



दि प्लास्टिक एक्सपोर्ट प्रमोशन कौन्सिल

(भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग द्वारा प्रायोजित)
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दूरध्वनी : ९१-२२-२६८३ ३९९१/९२ फ़ैक्स : ९१-२२-२६८३ ३९९३
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THE PLASTICS EXPORT PROMOTION COUNCIL

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Ref. : Plexh/Cir/ 1201

16.08.2018

All Members/All Members of the COA

Dear Sir(s),

Sub: Negotiations under the proposed Economic and Technology Co-operation Agreement (ETCA) with Sri Lanka - reg.

Ref. : File no. 05/03/2016-FT(SA) dated 10.08.2018

With reference to above mentioned subject we wish to inform you that the main framework for bilateral trade between India & Sri Lanka is provided by India-Sri Lanka Free Trade Agreement (ISLFTA). Under ISLFTA both the countries had agreed to phase out tariffs within a fixed time frame, except for those products in the Negative List maintained by both the countries.

India has provided duty-free access to almost all the lines **other than Negative list**, except few textile products on which 25% duty concession are provided on all basis of Margin of preference. Sri Lanka has provided duty-free access for almost all the product other than Negative list.

India maintains a Negative list of 1012 products (HS Code 2017 at 8 digit) whereas Sri Lanka has kept around 2623 products under Negative List products (HS Code 2017 at 8 digit). No tariff concessions are given on products under Negative list.

India and Sri Lanka are also members of SAFTA, which is a regional free trade Agreement. Under SAFTA, India maintains sensitive list of 619 products for non LDCs (HS code 2017 at 6 digit), including Sri Lanka while the number of products in the revised sensitive list of Sri Lanka for Phase – II is 963 for NLDCs (HS code 2007 6 digit) and 837 for LDCs. Sri Lanka has agreed to a reduction in the products covered in their Sensitive Lists under Phase III by 10%.

India & Sri Lanka had started negotiations on an Economic and Technology Cooperation Agreement (ETCA) which will cover services, investment and other sectors, in addition to trade in goods. For this purpose, products need to be identified on which concession may sought from Sri Lanka under the proposed ETCA. Similarly, a list of products is required to be drawn up on which India could consider granting concessions to Sri Lanka. Further, in the ETCA, as of now it is proposed to have Change in Tariff Sub-heading (CTSH) plus 35% value addition as the general Rules of origin criterion. It is also proposed to have limited number of Product Specific Rules of Origin.

In this regard the following lists available on link

https://drive.google.com/file/d/1Y165sbsdJstQ7tIZbrRfQqO2X_qUJO-9/view?usp=sharing

- India Negative list under ISLFTA (HS 2017 8 digit)
- Indian Sensitive list under SAFTA (HS 2017 6/8 digit)
- Sri Lankan Negative List under ISLFTA (HS 2017 8 digit)
- Sri Lankan Sensitive List under SAFTA (HS 2007 6 digit)

Members are requested to examine these lists, keeping in view the products concerning their organizations and identify those products.

- Which may be excluded from the existing Sri Lankan Negative List of products under ISLFTA, on which no concessions are given by Sri- Lanka, to identify our offensive interest.
- Which may be considered for exclusion from the existing Indian Negative List of products under ISLFTA on which no concessions are given by India (this will, however, be subject to the requests to be received from Sri Lanka).

It is also requested to provide comments on the proposed changes in General Rules from existing CTH + 35% to CTSH + 35%. Further products on which product specific Rules of Origin (other than general rule of origin) is required may also be identified along with the specific criterion for those products.

It is further requested to identify specific products on which Sanitary and phyto Sanitary and Technical barriers to Trade related non-tariff difficulties are being faced by the industry, in order to consider appropriate agreements for reciprocal conforming assessments.

Members are informed that on 20th August, 2018 a stakeholder meeting is scheduled to discuss the items to be included in the request list for India and items which can be considered for exclusion from India's Negative list under ISLFTA. Therefore your inputs may kindly be sent to us at bharti@plexconcil.org positively by 17.08.2018 (4pm).

Best regards,

Sribash Dasmohapatra
Executive Director