

331.0 Relations between CH-SL

20150515 News article regarding Swiss Businesses in Sri Lanka Round Table discussion and ‘Switzerland declaring support for Sri Lanka’

FYI – the main article is on page 5 of the Daily Financial Times Sri Lankan newspaper. It has been reproduced in two Sri Lankan websites with an emphasis on Switzerland supporting the Sri Lankan parliament’s approval of the 19th Amendment to the constitution in Sri Lanka.

Title: Switzerland declares support for Sri Lanka

- **First Swiss-Lanka Biz meeting concludes**
- **‘A top event under the new Govt.’ - Minister Bathiudeen**
- **‘Don’t fear global trade’- Dr. Harsha**
- **’14 bilateral trade at \$269 Mn**



Switzerland recently threw its support behind Sri Lanka’s decision to adopt the 19th Amendment to the Constitution.

“I am very much impressed by the democratic process of Sri Lanka displayed on 8 January. It’s a unique event and a very good start and the passage of the 19th Amendment shows that the spirit of reform is very much alive in Sri Lanka. We, the Swiss, would like to support this Lankan reform spirit,” said Switzerland’s Ambassador to Sri Lanka, Heinz Walker-Nederkoorn.

The Swiss Ambassador was addressing the first-ever Swiss-Sri Lanka Business Discussion Roundtable held at EDB on 13 May.

The Swiss Embassy in Colombo, the Industry and Commerce Ministry’s Department of Commerce and the EDB were the joint organisers of this pioneering event where reps from Swiss multinationals operating in Sri Lanka sat face-to-face to speak with Industry and Commerce Minister Rishad Bathiudeen and Policy Planning and Economic Affairs Deputy Minister Dr. Harsha De Silva at EDB.

Holcim, Baur & Co and Roche Products made presentations about their Lankan investments and CSR at the session. Also joining the session were EDB Chairman Bandula Egodage and Commerce Department Director General R.D.S. Kumaratne.

Swiss Ambassador Heinz Walker-Nederkoorn said: “Sri Lanka’s potential is high. I am pleased to share the first Swiss-Sri Lanka Business Roundtable in Colombo today. After the January Presidential polls, Sri Lanka started a comprehensive reforms process.”

“This is a timely event as significant economic and political changes are taking place in Sri Lanka under the leadership of President Maithripala Sirisena. In fact, this is one of the leading investment events to take place since the new Government took over in January,” said Minister Bathiudeen.

“As far as our relations are concerned, Sri Lanka and Switzerland are enjoying very cordial and a friendly relationship in every aspect, including trade and investment. Overall, the continuous presence of Swiss investors in Sri Lanka demonstrates a positive outlook. At the same time, we need to reassess whether you have been able to explore the full potential of the country. Switzerland is one of the major Foreign Direct Investment partners of Sri Lanka. Swiss companies such as Holcim, Nestle, Baur & Co, etc, have invested in various fields here such as chemical, pharmaceuticals, cements and construction, IT, consumable products, diamonds, tea and logistics.

“Sri Lanka exports products such as semi-manufactured forms of precious and semi-precious stones, jewellery, boards

and panels to Switzerland at a value of \$ 140 million in 2014, while Sri Lanka imported \$ 130 million such as diamonds, pharmaceuticals, electronic integrated circuits and cements clinkers. But I believe there is great unrealised potential that we need to explore. As you know, we have a large SME sector and it needs assistance to tap the Switzerland market. Since 99% of Swiss businesses too are SMEs, I see great synergy potentials for SMEs of both sides. We also encourage our business communities to interact on a regular basis at B2B, trade exhibitions and exchange of delegations through Chambers. We consider you, the Swiss investors, as Sri Lanka's goodwill ambassadors. We have seen good progress in our bilateral trade in the last few years and our total trade in 2014 stood at \$ 269 million," the Minister stated.

The continued negative trade balance suffered by Sri Lanka in favour of Switzerland in its bilateral trade, reversed for the first time in 2014 in Sri Lanka's favour with a \$ 10.17 million surplus.

"The \$20 billion export goal by 2020 is not good enough since it will be only 15% of GDP. Previously we exported more than 30% of GDP" said Dr. Harsha De Silva.

"Therefore I and our Prime Minister, as policymakers, are not going to settle for this. If you look at countries with geographic advantage such as Singapore and Hong Kong, their exports are not 15% of GDP but it surpasses GDP, at 190% to more than 200% of GDP. Sri Lanka's exports to GDP at 15% will not reduce poverty or make us better, it will not create a Sri Lanka that we want to create and it is not in even the outer margin of Sri Lanka's new economic policies. We have to double or triple our own export targets. We need to come up with a far better strategy," he explained.

"Switzerland, being a small country, has strong global trade and has so many agreements with the EU, etc. It does not reject trade with any other country. Some people in Sri Lanka say that we can't and shouldn't trade with India. That is stupid. We do not just close our doors with India just because two or three businesspeople say that we should boycott India. We can't do this unless we are realistic. Being realistic is not a mentality of fear of trading with India or South Asia. We also need higher levels of technology; this low level of technology is not enough to expand our exports.

"We want to do full cycle of production in Sri Lanka and produce 100% of the clinker right here," said Holcim Lanka CEO Phillipe Richart. "We are committed to Sri Lanka over the long term."

Source: <http://www.ft.lk/article/419413/Switzerland-declares-support-for-Sri-Lanka#sthash.zRq9Hzsx.dpuf>

Websites carrying the news

- Switzerland declares support for 19A, <http://www.asiantribune.com/node/86967>
- Switzerland backs reforms in Sri Lanka, <http://colombogazette.com/2015/05/13/switzerland-backs-reforms-in-sri-lanka/>