Sri Lanka and the EU

Political, economic, social and cultural relations between Sri Lanka and European countries date back centuries and include people-to-people interaction through migration, trade, tourism, legal and administrative traditions, architecture, language and sports.

Political and economic relations

Official relations between the EU and Sri Lanka date back to 1975 when the European Commission and the Government of Sri Lanka concluded a Commercial Cooperation Agreement. The EU opened a Delegation Office in Colombo in 1995, which is also accredited to the Maldives.

Today relations between the EU and Sri Lanka are governed by a comprehensive Cooperation Agreement on Partnership and Development which came into force in April 1995. An EU-Sri Lanka Re-admission Agreement has also been in force since May 2005 in order to combat illegal immigration more effectively.

The Cooperation Agreement aims to enhance and develop the various aspects of cooperation between the EU and Sri Lanka through dialogue and partnership. Cooperation is based on the respect for democratic principles and human rights. In 2015, the EU and Sri Lanka celebrated 20 years of cooperation.

The current agreement covers a number of key areas of cooperation, such as:

- diversification of trade and investment
- networking between EU and Sri Lankan business communities
- strengthening technical, economic and cultural links, providing technical assistance to Sri Lanka to interact more effectively with the EU
- supporting Sri Lanka's efforts to improve the living conditions of the poorer sections of the population
- environmental protection and sustainable management of natural resources.

Dialogue between the EU and Sri Lanka takes place under the Joint Commission (composed of representatives of both EU and Sri Lanka). The Joint Commission aims to ensure the proper functioning and implementation of the Cooperation Agreement, to make suitable recommendations to promote the objectives of the Agreement and examine ways to enhance the cooperation in the areas covered by the Agreement. There are Working Groups on Trade and Development. The first meeting of the Working Group on Governance, Rule of Law and Human Rights under the EU-Sri Lanka Joint
Commission was held in Colombo in January 2016.

**Human Rights**

The universality of human rights is one of the founding and fundamental values of the EU. Human rights are 'the silver thread' of EU foreign policy. The High Representative, Federica Mogherini, announced a year of human rights activism and global campaigning under the banner "EU4HumanRights". The initiative highlights all the work carried out by the EU and EU countries to promote human rights. EU Delegations around the world are also preparing new Human Rights and Democracy strategies to cover the period through to 2020. Every single country outside the EU will be covered. This work brings together the diplomatic, development and other instruments of the EU.

In Sri Lanka, the EU Delegation is planning to prioritise support to the reconciliation process, as well as continuing its focus on women's rights and empowerment.

**Trade**

The EU is Sri Lanka’s largest trading partner (based on 2014 data).

A review of EU-Sri Lanka 2014 trade data shows the importance of trade relations:

The EU remains Sri Lanka’s no.1 trading partner in terms of overall trade (exports and imports) (followed by India, China and the US).

**The EU is Sri Lanka's fourth largest import partner** (India is the largest followed by China and the UAE). Sri Lanka imported more than 1.1 billion euro worth of products from the EU, which represented more than 8 percent of its total imports.

The EU is Sri Lanka's largest export partner. Sri Lanka exported more than 2.5 billion euro worth of products to the EU which represents approximately 32 percent of Sri Lanka's total exports.

Garments continue to dominate Sri Lanka's exports to the EU, which imports more than 1.5 billion Euro worth of garments from Sri Lanka, representing approximately 60% of Sri Lanka's total exports.

Other Sri Lankan exports to the EU include agrofood products, semi-manufactured products, machinery and transport equipment.

Economic Cooperation helps to deepen our trade relations: economic cooperation between the EU and Sri Lanka started in the late 1980s and has become an integral part of the EU’s development strategy. In its early stages, the programme consisted mainly of technical assistance, but later evolved towards assisting Sri Lanka to modernize its regulatory framework for trade and investment.

The EU funds a number of trade-related programmes, including a new four year programme to increase the competitiveness of Sri Lanka's Small and Medium-Sized Enterprises in regional and EU markets. The programme aims to encourage inclusive, trade-led growth, and regional integration, while alleviating poverty in the country.

Previous interventions included the EU-Sri Lanka Trade Development Project which helped strengthen the capacity of the Sri Lankan Government to participate in and benefit from multilateral trade
negotiations. This supported the integration of Sri Lanka into the world economy and allowed the country to benefit from international trade. The project also engaged with the private sector to help increase competitiveness, specifically in the Apparel as well as Gem and Jewellery sectors, through the development of new markets, productivity and product designs. The EU has also funded several projects which have provided technical assistance to enterprises in various sectors, assisted in sectoral diversification, improved productivity and competitiveness and created platforms for one-to-one business match-making between EU and Sri Lankan enterprises.

Since 2006, the European Investment Bank had signed and implemented agreements with the Government of Sri Lanka to provide credit lines worth Euro 160 million to finance small and medium scale projects in infrastructure, tourism, energy and telecommunications and other sectors affected by the tsunami.

**Export Helpdesk**

The EU is the world's largest single market and by far the most important trading partner for developing countries. The wide range of preferential trade agreements that the EU offers partners in the developing world, allows them to benefit from significant access to the EU market. This is a degree of openness unmatched by any other major economy and demonstrates the EU's commitment to putting trade at the service of development.

The EU believes that its preferential trade arrangements help developing countries tie their economies more firmly to global trade. Despite these efforts and even a largely tariff and quota free access for most developing countries, some very specific requirements remain for exporters to fully benefit from the export opportunities provided. Most of these can be overcome when the information on how to access the EU market is more widely available.

This is why the Export Helpdesk was created in 2004 as a single point of access for online information about exporting to Europe. The EU's Helpdesk website helps manufacturers, exporters and traders to find relevant background information more easily so as to better comply with EU regulations. Specific information relating to export requirements, internal taxes in EU countries, tariffs, anti-dumping measures, trade agreements, documentation, rules of origin, trade statistics, and business contacts can be accessed via the Helpdesk website.

**Development Cooperation**

Over the past decade, the EU has provided a total of approximately EUR 760 million in assistance to Sri Lanka. This assistance can be subdivided into six different areas of cooperation.

- Bilateral programmes
- Regional programmes
- Global programmes
- Humanitarian assistance
Humanitarian Aid

The EU is the world's largest donor of humanitarian aid. Together, EU countries and EU Institutions contribute more than half of official global humanitarian aid.

The European Commission’s Humanitarian Aid and Civil Protection Department, with a presence in Sri Lanka since 1994, has provided more than Euro 162 million (LKR 24.3 billion) in aid to victims of both the conflict and natural disasters in the island. ECHO’s activities benefit people affected by the conflict in Sri Lanka, as well as the Sri Lankan refugees living in camps in the Indian state of Tamil Nadu. Through ECHO, the EU has also provided emergency relief in response to natural disasters.

In 2016, ECHO provided 700 000 EUR (113 million LKR) in aid to communities affected by landslides and floods.

Documents

- Cooperation Agreement between the EU and Sri Lanka on Partnership and Development
- 2014-2020 Multi-annual Indicative Programme (MIP) for Sri Lanka
- 2014-2020 Regional Multiannual Indicative Programme for Asia

See also

More on EU - Sri Lanka trade
www.eeas.europa.eu

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