		0	0	0	-	B42, B7, B83, B84	0	4	4
39	400599	Compounded rubber, unvulcanized in primary forms n.e.s.	-	B31, B33, B15	0	3	3	No records available		0	0	0	A22	B31, B32	1	2	3
40	401163	Pneumatic tires, new, of rubber, having a "herring-bone" or similar tr	-	B31, B33, B7, B82, B83, B15	0	6	6	No records available		0	0	0	-	B11, B7, B83	0	3	3
41	401490	Hygienic or pharmaceutical articles of rubber etc. n.e.s.	-	B31, B33, B15	0	3	3	No records available		0	0	0	A22, A31	B31, B7	2	2	4
42	401691	Floor coverings and mats of rubber excluding cellular and hard rubber	-	B31, B33, B15	0	3	3	No records available		0	0	0	No records available		0	0	0
43	401699	Articles of vulcanized rubber n.e.s., other than hard rubber	-	B31, B33, B15	0	3	3	No records available		0	0	0	-	B7, B83	0	2	2
44	481920	Cartons, boxes and cases, folding of non-corrugated paper or paperboard	-	B31, B33, B15	0	3	3	No records available		0	0	0	A22	B31, B32	1	2	3
45	482110	Paper labels of all kinds, printed	-	B31, B33, B15	0	3	3	No records available		0	0	0	A22	B31, B32	1	2	3
46	482190	Paper labels of all kinds, not printed	-	B31, B33, B15	0	3	3	No records available		0	0	0	A22	B31, B32	1	2	3

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Table A6.3 continued

S. No.	HS Code	Description	India					Sri Lanka					Germany				
			Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total
47	490110	Brochures, leaflets and similar printed matter, in single sheets	-	B31, B33, B15	0	3	3	No records available		0	0	0	No records available		0	0	0
48	490199	Books, brochures, leaflets and similar printed matter, n.e.s.	-	B31, B33, B15	0	3	3	No records available		0	0	0	No records available		0	0	0
49	490700	Unused postage, revenue stamps; cheque forms, banknotes, bond certificates, etc	-	B31, B33, B15	0	3	3	No records available		0	0	0	No records available		0	0	0
50	520523	Cotton yarn, $\geq 85\%$ , single, combed, 232.56 $\geq dtex \geq 192.31$ , not put up	-	B82, B83, B31, B33, B15	0	5	5	No records available		0	0	0	-	B31, B32, B82	0	3	3
51	520829	Woven fabrics of cotton, $\geq 85\%$ , not more than 200 g/m <sup>2</sup> , bleached, n.e.s.	-	B82, B83, B31, B33, B15	0	5	5	No records available		0	0	0	-	B31, B32, B82	0	3	3
52	520931	Plain weave cotton fabrics, $\geq 85\%$ , more than 200 g/m <sup>2</sup> , dyed	-	B82, B83, B31, B33, B15	0	5	5	No records available		0	0	0	-	B31, B32, B82	0	3	3
53	520932	Twill weave cotton fabrics, $\geq 85\%$ , more than 200 g/m <sup>2</sup> , dyed	-	B82, B83, B31, B33, B15	0	5	5	No records available		0	0	0	-	B31, B32, B82	0	3	3
54	520942	Denim fabrics of cotton, $\geq 85\%$ , more than 200 g/m <sup>2</sup>	-	B82, B83, B31, B33, B15	0	5	5	No records available		0	0	0	-	B31, B32, B82	0	3	3
55	530500	Coconut, abaca Manila hemp or <i>Musa textiles Nee</i> , ramie, agave and others	A14, A83, A84	B82, B83, B31, B33, B14, B32, B42, B852, B859, B84, B15	3	11	14	-	B14, B15	0	2	2	-	B31, B32, B82	0	3	3
56	540720	Woven fab obtained from strip/the like of synthetic textile materials	-	B82, B83, B31, B33, B15	0	5	5	No records available		0	0	0	-	B31, B32, B82	0	3	3
57	551219	Woven fabrics, containing $\geq 85\%$ of polyester staple fibres, o/t unbl or bl	-	B82, B83, B31, B33, B15	0	5	5	No records available		0	0	0	-	B31, B32, B82	0	3	3
58	560790	Twine, cordage, ropes and cables, of other materials	-	B82, B83, B31, B33, B15	0	5	5	No records available		0	0	0	A22	B31, B32, B7, B82, B83, B84	1	6	7

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Table A6.3 continued

S. No.	HS Code	Description	India					Sri Lanka					Germany				
			Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total
59	580890	Ornamental trimmings in the piece, o/t knit; tassels, pompons & similar art	-	B82, B83, B31, B33, B15	0	5	5	No records available		0	0	0	-	B31, B32, B82	0	3	3
60	591000	Transmission or conveyor belts or belting of textile material	-	B82, B83, B31, B33, B15	0	5	5	No records available		0	0	0	-	B31, B32, B82	0	3	3
61	611510	Graduated compression hosiery [e.g., stockings for varicose veins], of	-	B82, B83, B31, B33, B15	0	5	5	No records available		0	0	0	-	B31, B32, B7, B82, B83, B84	0	6	6
62	611529	Pantyhose and tights of textile materials, knitted or crocheted (excl.	-	B82, B83, B31, B33, B15	0	5	5	No records available		0	0	0	-	B31, B32, B7, B82, B83, B84	0	6	6
63	611599	Hosiery n.e.s., of other textile materials, knitted	-	B82, B83, B31, B33, B15	0	5	5	No records available		0	0	0	-	B31, B32, B7, B82, B83, B84	0	6	6
64	611699	Gloves, mittens and mitts, n.e.s., of other textile materials, knitted	-	B82, B83, B31, B33, B15	0	5	5	No records available		0	0	0	-	B11, B31, B32, B7, B82, B83, B84	0	7	7
65	611710	Shawls, scarves, veils and the like, of textile materials, knitted	-	B82, B83, B31, B33, B14, B15	0	6	6	No records available		0	0	0	-	B11, B31, B32, B7, B82, B83, B84	0	7	7
66	620920	Babies garments and clothing accessories of cotton, not knitted	-	B82, B83, B31, B33, B15	0	5	5	No records available		0	0	0	-	B11, B31, B32, B7, B82,	0	5	5
67	620990	Babies garments & clothing accessories of other textile materials, not knitted	-	B82, B83, B31, B33, B14, B15	0	6	6	No records available		0	0	0	-	B11, B31, B32, B7, B82,	0	5	5
68	621010	Garments made up of textile felts and of nonwoven textile fabrics	-	B82, B83, B31, B33, B15	0	5	5	No records available		0	0	0	-	B31, B32, B42, B7, B82, B83, B84	0	7	7
69	711311	Articles of jewelry and parts thereof of silver w/n plated/clad w/o precious met	-	B31, B33, B15	0	3	3	No records available		0	0	0	-	B11, B31, B7	0	3	3
70	711319	Articles of jewelry and parts thereof of/o precious met w/n plated/clad w precious met	-	B31, B33, B15	0	3	3	No records available		0	0	0	-	B11, B31, B7	0	3	3

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Table A6.3 continued

S. No.	HS Code	Description	India					Sri Lanka					Germany					
			Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	
71	731100	Containers for compressed or liquefied gas of iron or steel	-	B31, B33, B14, B83, B9, B42, B7, B82, B15	0	9	9	A83, A84	B83, B84	2	2	4	A22	B11, B32, B7, B83, B84	1	5	6	
72	732690	Articles, iron or steel, n.e.s.	-	B31, B33, B15	0	3	3	No records available			0	0	0	No records available		0	0	0
73	842290	Pts of dishwashing, cleaning or drying container, packing or wrapping mach	-	B31, B33, B14, B32, B42, B83, B852, B859, B15	0	9	9	-	B14, B15	0	2	2	-	B15, B22, B31, B49, B7, B8, B83, B84	0	8	8	
74	842649	Derricks, cranes or work trucks fitted with a crane, self-propelled n.e.s.	-	B31, B33, B14, B32, B42, B83, B852, B859, B15	0	9	9	-	B14, B15	0	2	2	-	B7, B8, B83	0	3	3	
75	843120	Parts of fork-lift & other works trucks fitted with lifting equipment	-	B31, B33, B14, B32, B42, B83, B852, B859, B15	0	9	9	-	B14, B15	0	2	2	-	B7, B8, B83	0	3	3	
76	843139	Parts of lifting, handling, loading or unloading machinery n.e.s.	-	B31, B33, B14, B32, B42, B83, B852, B859, B15	0	9	9	-	B14, B15	0	2	2	-	B7. B8, B83	0	3	3	
77	843210	Plows	-	B31, B33, B15	0	3	3	No records available			0	0	0	-	B15, B22, B31, B49, B7, B8, B83	0	7	7
78	844720	Flat knitting machines; stitch-bonding machines	-	B31, B33, B14, B32, B42, B83, B852, B859, B15	0	9	9	-	B14, B15	0	2	2	-	B15, B22, B31, B49, B7, B8, B83	0	7	7	
79	847330	Parts and accessories of automatic data processing machines and units thereof	-	B31, B33, B14, B32, B42, B83, B852, B859, B15	0	9	9	-	B14, B15	0	2	2	-	B15, B22, B31, B49, B7, B8, B83, B84	0	8	8	
80	847989	Machines and mechanical appliances nes having individual functions	-	B31, B33, B14, B32, B42, B83, B852, B859, B15	0	9	9	-	B14, B15	0	2	2	-	B15, B22, B31, B49, B7, B8, B83	0	7	7	
81	850213	Generating sets, diesel/semi-diesel engines, of an output exceeding 375 kVA	-	B7, B31, B33, B83, B14, B32, B42, B852, B859, B15	0	10	10	-	B14, B15	0	2	2	-	B7. B8, B83	0	3	3	

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Table A6.3 continued

S. No.	HS Code	Description	India					Sri Lanka					Germany				
			Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total
82	850300	Parts of electric motors, generators, generating sets and rotary converters	-	B31, B33, B14, B32, B42, B83, B852, B859, B15	0	9	9	-	B14, B15	0	2	2	-	B7, B8, B83	0	3	3
83	850421	Liquid dielectric transformers having a power handling capacity <= 650 kVA	-	B31, B33, B7, B83, B14, B32, B42, B852, B859, B15	0	10	10	-	B14, B15	0	2	2	-	B15, B22, B31, B49, B7, B8, B83	0	7	7
84	850431	Transformers electric power handling capacity not exceeding 1 kVA, n.e.s.	-	B31, B33, B7, B83, B14, B32, B42, B852, B859, B15	0	10	10	-	B14, B15	0	2	2	-	B15, B22, B31, B49, B7, B8, B83	0	7	7
85	850450	Inductors, electric	-	B31, B33, B7, B83, B14, B32, B42, B852, B859, B15	0	10	10	-	B14, B15	0	2	2	-	B15, B22, B31, B49, B7, B8, B83	0	7	7
86	851762	Machines for the reception, conversion and transmission or regeneration	-	B31, B33, B22, B14, B32, B42, B83, B852, B853, B859, B15	0	11	11	A14	B14, B15	1	2	3	-	B15, B22, B31, B49, B7, B8, B83, B84	0	8	8
87	851770	Parts of telephone sets, telephones for cellular networks or for other	-	B31, B33, B22, B14, B32, B42, B83, B852, B853, B859, B15	0	11	11	-	B14, B15	0	2	2	-	B15, B22, B31, B49, B7, B8, B83	0	7	7
88	853669	Electrical plugs and sockets, for a voltage not exceeding 1,000 volts	-	B31, B33, B7, B83, B14, B32, B42, B852, B859, B15	0	10	10	A83, A84	B14, B15, B83, B84	2	4	6	-	B7, B8, B83	0	3	3
89	853810	Boards, panels, etc for goods of heading no. 85.37, not equipped w their app	-	B31, B33, B15	0	3	3	No records available		0	0	0	-	B7, B8, B83	0	3	3
90	854160	Mounted piezo-electric crystals	-	B31, B33, B14, B32, B42, B83, B852, B859, B15	0	9	9	-	B14, B15	0	2	2	-	B7, B8, B83	0	3	3
91	854290	Parts of electronic integrated circuits and micro-assemblies	-	B31, B33, B7, B83, B14, B32, B42, B852, B859, B15	0	10	10	-	B14, B15	0	2	2	-	B7, B8, B83	0	3	3

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Table A6.3 continued

S. No.	HS Code	Description	India					Sri Lanka					Germany					
			Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	Applicable SPS Measures	Applicable TBT Measures	# SPS	# TBT	Total	
92	854449	Electric conductors, for a voltage not exceeding 80 volts, n.e.s.	-	B31, B33, B7, B83, B14, B32, B42, B852, B859, B15	0	10	10	A83, A84	B14, B15, B83, B84	2	4	6	-	B7, B83	0	2	2	
93	870421	Diesel powered trucks with a GVW not exceeding five tons	-	B31, B7, B14, B32, B42, B83, B852, B82, B33, B859, B15	0	11	11	A14	B14, B15, B7, B83	1	4	5	-	B11, B42, B7, B83	0	4	4	
94	870870	Wheels including parts and accessories for motor vehicles	-	B31, B33, B14, B32, B42, B83, B852, B859, B15	0	9	9	A14	B14, B15	1	2	3	-	B11, B7, B83	0	3	3	
95	871639	Trailers n.e.s. for the transport of goods	-	B7, B31, B33, B14, B32, B42, B83, B852, B82, B859, B15	0	11	11	A14	B14, B15	1	2	3	-	B42, B7, B83	0	3	3	
96	871640	Trailers and semi-trailers n.e.s	-	B7, B31, B33, B14, B32, B42, B83, B852, B82, B859, B15	0	11	11	A14	B14, B15	1	2	3	-	B42, B7, B83	0	3	3	
97	880330	Aircraft parts n.e.s	-	B31, B33, B7, B14, B32, B42, B83, B852, B859, B15	0	10	10	A14	B14, B15	1	2	3	-	B7, B83	0	2	2	
98	880390	Parts of balloons, dirigibles, and spacecraft n.e.s	-	B31, B33, B7, B14, B32, B42, B83, B852, B859, B15	0	10	10	A14	B14, B15	1	2	3	No records available		0	0	0	
99	890690	Vessels, incl. lifeboats (excl. warships, rowing boats and other vessels	-	B15	0	1	1	No records available			0	0	0	-	B7, B8, B83	0	3	3
100	903084	Instruments and appliances for measuring or checking electrical quantity	-	B31, B33, B14, B32, B42, B83, B852, B859, B15	0	9	9	-	B14, B15	0	2	2	-	B15, B22, B31, B49, B7, B8, B83	0	7	7	

g/m<sup>2</sup> = grams per square meter, GVW = gross vehicle weight, HS = harmonized system, kVA = kilovolt-ampere, n.e.s. = not elsewhere specified, SPS = sanitary and phytosanitary, TBT = technical barriers to trade.

