

**For Immediate Release**

**SINGAPORE AND SRI LANKA SIGN COMPREHENSIVE  
FREE TRADE AGREEMENT**

1. Singapore and Sri Lanka are deepening economic ties and facilitating greater trade flows with the signing of the Sri Lanka-Singapore Free Trade Agreement (SLSFTA) in Colombo, Sri Lanka today.
2. Prime Minister Lee Hsien Loong and Sri Lanka President Maithripala Sirisena witnessed the signing of the SLSFTA between Minister for Trade and Industry (Industry) S Iswaran and Sri Lanka's Minister for Development Strategies and International Trade Malik Samarawickrama.
3. The SLSFTA is Sri Lanka's first modern and comprehensive free trade agreement and will cover wide-ranging areas such as Trade in Services, E-Commerce, Telecommunications, Investments, Intellectual Property and Government Procurement. It will position Singapore as an early and supportive partner of Sri Lanka's economic liberalisation plans and development. Singapore companies will benefit from tariff-free access for 80% of all tariff lines, enhance access to services sectors and procurement markets and greater protection for their investments.
4. While in Sri Lanka, Mr Iswaran will grace the Sri Lanka-Singapore Business Forum organised by IE Singapore and the Singapore Business Federation where he will meet with Singapore and Sri Lanka businessmen and share more about how Singapore and Sri Lankan companies can work more closely together. Mr Iswaran will also speak at the Institute of South Asian Studies (ISAS) - Institute of Policy Studies (IPS) Colombo Colloquium and inaugurate Next Story Group's Colombo City Centre and Star Anise's Boutique Capsule Hotel.
5. Singapore companies that are interested in business and investment opportunities in Sri Lanka should contact IE Singapore at 1800-IE SPORE (1800 437 7673) or [enquiry@iesingapore.gov.sg](mailto:enquiry@iesingapore.gov.sg).

Annex A: Factsheet on Sri Lanka-Singapore bilateral relations  
Annex B: Key Benefits of the Sri Lanka-Singapore Free Trade Agreement  
Annex C: Photo of the Signing Ceremony

**Ministry of Trade and Industry**  
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Annex A: Factsheet on Sri Lanka-Singapore bilateral relations

**Trade**

1. In 2017, Sri Lanka was Singapore’s 36<sup>th</sup> largest trading partner and bilateral trade amounted to S\$2.7 billion (+26.7% y-o-y). In 2017, Singapore’s exports to Sri Lanka totalled S\$2.5 billion, while Singapore’s imports from Sri Lanka totalled S\$178 million. Sri Lanka was Singapore’s 27<sup>th</sup> largest export destination in 2017.
2. Top exports to Sri Lanka include petroleum oils and diesel fuel; non-monetary gold; and jewellery. Top Imports from Sri Lanka include motor spirit; fuel oils; perfumes; clothing accessories; and wheat flour.
3. Singapore’s exports of services to Sri Lanka in 2015 amounted to S\$258 million and imports of services from Sri Lanka amounted S\$189 million.

**Investment**

4. Singapore’s stock of Direct Investment Abroad (DIA) into Sri Lanka amounted to S\$590 million as of end-2015. Singapore’s investments were mainly in the manufacturing sector. Stock of Foreign Direct Investment from Sri Lanka into Singapore amounted to S\$240 million as of end-2015.

**Existing Agreements between Sri Lanka and Singapore**

5. The **Bilateral Investment Treaty (BIT)** was signed and entered into force in 1980.
6. The **Avoidance of Double Taxation Agreement (DTA)** was signed in May 1979. A revised DTA was signed in April 2014 and was ratified on 1 January 2018.

**Singapore’s Interests in Sri Lanka**

7. Singapore companies have established a presence in Sri Lanka since the early 1990s. To date, Singapore companies have established a presence in Sri Lanka in the construction, infrastructure, manufacturing, food processing and service sectors. Notable companies include:

Sector	Company Interests
Hospitality	<b>Star Anise Hotels and Resorts</b> is a joint venture between Singapore SME Securitstate Pte Ltd and Sri Lanka entrepreneur Chandana Wijesooriya. The Star Anise boutique capsule hotel in Colombo can accommodate up to 44 guests. The company is