Note: Germany represents the European Union market as an international good practitioner using multiple regulations. See the European Union Export Helpdesk website for further details.

Source: ITC Market Access Map.

**Table A6.4: Comparison of Applicable Sanitary and Phytosanitary Measures and Technical Barriers to Trade in Maldives, Sri Lanka, and German Markets**

S. No.	HS Code	Description	SPS-TBT Code	SPS-TBT Code Description	Description of Measures	Legislation	Implementing Authority	Sri Lanka Measures	Germany Measures
1	490199	Books, brochures, leaflets, and similar printed matter, n.e.s.	B14	B14, authorization requirement for TBT reasons	Import requires approval	Export and Import Law, 1979 (No. 31/79)	Ministry of Economic Development	0	0
2	852691	Radio navigational aid apparatus	B14	B14, authorization requirement for TBT reasons	Import requires approval	Export and Import Law, 1979 (No. 31/79)	Ministry of Economic Development	B14, B15	B15, B22, B31, B49, B7, B8, B83
3	870590	Special purpose motor vehicles n.e.s.	B11	B11, prohibition for TBT reasons	Imports of used motor vehicles and cycles over 5 years old and 3 years old	Export and Import Law, 1979 (No. 31/79)	Ministry of Economic Development	A14, B14, B15, A7, B83	B11, B7, B83
4	870829	Parts and accessories of bodies, n.e.s., for motor vehicles	B11	B11, prohibition for TBT reasons	Imports of used motor vehicles and cycles over 5 years old and 3 years old	Export and Import Law, 1979 (No. 31/79)	Ministry of Economic Development	A14, B14, B15	B11, B7, B83
5	870899	Motor vehicle parts, n.e.s.	B11	B11, prohibition for TBT reasons	Imports of used motor vehicles and cycles over 5 years old and 3 years old	Export and Import Law, 1979 (No. 31/79)	Ministry of Economic Development	A14, B14, B15	B11, B7, B83

HS = harmonized system, n.e.s. = not elsewhere specified, S. No. = serial number, SPS = sanitary and phytosanitary, TBT = technical barriers to trade.

Notes: Out of the selected 100 products, only 5 products have SPS and TBT measures and many products are applicable to other non-tariff measures, but not SPS or TBT measures.

Germany represents the European Union market as an international good practitioner using multiple regulations. See the European Union Export Helpdesk website for further details.

Source: Inventory of nontariff measures developed by S. M. Raihan, A. Khan, and S. Quoreshi. 2014. *NTMs in South Asia: Assessment and Analysis*. SAARC Trade Promotion Network. Kathmandu.

**Table A6.5: Comparison of Applicable Sanitary and Phytosanitary Measures and Technical Barriers to Trade in Nepal, Sri Lanka, and German Markets, 2016**

S. No.	HS Code	Description	Nepal Measures			Sri Lanka Measures			Germany Measures		
			SPS	TBT	# SPS	# TBT	Total	Sri Lanka SPS	Sri Lanka TBT	Germany SPS	Germany TBT
1	130190	Natural gums, resins, gum-resins and balsam, except Arabic gum	-	B14, B8	0	2	2				
2	140490	Vegetable products, n.e.s.	-	B14, B8	0	2	2				
3	180690	Chocolate and other food preparations containing cocoa, n.e.s.	-	B14, B8	0	2	2	A15, A22, A31, A49, A14, A4, A83, A84	B31, B14, B15, B4, B83, B84	A13, A15, A21, A22, A41, A42, A63, A85, A851, A852, A853	B14, B31
4	200819	Nuts and seeds, n.e.s., including mixes with or without preparations or preserved, sugared, sweetened, spirited or not	-	B14, B8	0	2	2	A22, A31, A49, A14, A15, A4, A83, A84	B31, B14, B15, B4, B83, B84	A13, A15, A21, A22, A41, A42, A63, A85, A851, A852, A853	B14, B31
5	210320	Tomato ketchup and other tomato sauces	A21	B6, B14, B8	1	3	4	A22, A31, A49, A83, A84, A14, A15, A4,	B31, B83, B84, B14, B15, B4	A13, A15, A21, A22, A41, A42, A63, A85, A851, A852, A853	B14, B31
6	210610	Protein concentrates and textured protein substances	-	B14, B8	0	2	2	A22, A31, A49, A14, A15, A4, A83, A84	B31, B14, B15, B4, B83, B84	A12, A13, A15, A21, A22, A4, A41, A42, A82, A83, A84, A85, A851, A852, A853	
7	220830	Whiskies	-	B14, B8	0	2	2	A22, A31, A49, A14, A15, A4, A83, A84	B31, B14, B15, B4, B83, B84	A13, A15, A21, A22, A41, A42, A63, A85, A851, A852, A853	B14, B31
8	261900	Slag, dross (excluding granulated slag), scaling and other waste	-	B14, B8	0	2	2				
9	271011	Light petroleum oils and preparations	-	B82, B14, B8	0	3	3				
10	271019	Other petroleum oils and preparations	-	B82, B14, B8	0	3	3				

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Table A6.5 continued

S. No.	HS Code	Description	Nepal Measures			Sri Lanka Measures			Germany Measures		
			SPS	TBT	# SPS	# TBT	Total	Sri Lanka SPS	Sri Lanka TBT	Germany SPS	Germany TBT
11	310100	Animal or vegetable fertilizers, in packages weighing more than 10 kg	-	B14, B8	0	2	2				
12	320417	Synthetic organic pigments and preparations based thereon	-	B83, B14, B8	0	3	3				
13	330499	Beauty or make-up preparations, n.e.s.; sunscreen or suntan preparations	-	B14, B8	0	2	2		B15, B31, B81, B82, B859		B11, B14, B15, B22, B31, B33, B84, B853
14	330510	Hair shampoo	-	B14, B8	0	2	2		B15, B31, B81, B82, B859		B11, B14, B15, B22, B31, B33, B84, B853
15	330590	Hair preparations, n.e.s.	-	B14, B8	0	2	2		B15, B31, B81, B82, B859		B31, B33, B7, B82, B83, B84
16	392410	Tableware and kitchenware of plastics	-	B14, B8	0	2	2	0	0	0	
17	392590	Builders' ware, n.e.s., of plastics	-	B14, B8	0	2	2	0	0	0	
18	400121	Natural rubber in smoked sheets	-	B14, B8	0	2	2	0	0	0	0
19	401110	Pneumatic tire new of rubber for motorcar, including station wagons and racing cars	-	B14, B8	0	2	2	0	0	0	B11, B7, B83
20	401120	Pneumatic tires new of rubber for buses or lorries	-	B14, B8	0	2	2	0	0	0	B11, B7, B83
21	401290	Solid or cushioned tires, interchangeable tire treads and tire flaps of rubber	-	B14, B8	0	2	2	0	0	0	B11, B7, B83
22	401693	Gaskets, washers, and other seals of vulcanized rubber	-	B14, B8	0	2	2	0	0	0	B7, B83
23	420330	Belts and bandoliers of leather or of composition leather	-	B14, B8	0	2	2	0	0	0	
24	440729	Lumber, tropical hardwood, n.e.s., sawn lengthwise >6 mm	-	B14, B8	0	2	2	0	0	0	
25	440799	Lumber, non-coniferous, n.e.s.	-	B14, B8	0	2	2	0	0	0	

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Table A6.5 continued

S. No.	HS Code	Description	Nepal Measures			Sri Lanka Measures			Germany Measures		
			SPS	TBT	# SPS	# TBT	Total	Sri Lanka SPS	Sri Lanka TBT	Germany SPS	Germany TBT
26	490199	Books, brochures, leaflets, and similar printed matter, n.e.s.	-	B14, B8	0	2	2	0	0	0	0
27	491110	Trade advertising material, commercial catalog, and the like	-	B14, B8	0	2	2	0	0	0	0
28	491199	Printed matter, n.e.s.	-	B14, B8	0	2	2	0	0	0	0
29	520839	Woven fabrics of cotton, $\geq 85\%$ , not more than 200 g/m <sup>2</sup> , dyed, n.e.s.	-	B14, B8	0	2	2			0	
30	520942	Denim fabrics of cotton, $\geq 85\%$ , more than 200 g/m <sup>2</sup>	-	B14, B8	0	2	2	0	0	0	B31, B32, B82
31	551219	Woven fabrics, containing $\geq 85\%$ of polyester staple fibers, other than unbleached or bleached	-	B14, B8	0	2	2	0	0	0	B31, B32, B82
32	551449	Woven fabrics of other synthetic staple fiber, $< 85\%$ , mixed with cotton, $> 170$ g/m <sup>2</sup> , printed	-	B14, B8	0	2	2			0	
33	611530	Women's full-length or knee-length hosiery, knitted or crocheted	-	B14, B8	0	2	2	0	0	0	B31, B32, B7, B82, B83, B84
34	611599	Hosiery, n.e.s., of other textile materials, knitted	-	B14, B8	0	2	2	0	0	0	B31, B32, B7, B82, B83, B84
35	620930	Babies' garments and clothing accessories of synthetic fibers, not knitted	-	B14, B8	0	2	2	0	0	0	B11, B31, B32, B7, B82,
36	620990	Babies' garments and clothing accessories of other textile materials, not knitted	-	B14, B8	0	2	2	0	0	0	B11, B31, B32, B7, B82,
37	621142	Women's or girls' garments, n.e.s., of cotton, not knitted	-	B14, B8	0	2	2	0	0	0	B11, B31, B32, B7, B82, B83, B84
38	621143	Women's or girls' garments, n.e.s., of man-made fibers, not knitted	-	B14, B8	0	2	2	0	0	0	B11, B31, B32, B7, B82, B83, B84
39	621210	Brassieres and parts thereof, of textile materials	-	B14, B8	0	2	2	0	0	0	B31, B32, B7, B82, B83, B84
40	630221	Bed linen, of cotton, printed, not knitted	-	B14, B8	0	2	2			0	

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Table A6.5 continued

S. No.	HS Code	Description	Nepal Measures			Sri Lanka Measures			Germany Measures		
			SPS	TBT	# SPS	# TBT	Total	Sri Lanka SPS	Sri Lanka TBT	Germany SPS	Germany TBT
41	650590	Hats and other headgear, knitted or made up from lace or other textile materials	-	B14, B8	0	2	2			0	
42	732690	Articles, iron or steel, n.e.s.	-	B14, B8	0	2	2	0	0	0	0
43	740400	Waste and scrap, copper or copper alloy	-	B14, B8	0	2	2			0	
44	740811	Wire of refined copper of which the max cross-sectional dimension > 6 mm	-	B14, B8	0	2	2			0	
45	760110	Aluminum unwrought, not alloyed	-	B14, B8	0	2	2			0	
46	821210	Razors, including safety razors and open blade type	-	B14, B8	0	2	2			0	
47	821220	Safety razor blades, including razor blade blanks in strips	-	B14, B8	0	2	2			0	
48	830249	Mountings, fittings, and similar articles of base metal, n.e.s.	-	B14, B8	0	2	2			0	
49	841381	Pumps, n.e.s.	-	B14, B8	0	2	2	0	B14, B15		B7, B83
50	841459	Fans, n.e.s.	-	B14, B8	0	2	2	0	B14, B15		B7, B83, B84
51	842121	Filtering or purifying machinery and apparatus for water	-	B14, B8	0	2	2	0	B14, B15	A22, A31	B15, B22, B31, B49, B7, B8, B83, B84
52	842290	Pts of dishwashing, cleaning or drying container, packing or wrapping machines	-	B14, B8	0	2	2	0	B14, B15	0	B15, B22, B31, B49, B7, B8, B83, B84
53	842611	Gantry and overhead traveling cranes on fixed support	-	B14, B8	0	2	2	0	B14, B15	0	B42, B7, B8, B83
54	842612	Mobile lifting frames on tires and straddle carriers	-	B14, B8	0	2	2		B14, B15	0	B42, B7, B8, B83
55	842619	Transporter or bridge cranes	-	B14, B8	0	2	2		B14, B15	0	B7, B8, B83
56	842920	Graders and levelers, self-propelled	-	B14, B8	0	2	2		B14, B15	0	B7, B8, B83
57	842940	Tamping machines and road rollers, self-propelled	-	B14, B8	0	2	2		B14, B15	0	B7, B8, B83
58	842951	Front-end shovel loaders	-	B14, B8	0	2	2		B14, B15	0	B7, B8, B83

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Table A6.5 continued

S. No.	HS Code	Description	Nepal Measures			Sri Lanka Measures			Germany Measures		
			SPS	TBT	# SPS	# TBT	Total	Sri Lanka SPS	Sri Lanka TBT	Germany SPS	Germany TBT
59	842952	Shovels and excavators with a 360-revolving superstructure	-	B14, B8	0	2	2		B14, B15	0	B7, B8, B83
60	842959	Self-propelled excavating machinery, n.e.s.	-	B14, B8	0	2	2		B14, B15	0	B7, B8, B83
61	843041	Boring or sinking machinery, n.e.s., self-propelled	-	B14, B8	0	2	2		B14, B15	0	B7, B8, B83
62	843139	Parts of lifting, handling, loading, or unloading machinery, n.e.s.	-	B14, B8	0	2	2		B14, B15	0	B7, B8, B83
63	844319	Offset printing machinery, n.e.s.	-	B14, B8	0	2	2		B14, B15	0	B15, B22, B31, B49, B7, B8, B83
64	844720	Flat knitting machines; stitch-bonding machines	-	B14, B8	0	2	2	0	B14, B15	0	B15, B22, B31, B49, B7, B8, B83
65	847982	Machines for mixing, kneading, crushing, grinding, n.e.s., having individual function	-	B14, B8	0	2	2		B14, B15	0	B15, B22, B31, B49, B7, B8, B83
66	847989	Machines and mechanical appliances, n.e.s., having individual functions	-	B14, B8	0	2	2	0	B14, B15	0	B15, B22, B31, B49, B7, B8, B83
67	847990	Parts of machines and mechanical appliances, n.e.s., having individual functions	-	B14, B8	0	2	2		B14, B15	0	B15, B22, B31, B49, B7, B8, B83
68	848180	Taps, cocks, valves, and similar appliances, n.e.s.	-	B14, B8	0	2	2		B14, B15	0	B7, B83
69	848210	Bearings, ball	-	B14, B8	0	2	2		0	0	B7, B83
70	850164	AC generators, of an output exceeding 750 KVA	-	B11, B14, B8	0	3	3		B14, B15	0	B7, B8, B83
71	850212	Generating sets, diesel or semidiesel exceeding 75 kVA, but not exceeding 375 kVA	-	B11, B14, B8	0	3	3		B14, B15	0	B7, B8, B83
72	850213	Generating sets, diesel or semidiesel engines, of an output exceeding 375 kVA	-	B11, B14, B8	0	3	3	0	B14, B15	0	B7, B8, B83
73	850239	Electric generating sets	-	B11, B14, B8	0	3	3		B14, B15	0	B7, B8, B83
74	850422	Liquid dielectric transformer having a power handling capability > 650 kVA, but <= 10,000 kVA	-	B11, B14, B8	0	3	3		B14, B15	0	B15, B22, B31, B49, B7, B8, B83

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Table A6.5 continued

S. No.	HS Code	Description	Nepal Measures			Sri Lanka Measures			Germany Measures		
			SPS	TBT	# SPS	# TBT	Total	Sri Lanka SPS	Sri Lanka TBT	Germany SPS	Germany TBT
75	850431	Transformers electric power handling capacity not exceeding 1 kVA, n.e.s.	-	B11, B14, B8	0	3	3	0	B14, B15	0	B15, B22, B31, B49, B7, B8, B83
76	850440	Static converters, n.e.s.	-	B11, B14, B8	0	3	3		B14, B15	0	B15, B22, B31, B49, B7, B8, B83, B84
77	850450	Inductors, electric	-	B11, B14, B8	0	3	3	0	B14, B15	0	B15, B22, B31, B49, B7, B8, B83
78	850710	Lead-acid electric accumulators of a kind used for starting piston engines	-	B11, B14, B8	0	3	3	A83, A84	B83, B84	0	B11, B22, B31, B7, B83
79	850780	Electric accumulators, n.e.s.	-	B11, B14, B8	0	3	3	0	0	0	B11, B22, B31, B7, B83
80	851762	Machines for the reception, conversion, and transmission or regeneration	-	B11, B14, B8	0	3	3	A14	B14, B15	0	B15, B22, B31, B49, B7, B8, B83, B84
81	851770	Parts of telephone sets, telephones for cellular networks, or for other networks	-	B11, B14, B8	0	3	3		B14, B15	0	B15, B22, B31, B49, B7, B8, B83
82	853620	Automatic circuit breakers for a voltage not exceeding 1,000 volts	-	B11, B14, B8	0	3	3		B14, B15	0	B7, B8, B83
83	853650	Electrical switches for a voltage not exceeding 1,000 volts, n.e.s.	-	B11, B14, B8	0	3	3		B14, B15	0	B7, B8, B83
84	853669	Electrical plugs and sockets, for a voltage not exceeding 1,000 volts	-	B11, B14, B8	0	3	3	A83, A84	B14, B15, B83, B84	0	B7, B8, B83
85	853710	Boards, panels, including numerical control panels, for a voltage ≤ 1,000 volts	-	B11, B14, B8	0	3	3		B14, B15	0	B7, B8, B83
86	854449	Electric conductors, for a voltage not exceeding 80 V, n.e.s.	-	B11, B14, B8	0	3	3	A83, A84	B14, B15, B83, B84	0	B7, B83
87	870190	Wheeled tractors n.e.s.	-	B11, B14, B8	0	3	3	A14	B14, B15, B7, B83	0	B11, B7, B83
88	870323	Automobiles w reciprocating piston engine displacg > 1,500 cc to 3,000 cc	-	B11, B83, B14, B8	0	4	4	A14	B14, B15, B7, B83	0	B11, B7, B83

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Table A6.5 continued

S. No.	HS Code	Description	Nepal Measures			Sri Lanka Measures			Germany Measures		
			SPS	TBT	# SPS	# TBT	Total	Sri Lanka SPS	Sri Lanka TBT	Germany SPS	Germany TBT
89	870332	Automobiles with diesel engine displacing more than 1,500 cc to 2,500 cc	-	B11, B14, B8	0	3	3	A14	B14, B15, B7, B83	0	B11, B7, B83
90	870410	Dump trucks designed for off-highway use	-	B11, B14, B8	0	3	3	0	B14, B15, B7, B83	0	B11, B7, B83
91	870421	Diesel powered trucks with a GVW not exceeding 5 tons	-	B11, B14, B8	0	3	3	A14	B14, B15, B7, B83	0	B11, B42, B7, B83
92	870422	Diesel powered trucks with a GVW excluding 5 tons, but not excluding 20 tons	-	B11, B14, B8	0	3	3	A14	B14, B15, B7, B83	0	B11, B42, B7, B83
93	870423	Diesel powered trucks with a GVW exceeding 20 tons	-	B11, B14, B8	0	3	3	A14	B14, B15, B7, B83	0	B11, B42, B7, B83
94	870540	Mobile concrete mixers	-	B11, B14, B8	0	3	3	0	B14, B15, B7, B83	0	B11, B7, B83
95	870590	Special purpose motor vehicles, n.e.s.	-	B11, B14, B8	0	3	3	A14	B14, B15, B7, B83	0	B11, B7, B83
96	870899	Motor vehicle parts, n.e.s.	-	B11, B14, B8	0	3	3	A14	B14, B15	0	B11, B7, B83
97	880330	Aircraft parts, n.e.s.	-	B14, B8	0	2	2	A14	B14, B15	0	B7, B83
98	901580	Surveying, hydrographic, oceanographic, meteorologic or geophysical instruments, n.e.s.	-	B14, B8	0	2	2		B14, B15	0	B15, B22, B31, B49, B7, B8, B83
99	901812	Ultrasonic scanning apparatus	-	B14, B8	0	2	2		B14, B15	0	B15, B22, B31, B33, B49, B7, B8, B82, B83, B84
100	902780	Instruments and apparatus for physical or chemical analysis, n.e.s.	-	B14, B8	0	2	2		B14, B15	0	B15, B22, B31, B49, B7, B8, B83,

GVW = gross vehicle weight, HS = harmonized system, kVA = kilovolt-ampere, n.e.s. = not elsewhere specified, S. No. = serial number, SPS = sanitary and phytosanitary, TBT = technical barriers to trade.

Note: Germany represents the European Union market as an international good practitioner (using multiple regulations. See the European Union Export Helpdesk website for further details.

Source: ITC Market Access Map.

# Appendix 7

## Sanitary and Phytosanitary and Technical Barriers to Trade Scenario in Sri Lanka: Gaps in Sanitary and Phytosanitary and Technical Barriers to Trade Legislation and Practices Compared with International Best Practices

**Table A7.1: Sri Lanka Accreditation Board: International Recognition of Accreditation**

Testing, Calibration, or Medical Laboratories	Inspection Bodies	Systems Certification	Products Certification	Greenhouse Gas Validation or Verification Bodies
Mutual Recognition Agreement Partner of International Laboratory Accreditation Cooperation and Asia Pacific Laboratory Accreditation Cooperation	International Laboratory Accreditation Cooperation and Asia Pacific Laboratory Accreditation Corporation Mutual Recognition Agreement Partner	Quality Management System, Environmental Management System, and FSMS: MLA partner of International Accreditation Forum and Pacific Accreditation Cooperation	MLA partner of International Accreditation Forum and Pacific Accreditation Cooperation	MLA Pacific Accreditation Cooperation

FSMS = food safety management system, MLA = mutual recognition agreement.

Source: Sri Lanka Accreditation Board

**Table A7.2: List of Food-Testing Laboratories**

S. No.	Name of the Institution and Testing Laboratory	Products Materials of Test
<b>List of Food Testing Laboratories (Biological)</b>		
01	Quality Control and Quality Assurance Division Coconut Development Authority (chemical testing)	– Desiccated coconut
02	Sri Lanka Tea Board	– Tea (black and green) – Black and green tea (pesticides residue)
03	National Aquatic Resources and Research Development Agency	– Fish and shell fish, chilled, frozen, and canned products of above fish and shell fish type
04	MJF Holdings (Pvt.) Ltd.	– Tea (black, green)
05	Intertek Lanka (Pvt.) Ltd. (chemical and biological)	– Black and green tea – Beverages, fruit juice, cordial – Fish and fishery products – Meat and meat products – Spices, herbs, and condiments – Desiccated coconut

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Table A7.2 continued

S. No.	Name of the Institution and Testing Laboratory	Products Materials of Test
06	Microchem Laboratories (Pvt.) Ltd. Biological Laboratory	<ul style="list-style-type: none"> <li>– Tea, raw or cooked</li> <li>– Meat, raw or cooked</li> <li>– Seafood, raw or cooked</li> <li>– Vegetables, raw or cooked</li> <li>– Cereals, pulses</li> <li>– Fruit drinks</li> </ul>
07	Sri Lanka Standards Institution	<ul style="list-style-type: none"> <li>– Beverages</li> <li>– Tea</li> <li>– Edible oils and derived products</li> <li>– Poultry and poultry products</li> <li>– Canned food</li> <li>– Vegetable and vegetable products</li> <li>– Heat-processed food in sealed containers</li> <li>– Meat and meat products</li> <li>– Fish and fishery products</li> <li>– Milk and milk products</li> <li>– Tea, black and green</li> <li>– Desiccated coconut</li> </ul>
08	Astron Ltd.	<ul style="list-style-type: none"> <li>– Milk and soya-based nutritional supplements</li> </ul>
09	Bamber and Bruce Ltd.	<ul style="list-style-type: none"> <li>– Bakery and confectionery products</li> <li>– Beverages</li> <li>– Cereals, pulses, and cereal products</li> <li>– Coffee and cocoa products</li> <li>– Fish, seafood and fish products</li> <li>– Herbs, spices, and condiments</li> <li>– Jams, jellies, juices, purees, squashes, and concentrates</li> <li>– Nuts and nut products</li> <li>– Tea (green, black, and herbal)</li> <li>– Milk and milk products</li> <li>– Meat and meat product</li> <li>– Coconut product</li> <li>– Vegetables and fruits</li> <li>– Preserves</li> <li>– Ready-to-eat food</li> </ul>
10	Industrial Technology Laboratory	<ul style="list-style-type: none"> <li>– Fish and shrimp</li> <li>– Green and black tea (liquid, dry, or flavored)</li> <li>– Spices</li> <li>– Seafood</li> </ul>
11	Bureau Veritas Consumer Products Services Lanka (Pvt.) Ltd.	<ul style="list-style-type: none"> <li>– Milk and milk products</li> <li>– Meat and meat products</li> <li>– Fish and fishery products</li> <li>– Tea (black, green, herbal, and flavored)</li> <li>– Poultry and poultry products</li> <li>– Vegetables and vegetables products</li> <li>– Herbs and spices</li> <li>– Fruits and Fruit Products</li> <li>– Confectioneries</li> </ul>

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Table A7.2 continued

S. No.	Name of the Institution and Testing Laboratory	Products Materials of Test
<b>List of Food Testing Laboratories (Chemical)</b>		
12	Intertek Lanka (Pvt.) Ltd. (chemical and biological)	– Black tea
13	Fonterra Brands Lanka (Pvt.) Ltd.	– Milk products, milk power
14	Trade Solution Lanka (Pvt) Ltd (Chemical Testing)	– Tea
15	Jafferjee Brothers Tea Bag Department Laboratory (chemical testing)	– Tea (black and green)
16	Bureau Veritas Consumer Products Services Lanka (Pvt.) Ltd.	<ul style="list-style-type: none"> <li>– Tea (black tea)</li> <li>– Oil and fats</li> <li>– Spices, tea, coffee, nuts, dry food</li> <li>– Skimmed milk powder</li> <li>– Fruit drinks, beverages, quash, fruit syrup, and fruit jam</li> <li>– Spices and condiments</li> <li>– Spices</li> </ul>
17	Bureau Veritas Consumer Products Services Lanka (Pvt.) Ltd.	<ul style="list-style-type: none"> <li>– Tea (black tea)</li> <li>– Oil and fats</li> <li>– Spices, tea, coffee, nuts, dry food</li> <li>– Skimmed milk powder</li> <li>– Fruit drinks, beverages, quash, fruit syrup, and fruit jam</li> <li>– Spices and condiments</li> <li>– Spices</li> <li>– Heavy metals in tea and spices</li> <li>– Heavy metals in fish</li> <li>– Phthalate in food (oil samples)</li> <li>– Residual pesticides in tea</li> <li>– Residual pesticides in spices</li> <li>– Residual pesticides in fruits and vegetables</li> <li>– Residual pesticides in fish</li> </ul>

S. No. = serial number.

Source: Sri Lanka Accreditation Board.