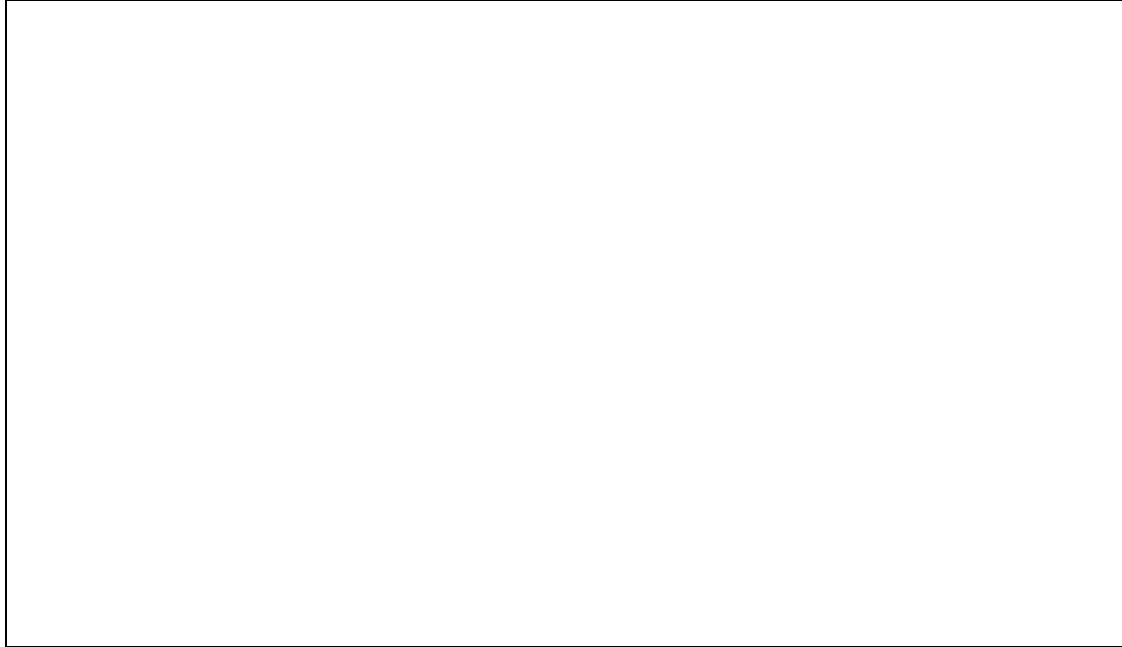
	currently evaluating the potential locations for two more hotels in Kandy (Central Province) and Galle (Southern Province).
<b>Infrastructure Development</b>	<p>The 39-storey World Trade Centre in Colombo, is owned by Overseas Reality (Ceylon) Ltd, which in turn is majority owned by the <b><u>Shing Kwan Group</u></b>. The group is also the developer and co-owner of Havelock City in Colombo, a prime property including a 300-room hotel, 1,080 apartments, food courts, sports complex and a commercial area.</p> <p><b><u>Next Story Group</u></b> entered into a joint venture with conglomerate Abans Group to develop Colombo City Centre, a mixed-use lifestyle centre which is inclusive of a 200 room NEXT Hotel™, a 4-storey lifestyle mall and a 30-storey condominium tower.</p>
<b>Manufacturing</b>	<p><b><u>Prima Holdings</u></b> is the largest Singapore-based investor in Sri Lanka. It is one of the pioneering companies in Sri Lanka and has substantive business operations there, including:</p> <ul style="list-style-type: none"> <li>• <i>Prima Ceylon</i> – Wheat flour milling and related activities. Operates an integrated flour milling complex in Trincomalee, Sri Lanka.</li> <li>• <i>Ceylon Grain Elevator Industries</i> – Focuses primarily on feed milling, commercial farming and retail of poultry products, and production of animal feed. The company is the largest poultry player in Sri Lanka.</li> <li>• <i>Ceylon Agro Industries</i> – Manufactures and supplies a range of wheat and poultry food products.</li> <li>• <i>Prima Land</i> – Manages the Royal Park Apartments, a luxury apartment.</li> <li>• <i>Prima Management Services</i> – Offers a range of IT services to organizations both locally and internationally.</li> </ul>
<b>Master planning</b>	In 2004, CESMA, now known as <b><u>Surbana Jurong</u></b> , developed the master plan for Sri Lanka's Megapolis in the Western Province. Prime Minister Ranil Wickremesinghe has recently appointed Surbana Jurong to revise the master plan, and also invited the planners to develop one for Trincomalee.

<p><b>Construction</b></p>	<p><b><u>Woh Hup</u></b> has been in Sri Lanka since 1986 and was involved in the construction of the iconic Bank of Ceylon building, comprising a 32-storey office tower with 4-storey podium and 3-level basement carpark.</p> <p><b><u>Ley Choon</u></b>, through its wholly-owned subsidiary Teacly (S) Pte Ltd, secured a contract under the Greater Colombo Waste Water Management Project for the rehabilitation of 10 km of sewer lines and assessment of 125 km of sewer lines within Colombo Municipal Council Area.</p>
<p><b>Security</b></p>	<p>Certis Lanka, a joint venture formed in 1995 with <b><u>Certis Cisco</u></b>, offers a wide range of Loss Prevention, Secure Logistics and Caring Services.</p>

## Annex B: Key Benefits of the Sri Lanka-Singapore Free Trade Agreement

1. With the conclusion of the SLSFTA, Singapore and Sri Lanka companies will gain greater access to each other's markets across many sectors.
2. The key benefits include:
  - Tariff elimination. Sri Lanka will eliminate tariffs for Singapore's exports on 80% of all tariff lines in up to 15 years from when the SLSFTA enters into force. Singapore's exports will enjoy potential tariff savings of about \$10 million each year. The SLSFTA also contains one of the most liberal rules of origin (ROO) which will allow more exports from Singapore to qualify for the lower tariffs negotiated.
  - Access to government contracts. The SLSFTA includes Sri Lanka's first treaty commitment on Government Procurement, allowing Singapore companies to bid for projects by several of its large central entities and state-owned enterprises.
  - Access to a wider range of services. Singapore and Sri Lanka have committed to granting better access to each other's services markets. The SLSFTA includes sectors of interest to Singapore companies such as professional, environmental, construction, tourism and travel-related services.
  - Cross-border transfer of information by electronic means. The SLSFTA includes an E-Commerce Chapter that covers relatively new disciplines including cross-border transfer of information by electronic means and data flows. This will benefit Singapore and Sri Lanka companies given the increase in demand for e-commerce and digital services.
  - Greater protection of investments. The SLSFTA's Investment Chapter is the first where the Singapore International Arbitration Centre is listed as an institution under which Investor-State disputes can be brought. This is aligned with the objective of promoting Singapore as an arbitration hub. The SLSFTA also includes safeguards against discriminatory treatment based on nationality, as well as provide protection against expropriation.

Annex C: Photo of the Sri Lanka-Singapore Free Trade Agreement Signing Ceremony



Caption: Prime Minister Lee Hsien Loong and Sri Lanka President Maithripala Sirisena witnessed the signing of the Sri Lanka-Singapore Free Trade Agreement today.