Table A7.3: Sample List of Substandard Products Imported to Sri Lanka

Substandard Products		Status	
Description	HS No.	Standard Requirement	Impact
White asbestos fiber (chrysotile) PVA fiber	2524.90	ISO 14001: 2004/SLS ISO 14001: 2004	<ul style="list-style-type: none"> <li>– Asbestos roofing sheets are banned in most countries and this ban is planned in Sri Lanka from 2018 onward. But the risk is the steady arrival of asbestos mix roofing product from the People's Republic of China (PRC) and the Russian Federation.</li> <li>– One of the cheapest roofing alternative solutions is the polymer-based product. The issue with this is a short lifespan (maximum of 20 years) due to low ultraviolet resistance.</li> </ul>
	5503.90	ISO 14001: 2004/SLS ISO 14001: 2004 ISO 14001: 2004/SLS ISO 14001: 2004	

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Table A7.3 continued

Substandard Products		Status	
Description	HS No.	Standard Requirement	Impact
			<ul style="list-style-type: none"> <li>– Since the most suitable and sustainable lifetime roofing solution is clay roofing tiles, the tendency will be to import various substandard clay roofing tiles. These options have an unacceptable heavy metal percentage, cement, or asbestos mix.</li> <li>– Hence, it is vital to follow the Sri Lanka Standard (SLS, newly published) and introduce continuous checking for heavy metals and asbestos mixing.</li> </ul>
Aluminum bars, rods, and profiles Aluminum tubes and Pipes Aluminum structures	7604-all categories 7608 all categories 7610 all categories	SLS 1410 : 2011 SLS 1410 : 2011 SLS 1410 : 2011 SLS 1410 : 2011 SLS 1410 : 2011 SLS 1410 : 2011 SLS 1410 : 2011 SLS 1410 : 2011	<ul style="list-style-type: none"> <li>– The available production capacities of local manufacturers are underused.</li> <li>– Substandard finishes, low-quality products, poor performance, and poor workmanship.</li> <li>– Frequent repair replacement incurs high cost.</li> <li>– Fewer opportunities for local aluminum fabricators to service the industry.</li> <li>– No opportunities to create intermediary jobs (aluminum fabricators or craftspeople).</li> <li>– Poor health and safety measures or control.</li> <li>– Country is losing foreign exchange due to poor performance, low lifespan, and high replacement cost.</li> <li>– No economic support to the complementary goods manufacturers.</li> <li>– Lack of support to improve the skills of the craftspeople and technology.</li> </ul>
Asbestos roofing sheets Asbestos mix for any roofing product Polymer roofing sheets and roofing tiles Clay roofing tiles Terra-cotta floor tiles Clay claddings	68114010 68114090 39259090 69051000 69051000 69051000	SLS 2 (2016) SLS 39 Mandatory  SLS 2:1975 (2006) SLS mark certification	<ul style="list-style-type: none"> <li>– Asbestos roofing sheets are banned in most of countries and Sri Lanka plans to ban it from 2018. But the risk is the steady arrival of asbestos mix roofing product from the PRC and the Russian Federation.</li> <li>– One of the cheapest roofing alternative solutions is the polymer-based product. The issue with this is a short lifespan (maximum of 20 years) due to low ultraviolet resistance.</li> <li>– Since the most suitable and sustainable lifetime roofing solution is clay roofing tiles, the tendency will be to import various substandard clay roofing tiles. These options have an unacceptable heavy metal percentage, cement, or asbestos mix.</li> <li>– Hence, it is vital to follow the SLS (newly published) and introduce continuous checking for heavy metals and asbestos mixing.</li> </ul>
Stainless steel Kitchen sinks Composite doors and doorframes  Decking	7324.10.10 3925.20 and 4418.20  4418.79.90 and 3925.90	SLS No: 1378	<ul style="list-style-type: none"> <li>– The SLS standard sink should be 0.6 mm in thickness. However, the market imports 0.4 mm, 0.5 mm, and other nonstandard sinks.</li> </ul>

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Table A7.3 continued

Substandard Products		Status	
Description	HS No.	Standard Requirement	Impact
Sewing machine head Sewing machine cabinet Sewing machine stand	84521090 84529010 84529010		– Consumer demand for locally manufactured products is declining in the marketplace. Also, customer satisfaction and confidence in domestic sewing machines are diminishing due to low quality, versus the durability of imported products.
Automatic circuit breakers Electrical apparatus for switching or protecting electrical circuits Main switches of 24 amperes and over Switches for household and similar fixed electrical installations Apparatus, other than switching apparatus of heading 85.17 (voltage not exceeding 1,000 volts) Induction motors 350/450 v 3 phase, exceeding 0.185 kw and exceeding 750 RPM Copper bars, nuts, and bolts	8536.20 8536.49 8536.50.30 8536.50.20 8537.10 8501.51.10 7407.10 7318.15.00	Mandatory SLS1175 SLS1099 SLS1000	
Footwear, with waterproof uppers and outer soles Footwear, with plastic uppers and outer soles Footwear, rubber plastic leather outer soles and uppers of textile materials Other footwear	6401 6402 6403 6404 6405	SATRA standards (world foot wear industry standards developer)	– Unemployment threat. – Loss of income of subcontractors who operate satellite production units. – No SLSI standards. – Dumping of shoes from the PRC. – Footwear industry, including school shoes industry, faces the serious, adverse impact of low-quality imported PRC shoes.
Pneumatic tires	40.11.00	Mandatory 401150-SLS224 401320-SLS127	– PRC companies are known to offer tires without warranty at a substantially lower price. Customers buying these expose themselves to serious risks. – PRC tire companies already attract additional SGD in several countries. Sometimes the costs are lower than the good quality raw material cost (manufacturing cost, interest cost, capital cost not included); this is possible only with substandard raw materials. This exposes Sri Lanka to serious risks.

continued on next page

Table A7.3 continued

Substandard Products		Status	
Description	HS No.	Standard Requirement	Impact
Bicycles	87120090		<ul style="list-style-type: none"> <li>– Sri Lanka does 30%–50% value addition. If duty on the product is not calculated correctly, the Sri Lanka business has to close. The investment on buildings and machinery will be a waste and employees (currently 270 workers) will lose their jobs.</li> </ul>
Black henna Sanitary towels Baby diapers Skin creams	33.05.90 96.19.00.10 96.19.00.20 33.04.99		<ul style="list-style-type: none"> <li>– There are no proper authorizations and bodies to recommend whether the products are manufactured safely; instead goods are dumped in the market, regardless of their quality.</li> <li>– The items are manufactured locally by adding value to some of the local raw materials (herbs). This creates more opportunities and jobs for local people. But due to importing sub-substandard goods, unnecessary competition is created in the market, which demotivates local industries while allowing the spread of the said imported commodities in the market.</li> </ul>
Skin creams Hair oil, conditioner and hair gel Shampoo San naps Baby diapers Toothbrushes	3304.99 3305.90  3305.10 9619.00.10 9619.00.20 9603.21	SLS 276	<ul style="list-style-type: none"> <li>– Products sold in the market without any regulatory approval or standard puts consumers' safety in jeopardy while also creating the possibility of unaware consumers being manipulated by corrupt importers.</li> </ul>
Soap Shampoo Balm Toothpaste Oil	3401.11 3305.10 3003.90 3306.90 3003.90	SLS275	<ul style="list-style-type: none"> <li>– No regulations on ingredients. Three language policy on labeling. No controls and governing authority.</li> </ul>
Toilet soaps Baby soaps and bathing bars	34.01	SLS 34:2009 SLS 547:2009 SLS 1220:2009	<ul style="list-style-type: none"> <li>– Product complaints and shrinkage of the market share of local manufacturers are indicators of the adverse effects.</li> <li>– However, due to the large number of substandard products in the market without proper traceability to the manufacturer or distributor, these complaints become invisible.</li> <li>– Moreover, there is no proper mechanism to handle such complaints, as there is no regulatory body to address the complaints, such as the Cosmetics, Devices &amp; Drugs Act or to uphold the standards of manufacturing of soaps and personal care products. For local companies, SLS standards must be upheld.</li> <li>– One example is that baby soap was sold at 76% total fatty matter even though the standard requires 78% TFM. Since there is no regulatory body is available to check the standard, cheap quality and harmful skin products can enter the Sri Lanka market, thus, deceiving consumers.</li> </ul>

continued on next page



Table A7.3 continued

Substandard Products		Status	
Description	HS No.	Standard Requirement	Impact
All face wash, body wash, cleansing milk, hand wash, scrubs (wet cleansing)	3401.30.10	SLS 589 (55%–65% Ethanol/v)	<ul style="list-style-type: none"> <li>– Imported products are fake and expired but are relabeled by unscrupulous organized groups.</li> <li>– The current market is \$237 million/annum.</li> <li>– Sri Lanka removed cosmetic regulations in July 2015.</li> <li>– The Ministry of Health has not taken any action.</li> <li>– Immediate action is required to regulate and protect consumers from the fake unhealthy products.</li> </ul>
All face packs (other cleansers)		SLS534 (50%–90% ethanol v/v)	
All creams, lotions, toners		Mandatory	
All shampoos and conditioners	3401.30.90	SLS 589 (baby cologne)	
All hair oil, hair gel, hair tonic		SLS 547 mandatory (baby soap)	
Perfume	3304.99		
Baby cologne			
Other cologne			
Baby talc	3305.10		
Baby soap	3305.90		
	3303.00.10		
	3303.00.21		
	3303.00.22		
	3304.91.20		
	3401.11.10		

HS = harmonized system, ISO = International Organization for Standardization, SGD = substandard goods duty, SLS = Sri Lanka Standard, SLSI = Sri Lanka Standards Institute.

Sources: Consultations with business sector and Department of Commerce.

Table A7.4: Template for Sanitary and Phytosanitary and Technical Barriers to Trade Database

Serial Number	Title of SPS–TBT Description	Issuing Authority	Implementing Authority	Date of First Issue	Main Requirements	Any Amendments' Details	Date of Such Amendments	Website Address where SPS–TBT Full Document can be Viewed	List of Possible Laboratories (where the Relevant Tests Related to SPS–TBT are Performed.	List of Inspection Bodies the Relevant Inspections can be Performed Against Relevant SPS–TBT

SPS = sanitary and phytosanitary, TBT = technical barriers to trade.

Source: Prepared by the author.

# Appendix 8

## Procedural Obstacles in SASEC

### Countries that Impede Trade in the Identified Potential Export Items

**Table A8.1: Negative List Impact on Impeding Trade on the Identified Potential Export Items in Bangladesh Market**

S. No.	HS Code	Description	Whether in the SAFTA Negative List	Whether APTA Non-Concession Item
1	80119	Coconuts, excluding dessicated		
2	90611	<i>Cinnamon Cinnamomum eylanicum Blume</i> (excluding crushed and ground)	√	√
3	130190	Natural gums, resins, gum-resins, and balsam, except Arabic gum		√
4	220300	Beer made from malt	√	√
5	220830	Whiskies	√	√
6	230230	Wheat bran, sharps, and other residues, pelleted or not		√
7	240220	Cigarettes containing tobacco	√	√
8	261400	Titanium ores and concentrates		√
9	271011	Light petroleum oils and preparations		√
10	281700	Zinc oxide; zinc peroxide		√
11	300490	Medicaments, n.e.s., in dosage		√
12	340399	Lubricating preparations and similar preparations not counting pet oils, n.e.s.		√
13	391239	Cellulose ethers, n.e.s., in primary forms	√	√
14	392310	Boxes, cases, crates, and similar articles of plastic	√	√
15	392321	Sacks and bags (including cones) of polymers of ethylene	√	√
16	392329	Sacks and bags (including cones) of plastics, n.e.s.	√	√
17	392330	Carboys, bottles, flasks, and similar articles of plastics	√	√
18	400122	Technically specified natural rubber		
19	400821	Plates, sheets and strip of noncellular rubber, other than hard rubber (vulcanized)		√

continued on next page

Table A8.1 continued

S. No.	HS Code	Description	Whether in the SAFTA Negative List	Whether APTA Non-Concession Item
20	401310	Inner tubes of rubber for motorcars, buses or lorries	√	√
21	401490	Hygienic or pharmaceutical articles of rubber, n.e.s.		√
22	401699	Articles of vulcanized rubber, n.e.s., other than hard rubber		√
23	441112	Medium density fiberboard of wood, of a thickness ≤ 5 mm		√
24	441114	Medium density fiberboard of wood, of a thickness > 9 mm		√
25	470790	Waste and scrap of paper or paperboard, n.e.s. (including unsorted waste and scrap)		√
26	481920	Cartons, boxes, and cases, folding, of noncorrugated paper or paperboard	√	√
27	482110	Paper labels of all kinds, printed		√
28	490110	Brochures, leaflets, and similar printed matter, in single sheets		√
29	490199	Books, brochures, leaflets, and similar printed matter, n.e.s.	√	√
30	490700	Unused postage, revenue stamps; check forms, banknotes, bond certificate		√
31	491199	Printed matter, n.e.s.	√	√
32	520829	Woven fabrics of cotton, ≥85%, not more than 200 g/m <sup>2</sup> , bleached, n.e.s.	√	√
33	531100	Woven fabrics of other vegetable textile fibers; woven fab of paper yarn		√
34	540110	Sewing thread of synthetic filaments		√
35	551011	Yarn, ≥85% of man-made staple fibers, single, not put up		√
36	551012	Yarn, ≥85% of man-made staple fibers, multiple, not put up, n.e.s.		√
37	551219	Woven fabrics, containing ≥85% of polyester staple fibers, other than unbleached or bleached		√
38	560790	Twine, cordage, ropes, and cables, of other materials		√
39	580632	Narrow woven fabrics of man-made fibers, n.e.s.		√

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Table A8.1 continued

S. No.	HS Code	Description	Whether in the SAFTA Negative List	Whether APTA Non-Concession Item
40	591000	Transmission or conveyor belts or belting of textile material		√
41	600240	Knitted or crocheted fabrics, of a width of ≤ 30 cm, containing ≥ 5%	√	√
42	600490	Knitted or crocheted fabrics, of a width of > 30 cm, containing ≥ 5%		√
43	600690	Fabrics, knitted or crocheted, of a width of > 30 cm (excluding man-made)	√	√
44	611692	Gloves, mittens and mitts, n.e.s., of cotton, knitted		√
45	620413	Women's or girls' suits, of synthetic fibers, not knitted	√	√
46	620419	Women's or girls' suits, of other textile materials, not knitted	√	√
47	620990	Babies garments and clothing accessories of other textile materials, not knitted	√	√
48	621290	Corsets, braces and similar articles and parts thereof, of textile materials	√	√
49	630260	Toilet and kitchen linen, of terry toweling or similar terry fabric, of cotton		√
50	630533	Sacks, bags, packing, of strip plastic material	√	√
51	680221	Monumental, building stone, cut or sawn flat or even, marble, travertine, or alabaster		√
52	701090	Carboys, bottles, flasks, jars, pots, phials, and other containers	√	√
53	711319	Articles of jewelry and part thereof of other precious metal whether or not plated or clad with precious metal		√
54	720429	Waste and scrap, of alloy steel, other than stainless		√
55	740811	Wire of refined copper of which the maximum cross-sectional dimension > 6 mm	√	√
56	760110	Aluminum unwrought, not alloyed		√
57	780110	Lead refined unwrought		√
58	780199	Lead unwrought, n.e.s.		√

continued on next page

Table A8.1 continued

S. No.	HS Code	Description	Whether in the SAFTA Negative List	Whether APTA Non-Concession Item
59	820719	Rock drilling or earth boring tools, n.e.s., parts	√	√
60	821220	Safety razor blades, including razor blade blanks in strips	√	√
61	842290	Parts of dishwashing, cleaning or drying container, packing or wrapping machine		√
62	842619	Transporter or bridge cranes		√
63	842649	Derricks, cranes or work trucks fitted with a crane, self-propelled, n.e.s.		√
64	842820	Pneumatic elevators and conveyors		√
65	843049	Boring or sinking machinery, n.e.s., not self-propelled		√
66	847150	Digital processing units not sold as complete systems		√
67	847330	Parts and accessories of automatic data processing machines and units thereof		√
68	847431	Concrete or mortar mixers		√
69	850213	Generating sets, diesel or semidiesel engines, of an output exceeding 375 kVA		√
70	850300	Parts of electric motors, generators, generating sets and rotary converters		√
71	850421	Liquid dielectric transformers having a power handling capability <= 650 kVA		√
72	850431	Transformers electric power handling capacity not exceeding 1 kVA, n.e.s.		√
73	850440	Static converters, n.e.s.		√
74	850450	Inductors, electric		√
75	850720	Lead-acid electric accumulators, n.e.s.		√
76	851718	Telephone sets (excluding line telephone sets with cordless handsets)		√
77	851761	Base stations of apparatus for the transmission or reception of voice		√
78	851762	Machines for the reception, conversion, and transmission or regeneration		√

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Table A8.1 continued

S. No.	HS Code	Description	Whether in the SAFTA Negative List	Whether APTA Non-Concession Item
79	851769	Apparatus for the transmission or reception of voice, images, or other		√
80	851770	Parts of telephone sets, telephones for cellular networks or for other networks		√
81	851822	Multiple loudspeakers, mounted in the same enclosure		
82	851830	Headphones, earphones, and combined microphone or speaker sets		√
83	852872	Reception apparatus for television, color, whether or not incorporated		√
84	854290	Parts of electronic integrated circuits and micro-assemblies		√
85	854370	Electrical machines and apparatus, having individual functions, n.e.s.		√
86	854449	Electric conductors, for a voltage not exceeding 80 volts, n.e.s.		√
87	870324	Automobiles with reciprocating piston engine displacing > 3000 cc	√	√
88	870333	Automobiles with diesel engine displacing more than 2500 cc	√	√
89	870421	Diesel powered trucks with a GVW not exceeding 5 tons	√	√
90	871200	Bicycles and other cycles (including delivery tricycles), not motorized	√	√
91	880330	Aircraft parts, n.e.s.		√
92	890190	Cargo vessels, n.e.s. and other vessels for the transport of both persons and goods		√
93	890200	Fishing vessels and factory ships		√
94	890510	Dredgers		√
95	903190	Parts and accessories for measuring or checking instruments, applications, and machines, n.e.s.		√
96	940350	Bedroom furniture, wooden, n.e.s.	√	√
97	940360	Furniture, wooden, n.e.s.	√	√
98	940390	Furniture parts, n.e.s.	√	√

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Table A8.1 continued

S. No.	HS Code	Description	Whether in the SAFTA Negative List	Whether APTA Non-Concession Item
99	940490	Articles of bedding or furnishing, n.e.s., stuffed or internally fitted	√	√
100	950669	Balls, n.e.s.		√

APTA = Asia Pacific Trade Agreement, cc = cubic centimeter, g/m<sup>3</sup> = grams per cubic meter, HS = harmonized system, kVA = kilovolt-ampere, mm = millimeter, n.e.s. = not elsewhere specified, SAFTA = South Asian Free Trade Area, S. No. = serial number.

Source: SAFTA Bangladesh negative list and APTA concession list.

**Table A8.2: Negative List Impact on Impeding Trade on the Identified Potential Export Items in Bhutan Market**

S. No.	HS Code	Description	Whether in the SAFTA Negative List
1	20712	Fowls ( <i>Gallus domesticus</i> ), whole, frozen	
2	20714	Fowls ( <i>Gallus domesticus</i> ), cuts and offal, frozen	
3	180690	Chocolate and other food preparations containing cocoa, n.e.s.	
4	190219	Uncooked pasta, not stuffed or otherwise prepared, n.e.s.	
5	190531	Sweet biscuits	
6	220210	Waters including mineral and aerated, containing sugar or sweetening matter or flavored	√
7	220410	Grape wines, sparkling	
8	220830	Whiskies	
9	261900	Slag, dross, (excluding granulated slag), scaling and other waste	
10	271011	Light petroleum oils and preparations	
11	300220	Vaccines, human use	
12	300490	Medicaments, n.e.s., in dosage	
13	330499	Beauty or make-up preparations, n.e.s.; sunscreen or suntan preparations	
14	330610	Dentifrices	
15	382490	Chemical or allied industry preparations or products n.e.s.	
16	391590	Plastics waste and scrap, n.e.s.	
17	391739	Tubes, pipes, and hoses, n.e.s., plastic	
18	392310	Boxes, cases, crates, and similar articles of plastic	
19	401120	Pneumatic tires new of rubber for buses or lorries	
20	401140	Pneumatic tires new of rubber for motorcycles	

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Table A8.2 continued

S. No.	HS Code	Description	Whether in the SAFTA Negative List
21	401310	Inner tubes of rubber for motorcars, buses or lorries	
22	420212	Trunks, suitcases, and similar containers with outer surface of plastics or textiles	
23	420222	Handbags with outer surface of sheeting of plastics or of textile materials	
24	420292	Containers, with outer surface of sheeting of plastic or textile materials, n.e.s.	
25	490110	Brochures, leaflets, and similar printed matter, in single sheets	
26	491199	Printed matter, n.e.s.	
27	560900	Articles of yarn, strip, twine, cordage, rope, and cables, n.e.s.	
28	620530	Men's or boys' shirts, of man-made fibers, not knitted	
29	630260	Toilet and kitchen linen, of terry toweling or similar terry fabric, of cotton	
30	631090	Used or new rags of textile materials, not sorted	
31	640419	Footwear other than sports, with outer soles of rubber or plastics and uppers of textile material	
32	681099	Articles of cement, of concrete or of man-made stone, n.e.s.	
33	711319	Articles of jewelry and part thereof of other precious metal within plated or clad with precious metal	
34	730840	Props and similar equipment for scaffolding, shuttering or pit-propping	
35	730900	Reservoirs, tanks, vats and similar container, capacity >300 liters, (e.g., liquid or compressed gas type)	
36	731029	Cans, iron or steel, capacity <50 liters, n.e.s.	
37	731815	Bolts or screws, n.e.s., with or without their nuts or washers, iron or steel	
38	732399	Table, kitchen or other household articles and parts thereof, of iron or steel, n.e.s.	
39	732620	Articles of wire, iron or steel, n.e.s.	
40	732690	Articles, iron or steel, n.e.s.	
41	841090	Parts of hydraulic turbines and water wheels including regulators	
42	841280	Engines and motors, n.e.s.	
43	841290	Parts of hydraulic and pneumatic and other power engines and motors, n.e.s.	
44	841360	Rotary positive displacement pumps, n.e.s.	

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Table A8.2 continued

S. No.	HS Code	Description	Whether in the SAFTA Negative List
45	841370	Centrifugal pumps, n.e.s.	
46	841440	Air compressors mounted on a wheeled chassis for towing	
47	842121	Filtering or purifying machinery and apparatus for water	
48	842619	Transporter or bridge cranes	
49	842720	Self-propelled works trucks, n.e.s.	
50	842820	Pneumatic elevators and conveyors	
51	842951	Front-end shovel loaders	
52	842952	Shovels and excavators with a 360-revolving superstructure	
53	842959	Self-propelled excavating machinery, n.e.s.	
54	843041	Boring or sinking machinery, n.e.s., self-propelled	
55	844399	Parts and accessories of printers, copying machines and facsimile machines	
56	847130	Portable digital computers <10 kg	
57	847330	Parts and accessories of automatic data processing machines and units thereof	
58	847420	Crushing or grinding machines for earth, stone, or ores or other minerals substance	
59	847431	Concrete or mortar mixers	
60	847910	Machines for public works, building or the like, n.e.s. having individual functions	
61	847989	Machines and mechanical appliances, n.e.s., having individual functions	
62	848180	Taps, cocks, valves, and similar appliances, n.e.s.	
63	850211	Generating sets, diesel or semidiesel engines, of an output not exceeding 75 KVA	
64	850213	Generating sets, diesel or semidiesel engines, of an output exceeding 375 KVA	
65	850239	Electric generating sets	
66	850300	Parts of electric motors, generators, generating sets, and rotary converters	
67	850440	Static converters, n.e.s.	
68	851712	Telephones for cellular networks mobile telephones or for other wireless networks	
69	851761	Base stations of apparatus for the transmission or reception of voice,	
70	851762	Machines for the reception, conversion, and transmission or regeneration	

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Table A8.2 continued

S. No.	HS Code	Description	Whether in the SAFTA Negative List
71	851769	Apparatus for the transmission or reception of voice, images, or other	
72	851770	Parts of telephone sets, telephones for cellular networks, or for others	
73	852580	Television cameras, digital cameras, and video camera recorders	
74	852872	Reception apparatus for television, color, whether or not incorporated	
75	852910	Aerials and aerial reflectors of all kinds; parts suitable for use therewith	
76	852990	Parts suitable for use solely or principally with the application of headings 85.25 to 85.28	
77	853110	Burglar or fire alarms and similar apparatus	
78	853540	Lighting arresters, voltage limiters, and surge suppressers, voltage > 1,000 volts	
79	853650	Electrical switches for a voltage not exceeding 1,000 volts, n.e.s.	
80	853720	Boards, panels, including numerical control panels, for a voltage > 1,000 volts	
81	854370	Electrical machines and apparatus, having individual functions, n.e.s.	
82	854390	Parts of electrical machines and apparatus having individual functions, n.e.s.	
83	854419	Insulated (including enameled or anodized) winding wire, n.e.s.	
84	870190	Wheeled tractors, n.e.s.	
85	870290	Buses with a seating capacity of more than nine persons n.e.s.	
86	870321	Automobiles with reciprocating piston engine displacing not more than 1,000 cc	
87	870590	Special purpose motor vehicles, n.e.s.	
88	880330	Aircraft parts, n.e.s.	
89	901590	Parts and accessories for use with the apparatus of heading no. 90.15	
90	902780	Instruments and apparatus for physical or chemical analysis, n.e.s.	
91	903033	Instruments and apparatus for measuring or checking voltage, current	
92	903180	Measuring or checking instruments, appliances and machines, n.e.s.	
93	910211	Wrist-watches, battery or accumulator powered with mechanical display only, n.e.s.	

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Table A8.2 continued

S. No.	HS Code	Description	Whether in the SAFTA Negative List
94	940169	Seats with wooden frames, n.e.s.	
95	940320	Furniture, metal, n.e.s.	√
96	940350	Bedroom furniture, wooden, n.e.s.	√
97	940360	Furniture, wooden, n.e.s.	√
98	940390	Furniture parts, n.e.s.	√
99	940510	Chandeliers and other electric ceiling or wall lighting fittings	
100	961900	Sanitary towels (pads) and tampons, napkins and napkin liners for babies, and similar articles	

HS = harmonized system, n.e.s. = not elsewhere specified, SAFTA = South Asian Free Trade Area, S. No. = serial number.

Source: SAFTA Bhutan negative list.

**Table A8.3: Negative List Impact on Impeding Trade on the Identified Potential Export Items in India Market**

S. No.	HS Code	Description	Whether in the ISFTA Negative List	Whether in the SAFTA Negative List	Whether APTA Non-Concession Item
1	30616	Frozen cold-water shrimps and prawns		√	√
2	60290	Plants live, n.e.s.			√
3	81090	Fruits, fresh, n.e.s.			√
4	90420	Fruits of the genus capsicum or pimenta, dried, crushed, or ground			√
5	100199	Wheat and meslin (excluding seed for sowing, and durum wheat)		√	√
6	120740	Sesamum seeds, whether or not broken			√
7	151790	Edible mix or preparation of animal or vegetable fats and oils of fractions except heading no. 15.16			√
8	170290	Sugar, n.e.s., including invert sugar			√
9	180690	Chocolate and other food preparations containing cocoa, n.e.s.			√
10	190110	Preparation of cereals, flour, starch, milk for infant use, put up for retail sale			√

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Table A8.3 continued

S. No.	HS Code	Description	Whether in the ISFTA Negative List	Whether in the SAFTA Negative List	Whether APTA Non-Concession Item
11	190531	Sweet biscuits			√
12	200980	Fruit and vegetable juice, n.e.s., (except mix) unfermented, unspirited, whether or not sugar or sweet			√
13	200989	Juice of fruit or vegetables, unfermented, whether or not containing added sugar or other			√
14	210500	Ice cream and other edible ice, whether or not containing cocoa			√
15	210610	Protein concentrates and textured protein substances			√
16	240220	Cigarettes containing tobacco			√
17	251612	Granite, merely cut, by sawing or otherwise, into blocks			√
18	261590	Niobium, tantalum, and vanadium ores and concentrates			√
19	300490	Medicaments, n.e.s., in dosage			√
20	300590	Dressings and similar articles, impregnable or coated or packaged for medical use, n.e.s.			√
21	320417	Synthetic organic pigments and preparations based thereon			√
22	320890	Paints and varnish based on polymers dissolved in a non-aqueous solvent, n.e.s.			√
23	321000	Paints and varnishes, n.e.s.; water pigments for finishing leather			√
24	330499	Beauty or make-up preparations, n.e.s.; sunscreen or suntan preparations		√	√
25	330510	Hair shampoo		√	√
26	330590	Hair preparations, n.e.s.		√	√
27	330749	Room perfuming or deodorizing preparations, n.e.s.			√
28	340290	Surface-active preparations, washing and cleaning preparations, n.e.s.			√
29	350790	Enzymes, n.e.s.; prepared enzymes, n.e.s.			√
30	380210	Activated carbon			√
31	380991	Finishing agents, dye carriers and other preparations, n.e.s., for use in the textile industry			√

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Table A8.3 continued

S. No.	HS Code	Description	Whether in the ISFTA Negative List	Whether in the SAFTA Negative List	Whether APTA Non-Concession Item
32	391239	Cellulose ethers, n.e.s., in primary forms			√
33	391910	Self-adhesive plates, sheets, film of plastic in rolls <20 cm wide	√	√	√
34	392310	Boxes, cases, crates, and similar articles of plastic	√		√
35	392329	Sacks and bags (including cones) of plastics, n.e.s.	√		√
36	392330	Carboys, bottles, flasks, and similar articles of plastics	√	√	√
37	392350	Stoppers, lids, caps, and other closures of plastics	√	√	√
38	392620	Apparel and clothing accessories (including gloves) of plastic	√	√	√
39	400599	Compounded rubber, unvulcanized in primary forms, n.e.s.	√	√	√
40	401163	Pneumatic tires, new, of rubber, having a herring-bone or similar tread			√
41	401490	Hygienic or pharmaceutical articles of rubber, n.e.s.			√
42	401691	Floor coverings and mats of rubber excluding cellular and hard rubber	√		√
43	401699	Articles of vulcanized rubber, n.e.s., other than hard rubber	√	√	√
44	481920	Cartons, boxes, and cases, folding, of noncorrugated paper or paperboard			√
45	482110	Paper labels of all kinds, printed	√	√	√
46	482190	Paper labels of all kinds, not printed	√	√	√
47	490110	Brochures, leaflets and similar printed matter, in single sheets		√	√
48	490199	Books, brochures, leaflets, and similar printed matter, n.e.s.		√	√
49	490700	Unused postage, revenue stamps; check forms, banknotes, bond certificate			√
50	520523	Cotton yarn, ≥85%, single, combed, 232.56 >dtex>=192.31, not put up			√

continued on next page

Table A8.3 continued

S. No.	HS Code	Description	Whether in the ISFTA Negative List	Whether in the SAFTA Negative List	Whether APTA Non-Concession Item
51	520829	Woven fabrics of cotton, $\geq 85\%$ , not more than 200 g/m <sup>2</sup> , bleached, n.e.s.			√
52	520931	Plain weave cotton fabrics, $\geq 85\%$ , more than 200 g/m <sup>2</sup> , dyed			√
53	520932	Twill weave cotton fabrics, $\geq 85\%$ , more than 200 g/m <sup>2</sup> , dyed			√
54	520942	Denim fabrics of cotton, $\geq 85\%$ , more than 200 g/m <sup>2</sup>			√
55	530500	Coconut, abaca Manila hemp or <i>Musa textilis</i> Nee, ramie, agave, and others	√		√
56	540720	Woven fabric obtained from strip or the like of synthetic textile materials			√
57	551219	Woven fabrics, containing $\geq 85\%$ of polyester staple fibers, other than unbleached or bleached			√
58	560790	Twine, cordage, ropes, and cables, of other materials	√		√
59	580890	Ornamental trimmings in the piece, other than knit; tassels, pompons and similar articles			√
60	591000	Transmission or conveyor belts or belting of textile material			√
61	611510	Graduated compression hosiery (e.g., stockings for varicose veins)	√		√
62	611529	Pantyhose and tights of textile materials, knitted or crocheted	√		√
63	611599	Hosiery, n.e.s., of other textile materials, knitted	√	√	√
64	611699	Gloves, mittens and mitts, n.e.s., of other textile materials, knitted	√	√	√
65	611710	Shawls, scarves, veils, and the like, of textile materials, knitted	√	√	√
66	620920	Babies' garments and clothing accessories of cotton, not knitted	√	√	√
67	620990	Babies' garments and clothing accessories of other textile materials, not knitted	√	√	√

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Table A8.3 continued

S. No.	HS Code	Description	Whether in the ISFTA Negative List	Whether in the SAFTA Negative List	Whether APTA Non-Concession Item
68	621010	Garments made up of textile felts and of nonwoven textile fabrics	√	√	√
69	711311	Articles of jewelry and parts thereof of silver within plated or clad without precious metal			√
70	711319	Articles of jewelry and part thereof of other precious metal with plated or clad with precious metal			√
71	731100	Containers for compressed or liquefied gas of iron or steel			√
72	732690	Articles, iron or steel, n.e.s.			√
73	842290	Parts of dishwashing, cleaning or drying container, packing or wrapping machine			√
74	842649	Derricks, cranes, or work trucks fitted with a crane, self-propelled, n.e.s.			√
75	843120	Parts of forklift and other works trucks fitted with lifting equipment			√
76	843139	Parts of lifting, handling, loading, or unloading machinery, n.e.s.			√
77	843210	Plows			√
78	844720	Flat knitting machines; stitch-bonding machines			
79	847330	Parts and accessories of automatic data processing machines and units thereof			√
80	847989	Machines and mechanical appliances, n.e.s., having individual functions			√
81	850213	Generating sets, diesel or semidiesel engines, of an output exceeding 375 kVA			√
82	850300	Parts of electric motors, generators, generating sets, and rotary converters			
83	850421	Liquid dielectric transformers having a power handling capability ≤ 650 kVA			√
84	850431	Transformers electric power handling capacity not exceeding 1 kVA, n.e.s.			

continued on next page

Table A8.3 continued

S. No.	HS Code	Description	Whether in the ISFTA Negative List	Whether in the SAFTA Negative List	Whether APTA Non-Concession Item
85	850450	Inductors, electric			√
86	851762	Machines for the reception, conversion and transmission or regeneration			√
87	851770	Parts of telephone sets, telephones for cellular networks or for other networks			√
88	853669	Electrical plugs and sockets, for a voltage not exceeding 1,000 volts			√
89	853810	Boards, panels for goods of heading no. 85.37, not equipped with their application			√
90	854160	Mounted piezo-electric crystals			√
91	854290	Parts of electronic integrated circuits and micro-assemblies			√
92	854449	Electric conductors, for a voltage not exceeding 80 volts, n.e.s.			√
93	870421	Diesel powered trucks with a GVW not exceeding 5 tons			√
94	870870	Wheels including parts and accessories for motor vehicles			√
95	871639	Trailers, n.e.s., for the transport of goods			√
96	871640	Trailers and semitrailers, n.e.s.			√
97	880330	Aircraft parts, n.e.s.			√
98	880390	Parts of balloons, dirigibles, and spacecraft, n.e.s.			√
99	890690	Vessels, including lifeboats (excluding warships, rowboats, and other vessels)			√
100	903084	Instruments and appliances for measuring or checking electrical quantities			√

APTA = Asia Pacific Trade Agreement, cm = centimeter, g/m<sup>2</sup> = grams per square meter, HS = harmonized system, ISFTA = Indo-Sri Lanka Free Trade Agreement, kVA = kilovolt-ampere, n.e.s. = not elsewhere specified, SAFTA = South Asian Free Trade Area, S. No. = serial number.

Source: ISFTA and SAFTA India negative lists, and APTA concession list.



**Table A8.4: Negative List Impact on Impeding Trade on the Identified Potential Export Items in Maldives Market**

S. No.	HS Code	Description	Whether in the SAFTA Negative List
1	20714	Fowls ( <i>Gallus domesticus</i> ), cuts and offal, frozen	
2	30289	Fresh or chilled fish, n.e.s.	
3	30319	Frozen Pacific salmon <i>Oncorhynchus gorbuscha</i> , <i>Oncorhynchus keta</i> , Onco	
4	30389	Frozen fish, n.e.s.	
5	30449	Fresh or chilled fillets, n.e.s.	
6	30489	Frozen fillets, other fish, n.e.s.	
7	30611	Rock lobster and other sea crawfish, frozen in shell or not, including boiled in shell	
8	30614	Crabs frozen, in shell or not, including boiled in shell	
9	30617	Other frozen shrimps and prawns	
10	30749	Cuttlefish and squid, shelled or not, frozen, dried, salted or in brine	
11	40210	Milk powder not exceeding 1.5% fat	
12	71290	Vegetables and mixtures dried, but not further prepared, n.e.s.	
13	80280	Areca nuts	
14	80290	Nuts edible, fresh or dried, whether or not shelled or peeled, n.e.s.	
15	80450	Guavas, mangoes and mangosteens, fresh or dried	
16	80550	Fresh or dried lemons <i>Citrus limon</i> , <i>Citrus limonum</i> , and limes <i>Citrus</i>	
17	80720	Papaws (papayas), fresh	
18	81010	Strawberries, fresh	
19	81190	Fruits and edible nuts uncooked, steamed or boiled (water) sweetened or not, frozen, n.e.s.	
20	90240	Black tea (fermented) and partly fermented tea in packages exceeding 3 kg	

continued on next page

Table A8.4 continued

S. No.	HS Code	Description	Whether in the SAFTA Negative List
21	110630	Flour, meal and powder of edible fruits and nuts and peel of citrus fruit or melons	
22	151190	Palm oil and its fractions refined, but not chemically modified	
23	160249	Swine meat and meat offal, n.e.s., excluding livers or including mixtures, prepared or preserved	√
24	170290	Sugar, n.e.s., including inverted sugar	
25	190410	Preparation food obtained by the swelling or roasting of cereal or cereal products	
26	200190	Vegetables, fruit, nut, and edible parts of plants, n.e.s., prepared or preserved by vinegar or acetic acid	
27	220210	Waters including mineral and aerated, containing sugar or sweetening matter or flavored	√
28	240210	Cigars, cheroots, and cigarillos, containing tobacco	
29	330300	Perfumes and toilet waters	
30	330499	Beauty or make-up preparations, n.e.s.; sunscreen or suntan preparations	
31	330590	Hair preparations, n.e.s.	
32	330749	Room perfuming or deodorizing preparations, n.e.s.	
33	340120	Soap, n.e.s.	
34	382490	Chemical or allied industry preparations or products, n.e.s.	
35	391910	Self-adhesive plates, sheets, film of plastic in rolls <20 cm wide	
36	392410	Tableware and kitchenware of plastics	√
37	392610	Office or school supplies, of plastics	
38	392620	Apparel and clothing accessories (including gloves) of plastic	√
39	400911	Tubes, pipes, and hoses, of vulcanized rubber (excluding hard rubber)	
40	401120	Pneumatic tires new of rubber for buses or lorries	
41	401590	Articles of apparel and clothing accessories, n.e.s. of vulcanized rubber	

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Table A8.4 continued

S. No.	HS Code	Description	Whether in the SAFTA Negative List
42	401691	Floor coverings and mats of rubber excluding cellular and hard rubber	
43	401693	Gaskets, washers, and other seals of vulcanized rubber	
44	401695	Rubber articles inflatable, n.e.s., vulcanized rubber	
45	401699	Articles of vulcanized rubber, n.e.s., other than hard rubber	
46	420292	Containers with outer surface of sheeting of plastic or textile materials, n.e.s.	
47	420299	Containers, n.e.s.	
48	420500	Articles of leather or of composition leather, n.e.s.	
49	440290	Wood charcoal, including shell or nut charcoal, whether or not agglomerate	
50	481930	Sacks and bags, of paper, having a base of a width of 40 cm or more	
51	490199	Books, brochures, leaflets, and similar printed matter, n.e.s.	
52	490290	Newspapers, journals, and periodicals, n.e.s.	
53	491000	Calendars of any kind, printed, including calendar blocks	
54	491110	Trade advertising material, commercial catalog and the like	
55	491199	Printed matter, n.e.s.	
56	560890	Knotted netting of twine, cordage, or rope, n.e.s., and made up nets of other textile materials	
57	580790	Labels, badges, and similar articles, not woven, of textile materials, n.e.s.	
58	590290	Tire cord fabric made of viscose rayon high tenacity yarns	
59	610339	Men's or boys' jackets and blazers, of other textile materials, knitted	
60	610349	Men's or boys' trousers and shorts, of other textile materials, knitted	
61	610449	Women's or girls' dresses, of other textile materials, knitted	
62	611120	Babies' garments and clothing accessories of cotton, knitted	
63	611190	Babies' garments and clothing accessories of other textile materials, knitted	

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Table A8.4 continued

S. No.	HS Code	Description	Whether in the SAFTA Negative List
64	611529	Pantyhose and tights of textile materials, knitted or crocheted	
65	611595	Full-length or knee-length stockings, socks and other hosiery	
66	611710	Shawls, scarves, veils, and the like, of textile materials, knitted	
67	621210	Brassieres and parts thereof, of textile materials	
68	640192	Waterproof footwear, outer sole or upper of rubber or plastic, covering ankle not knee, n.e.s.	
69	701090	Carboys, bottles, flasks, jars, pots, phials, and other containers	
70	731029	Cans, iron, or steel, capacity <50 liters, n.e.s.	
71	732690	Articles, iron or steel, n.e.s.	
72	760719	Foil, aluminum, not backed and not exceeding 0.2 mm thick, n.e.s.	
73	761699	Articles of aluminum, n.e.s.	
74	821210	Razors, including safety razors and open blade type	
75	821599	Tableware articles not in sets and not plated with precious metal	
76	841459	Fans, n.e.s.	
77	842290	Parts of dishwashing, cleaning or drying container, packing or wrapping machines	
78	842619	Transporter or bridge cranes	
79	843120	Parts of fork-lift and other works trucks fitted with lifting equipment	
80	843880	Machines for the individual preparation or manufacture of food or drink excluding for extracting or preparing vegetable fat or oil	
81	845130	Ironing machines and presses (including fusing presses) other than heading no. 84.50	
82	847989	Machines and mechanical appliances, n.e.s., having individual functions	
83	847990	Parts of machines and mechanical appliances, n.e.s., having individual functions	
84	848180	Taps, cocks, valves, and similar appliances, n.e.s.	
85	850164	AC generators, of an output exceeding 750 kVA	

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Table A8.4 continued

S. No.	HS Code	Description	Whether in the SAFTA Negative List
86	850213	Generating sets, diesel or semidiesel engines, of an output exceeding 375 kVA	
87	850440	Static converters, n.e.s.	
88	850450	Inductors, electric	
89	850710	Lead-acid electric accumulators of a kind used for starting piston engines	
90	851762	Machines for the reception, conversion, and transmission or regeneration	
91	851770	Parts of telephone sets, telephones for cellular networks, or for other networks	
92	852691	Radio navigational aid apparatus	
93	853669	Electrical plugs and sockets, for a voltage not exceeding 1,000 volts	
94	853690	Electrical application for switching or protecting electrical circuits, not exceeding 1,000 V, n.e.s.	
95	870590	Special purpose motor vehicles, n.e.s.	√
96	870829	Parts and accessories of bodies, n.e.s., for motor vehicles	
97	870899	Motor vehicle parts, n.e.s.	
98	880330	Aircraft parts, n.e.s.	√
99	902780	Instruments and apparatus for physical or chemical analysis, n.e.s.	
100	940350	Bedroom furniture, wooden, n.e.s.	

HS = harmonized system, kVA = kilovolt-ampere, n.e.s. = not elsewhere specified, SAFTA = South Asian Free Trade Area, S. No. = serial number.

Source: SAFTA Maldives negative list.

**Table A8.5: Negative List Impact on Impeding Trade on the Identified Potential Export Items in Nepal Market**

S. No.	HS Code	Description	Whether in the SAFTA Negative List
1	130190	Natural gums, resins, gum-resins, and balsam, except Arabic gum	
2	140490	Vegetable products, n.e.s.	
3	180690	Chocolate and other food preparations containing cocoa, n.e.s.	√
4	200819	Nuts and seeds, n.e.s. including mixture, without prepared or preserved, sugared, sweetened, spirited or not	√
5	210320	Tomato ketchup and other tomato sauces	√
6	210610	Protein concentrates and textured protein substances	√
7	220830	Whiskies	√
8	261900	Slag, dross (excluding granulated slag), scaling, and other waste	
9	271011	Light petroleum oils and preparations	
10	271019	Other petroleum oils and preparations	√
11	310100	Animal or vegetable fertilizers, in packages weighing more than 10 kg	
12	320417	Synthetic organic pigments and preparations based thereon	
13	330499	Beauty or make-up preparations, n.e.s.; sunscreen or suntan preparations	√
14	330510	Hair shampoo	√
15	330590	Hair preparations, n.e.s.	√
16	392410	Tableware and kitchenware of plastics	√
17	392590	Builders' ware, n.e.s., of plastics	√
18	400121	Natural rubber in smoked sheets	
19	401110	Pneumatic tire new of rubber for motorcar including station wagons and racing cars	√
20	401120	Pneumatic tires new of rubber for buses or lorries	√
21	401290	Solid or cushioned tires, interchangeable tire treads and tire flaps of rubber	√
22	401693	Gaskets, washers, and other seals of vulcanized rubber	
23	420330	Belts and bandoliers of leather or of composition leather	
24	440729	Lumber, tropical hardwood, n.e.s., sawn lengthwise >6 mm	
25	440799	Lumber, non-coniferous, n.e.s.	
26	490199	Books, brochures, leaflets, and similar printed matter, n.e.s.	

continued on next page

Table A8.5 continued

S. No.	HS Code	Description	Whether in the SAFTA Negative List
27	491110	Trade advertising material, commercial catalog, and the like	√
28	491199	Printed matter, n.e.s.	√
29	520839	Woven fabrics of cotton, $\geq 85\%$ , not more than 200 g/m <sup>2</sup> , dyed, n.e.s.	
30	520942	Denim fabrics of cotton, $\geq 85\%$ , more than 200 g/m <sup>2</sup>	
31	551219	Woven fabrics, containing $\geq 85\%$ of polyester staple fibers, other than unbleached or bleached	
32	551449	Woven fabrics of other synthetic staple fiber, $< 85\%$ , mixed with cotton, $> 170$ g/m <sup>2</sup> , printed	√
33	611530	Women's full-length or knee-length hosiery, knitted or crocheted	√
34	611599	Hosiery, n.e.s., of other textile materials, knitted	√
35	620930	Babies' garments and clothing accessories of synthetic fibers, not knitted	√
36	620990	Babies' garments and clothing accessories of other textile materials, not knitted	√
37	621142	Women's or girls' garments, n.e.s., of cotton, not knitted	√
38	621143	Women's or girls' garments, n.e.s., of man-made fibers, not knitted	√
39	621210	Brassieres and parts thereof, of textile materials	√
40	630221	Bed linen, of cotton, printed, not knitted	√
41	650590	Hats and other headgear, knitted or made up from lace, or other textile materials	
42	732690	Articles, iron or steel, n.e.s.	
43	740400	Waste and scrap, copper or copper alloy	
44	740811	Wire of refined copper of which the maximum cross-sectional dimension $> 6$ mm	
45	760110	Aluminum unwrought, not alloyed	
46	821210	Razors, including safety razors and open blade type	
47	821220	Safety razor blades, including razor blade blanks in strips	
48	830249	Mountings, fittings, and similar articles of base metal, n.e.s.	√
49	841381	Pumps, n.e.s.	
50	841459	Fans, n.e.s.	
51	842121	Filtering or purifying machinery and apparatus for water	

continued on next page

Table A8.5 continued

S. No.	HS Code	Description	Whether in the SAFTA Negative List
52	842290	Parts of dishwashing, cleaning or drying container, packing or wrapping machines	
53	842611	Gantry and overhead traveling cranes on fixed support	
54	842612	Mobile lifting frames on tines and straddle carriers	
55	842619	Transporter or bridge cranes	
56	842920	Graders and levelers, self-propelled	
57	842940	Tamping machines and road rollers, self-propelled	
58	842951	Front-end shovel loaders	
59	842952	Shovels and excavators with a 360-revolving superstructure	
60	842959	Self-propelled excavating machinery, n.e.s.	
61	843041	Boring or sinking machinery n.e.s., self-propelled	
62	843139	Parts of lifting, handling, loading or unloading machinery, n.e.s.	
63	844319	Offset printing machinery, n.e.s.	
64	844720	Flat knitting machines; stitch-bonding machines	
65	847982	Machine for mixing, kneading, crushing, grinding, n.e.s. having individual functions	
66	847989	Machines and mechanical appliances, n.e.s. having individual functions	
67	847990	Parts of machines and mechanical appliances, n.e.s., having individual functions	
68	848180	Taps, cocks, valves, and similar appliances, n.e.s.	
69	848210	Bearings, ball	
70	850164	AC generators, of an output exceeding 750 kVA	
71	850212	Generating sets, diesel or semidiesel exceeding 75 kVA, but not exceeding 375 kVA	
72	850213	Generating sets, diesel or semidiesel engines, of an output exceeding 375 kVA	
73	850239	Electric generating sets	
74	850422	Liquid dielectric transformer having a power handling capability >650 kVA, but ≤ 10,000 kVA	
75	850431	Transformers electric power handling capacity not exceeding 1 kVA, n.e.s.	√
76	850440	Static converters, n.e.s.	√
77	850450	Inductors, electric	√
78	850710	Lead-acid electric accumulators of a kind used for starting piston engines	√
79	850780	Electric accumulators, n.e.s.	√
80	851762	Machines for the reception, conversion, and transmission or regeneration	

continued on next page



Table A8.5 continued

S. No.	HS Code	Description	Whether in the SAFTA Negative List
81	851770	Parts of telephone sets, telephones for cellular networks or for other networks	
82	853620	Automatic circuit breakers for a voltage not exceeding 1,000 volts	√
83	853650	Electrical switches for a voltage not exceeding 1,000 volts, n.e.s.	
84	853669	Electrical plugs and sockets, for a voltage not exceeding 1,000 volts	
85	853710	Boards, panels, including numerical control panels, for a voltage ≤1,000 volts	
86	854449	Electric conductors, for a voltage not exceeding 80 volts, n.e.s.	
87	870190	Wheeled tractors, n.e.s.	
88	870323	Automobiles with reciprocating piston engine displacing > 1,500 cc to 3,000 cc	√
89	870332	Automobiles with diesel engine displacing more than 1,500 cc to 2,500 cc	√
90	870410	Dump trucks designed for off-highway use	√
91	870421	Diesel powered trucks with a GVW not exceeding 5 tons	√
92	870422	Diesel powered trucks with a GVW exceeding 5 tons but not exceeding 20 tons	√
93	870423	Diesel powered trucks with a GVW exceeding 20 tons	√
94	870540	Mobile concrete mixers	
95	870590	Special purpose motor vehicles, n.e.s.	
96	870899	Motor vehicle parts, n.e.s.	√
97	880330	Aircraft parts, n.e.s.	
98	901580	Surveying, hydrographic, oceanographic, meteorologic, or geophysical instruments, n.e.s.	
99	901812	Ultrasonic scanning apparatus	
100	902780	Instruments and apparatus for physical or chemical analysis, n.e.s.	

GVW = gross vehicle weight, HS = harmonized system, kVA = kilovolt-ampere, n.e.s. = not elsewhere specified, SAFTA = South Asian Free Trade Area, S. No. = serial number.

Source: SAFTA Nepal negative list.

# Appendix 9

## United Nations Nontariff Measures

### Classification: Sanitary and Phytosanitary and Technical Barriers to Trade Classification

**Table A9: Sanitary and Phytosanitary and Technical Barriers to Trade Classification**

Level	Code	Description
1	A	<b>Sanitary and phytosanitary measures</b>
2	A1	Prohibitions or restriction of products or substances because of SPS reasons
3	A11	Temporary geographic prohibition for SPS reasons
3	A12	Geographical restrictions on eligibility
3	A13	Systems approach
3	A14	Special authorization for SPS reasons
3	A15	Registration requirements for importers
3	A19	Prohibitions or restrictions of products or substances because of SPS reasons, n.e.s.
2	A2	Tolerance limits for residues and restricted use of substances
3	A21	Tolerance limits for residues of or contamination by certain substances
3	A22	Restricted use of certain substances in food and feeds
2	A3	Labeling, marking, and packaging requirements
3	A31	Labeling requirements
3	A32	Marking requirements
3	A33	Packaging requirements
2	A4	Hygienic requirements
3	A41	Microbiological criteria on the final product
3	A42	Hygienic practices during production
3	A49	Hygienic requirements, n.e.s.
2	A5	Treatment for elimination of plant and animal pests and disease-causing organisms in the final product (e.g., post-harvest treatment)
3	A51	Cold or heat treatment
3	A52	Irradiation
3	A53	Fumigation
3	A59	Treatment for elimination of plant and animal pests and disease-causing organisms in the final product, n.e.s.
2	A6	Other requirements on production or post-production processes
3	A61	Plant growth processes
3	A62	Animal raising or catching processes

*continued on next page*

Table A9 continued

Level	Code	Description
3	A63	Food and feed processing
3	A64	Storage and transport conditions
3	A69	Other requirements on production or post-production processes, n.e.s
2	A7	Regulation of food or feeds derived from, or produced using genetically modified organisms
2	A8	Conformity assessment related to SPS
3	A81	Product registration requirement
3	A82	Testing requirement
3	A83	Certification requirement
3	A84	Inspection requirement
3	A85	Traceability information requirements
4	A851	Origin of materials and parts
4	A852	Processing history
4	A853	Distribution and location of products after delivery
4	A859	Traceability requirements, n.e.s.
3	A86	Quarantine requirement
3	A89	Conformity assessment related to SPS, n.e.s.
2	A9	SPS measures, n.e.s.
<b>1</b>	<b>B</b>	<b>Technical barriers to trade</b>
2	B1	Prohibitions or restrictions of products or substances because of TBT reasons (e.g., environment, security)
3	B11	Prohibition for TBT reasons
3	B14	Authorization requirement for TBT reasons
3	B15	Registration requirement for importers for TBT reasons
3	B19	Prohibitions or restrictions of products or substances because of TBT reasons, n.e.s.
2	B2	Tolerance limits for residues and restricted use of substances
3	B21	Tolerance limits for residues of or contamination by certain substances
3	B22	Restricted use of certain substances
2	B3	Labeling, marking, and packaging requirements
3	B31	Labeling requirements
3	B32	Marking requirements
3	B33	Packaging requirements
2	B4	Production or post-production requirements
3	B41	TBT regulations on production processes
3	B42	TBT regulations on transport and storage
3	B49	Production or post-production requirements, n.e.s.
2	B5	Regulation on genetically modified organisms (for reasons other than food safety) and other foreign species
2	B6	Product identity requirement
2	B7	Product quality or performance requirement

continued on next page

Table A9 continued

Level	Code	Description
2	B8	Conformity assessment related to TBT
3	B81	Product registration requirement
3	B82	Testing requirement
3	B83	Certification requirement
3	B84	Inspection requirement
3	B85	Traceability information requirements
4	B851	Origin of materials and parts
4	B852	Processing history
4	B853	Distribution and location of products after delivery
4	B859	Traceability requirements, n.e.s.
3	B89	Conformity assessment related to TBT, n.e.s.
2	B9	TBT measures, n.e.s.

n.e.s. = not elsewhere specified, SPS = sanitary and phytosanitary, TBT = technical barriers to trade.

Source: United Nations International Classification of Non-tariff Measures: [https://unctad.org/en/PublicationsLibrary/ditctab20122\\_en.pdf](https://unctad.org/en/PublicationsLibrary/ditctab20122_en.pdf).

# Appendix 10

## Respondents and Consultants

**Table A10.1: List of Companies and Institutions Interviewed and that Provided Information**

Company	Product	SPS-TBT Barrier in Sri Lanka	Country with SPS-TBT Barrier
Samson Rubber Industries Ltd.	Tires		India (delays and high testing costs, high standards)
Expower Buttons Ltd.	Export of buttons	Double or more inspections	Maldives and Nepal (lack of information)
Bodyline Ltd.	Apparels	Lack of information	India (double or more testing, lack of information, nonrecognition of certificates, penalty fees, stringent standards)
Mahaweli Canneries	Prepared food		India (delays and high costs of testing, stringent labeling and packaging)
Green Keepers	Cotton waste		India (delays and high costs of testing, double or more inspections, nonrecognition of certificates and test reports, lack of information, legal barriers)
Development Inter Plan	Fruits and vegetables		India (double or more inspections, nonrecognition of health certificate, lack of information) Bhutan and Nepal (lack of information)
Beyond Exports	Fruits and vegetables	Problems related to test certificates	India (delays and high costs of tests, nonrecognition of health certificate, legal barriers) Bangladesh, Bhutan, and Nepal (lack of information)
Dilarshad Enterprises	Fruits and vegetables		India (delays and high costs of testing, nonrecognition of standard certificate), Nepal (lack of information)
Kokos	Coco fiber	Nonrecognition of tests quality for exports	-
Aquamarines	Fish		No SPS-TBT issues in India, Bangladesh, or Maldives
Global Rubber Industries	Rubber products		No SPS-TBT issues in SASEC countries
Danusha Marine Lanka	Boats and vessels		No SPS-TBT issues in SASEC countries
Ramya Horticulture Ltd.	Cut flowers and foliage	Lack of information	No SPS-TBT issues in SASEC countries
Ranfer International	Spices	Lack of information	India (delays and high costs of testing, double inspections, legal barriers, lack of information, non-acceptance of Sri Lanka's test reports)

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Table A9 continued

Company	Product	SPS-TBT Barrier in Sri Lanka	Country with SPS-TBT Barrier
C.R. Exports Ltd.	Fruits and vegetables		Maldives (double or more inspections)
Bairaha Farms Ltd.	Chicken products		No SPS-TBT issues in SASEC countries
Ceylon Chamber of Commerce	Tea		India (lack of clear labeling rules and standards)
Ceylon Chamber of Commerce	Processed food and fresh food		India (delays and costs complying with standards)
Department of Commerce	Processed food (HS 20 and 21)		India (discretionary product testing for a number of times)
Department of Commerce	Coconut milk powder		India (discretionary product testing for a number of times)
Department of Commerce	Biscuits		India (arbitrary penalty)
Department of Commerce	Tea		India (delay in testing and complex labeling procedure)
Department of Commerce	Frozen meat products		India (long delay in issuing product approvals)
Department of Commerce	Copper wires and cables		India (port restrictions)

HS = harmonized system, SASEC = South Asia Subregional Economic Cooperation, SPS = sanitary and phytosanitary, TBT = technical barriers to trade.

Sources: Data collected from a questionnaire and interviews with selected companies with the support of the National Chamber of Exporters, from June–August 2017, supplemented by data collected by Ceylon Chamber of Commerce and Department of Commerce, 2016.

**Table A10.2: List of Persons of Regulatory Authorities Consulted**

- T. G. Gamini Dharmawardana: Director General, Sri Lanka Standards Institution.
- C. Jayamini: Director, Ministry of Development Strategies and International Trade.
- N. Kodikara: Assistant Director of Commerce, Department of Commerce.
- T. B. Ananda Jayalal: Deputy Director General, Environmental and Occupational Health and Food Safety.
- M. Baddegamage: Director, Sri Lanka Export Development Board.
- C. Hewage: Director, Department of Animal Production and Health, Ministry of Agriculture.
- L. H. D. Bandusoma: Acting Director and Chief Executive Officer, Sri Lanka Accreditation Board.
- P. V. Sriyalatha: Chief Animal Quarantine Officer, Department of Animal Production and Health.
- L. N. Senaweera: Former Director General of Sri Lanka Standards Institution.

# Appendix 11

## Questionnaire—Survey of Nontariff Barriers Facing Sri Lanka's Exporters in South Asia

The Ministry of Development Strategies and International Trade is conducting a study under the South Asia Subregional Economic Cooperation (SASEC) on the identification of procedural, legal, and information barriers related to sanitary and phytosanitary (SPS) and technical barriers to trade (TBT) measures on exports to and imports from other SASEC countries. The main purpose of the study is to identify specific problems related to standards and regulations, such as delays and costs of testing, certification, inspection, and labeling requirements, which impede trade in the SASEC region that includes Bangladesh, Bhutan, India, Maldives, Nepal and Sri Lanka. Thus, the following survey is conducted to collect information on such barriers faced in Sri Lanka and the other SASEC countries. The findings of the study will be used to identify areas of common concerns and potential effective solutions leading to increased intra-SASEC trade.

### 1. Details of your company

Name of the company:

Website or postal address:

Telephone no:

E-mail address:

#### Activities of the company

Major product and harmonized system (HS) code:

Engaged in exporting: Yes or No

Engaged in importing: Yes or No

### 2. Sanitary and phytosanitary measures as a barrier to trade in South Asia

Indicate in the table whether your company faces any of the following obstacles when you export to any of the following South Asian countries (Bangladesh, Bhutan, India, Maldives, Nepal, and Pakistan).



Obstacle	Yes or No	Which South Asian Country Above	Comments, if any
Delays and high costs of testing			
Double or more inspections			
Nonrecognition of health certificate			
Lack of information			
Legal barriers			
Other			

### 3. Technical Barriers to Trade in South Asia

Indicate in the table below whether your company faces any of the following obstacles when you export to any South Asian country (Bangladesh, Bhutan, India, Maldives, Nepal, and Pakistan).

Obstacle	Yes or No	Which South Asian Country Above	Comments, if any
Stringent labeling and packaging requirements			
Nonrecognition of standards certificate			
Lack of information			
Other			

### 4. SPS-related barriers in Sri Lanka on imports and exports

Indicate whether your company faces any of the following obstacles in Sri Lanka.

Obstacle	Yes or No	Export or Import	Comments, if any
Double or more inspections			
Delays and high costs of testing			
Standards			
Lack of information			
Other			

## 5. TBT-related barriers in Sri Lanka for imports and exports

Indicate whether your company faces any of the following obstacles in Sri Lanka.

Obstacle	Export or Import	Yes or No	Comments, if any
Stringent labeling and packaging requirements			
Nonrecognition of standards			
Lack of information			
Other			

## 6. Indicate in the following table whether there are gaps in standards and regulations between Sri Lanka and other South Asian countries. (Please tick under each country for each gap)

Area of Gap	Bangladesh	Bhutan	India	Maldives	Nepal
Standards					
Infrastructure facilities					
Institutional and human capacities					
Information					

## 7. Indicate in the following table whether there are current gaps in the area of TBT in Sri Lanka in comparison to international standards.

Type of Gap	Yes or No	Explanation
Technical regulations		
Standards		
Conformity assessment (e.g., testing, inspection, sampling)		
Other		

## 8. Identify current gaps in the area of TBT in Sri Lanka in comparison to international best practices.

- (a) Does the Sri Lanka standards body treat imported products less favorably than like products of Sri Lankan origin? Yes or No
- (b) Does the standards body use international standards as a basis for the national standards it develops? Yes or No
- (c) Does the standards body or regulatory authorities in Sri Lanka make every effort to avoid duplication of, or overlap with, the work of other standards or regulatory bodies? Yes or No
- (d) Does Sri Lanka's standards authority conduct adequate consultation during the process of developing standards? Yes or No

## 9. Any other comments

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## **Potential Exports and Nontariff Barriers to Trade**

### *Sri Lanka National Study*

This publication explores how Sri Lanka could boost its exports by addressing nontariff barriers to trade. It focuses on sanitary and phytosanitary measures and technical barriers to trade, and on export products that have the potential to increase their market share in Bangladesh, Bhutan, India, Maldives, and Nepal. It considers options including legal reforms, the upgrade of quality standards and laboratory equipment, and institution building of accrediting bodies and conformity assessment bodies. Practical recommendations suggest ways forward for both the public and private sectors.

## **About the South Asia Subregional Economic Cooperation Program**

The South Asia Subregional Economic Cooperation (SASEC) program brings together Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka in a project-based partnership that aims to promote regional prosperity, improve economic opportunities, and build a better quality of life for the people of the subregion. SASEC countries share a common vision of boosting intraregional trade and cooperation in South Asia, while also developing connectivity and trade with Southeast Asia through Myanmar, to the People's Republic of China, and the global market.

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