

Substantive and Sensible Inputs to Influence Trade Policy

To position Sri Lanka as a globally competitive economy, the country is going to have to systematically re-calibrate its trade and investment policies with a focus on greater liberalization. Of course, it will not be easy; for some sectors and businesses it will be challenging, and for others it will be a new opportunity. Which is why the private sector has an important role to play in this process. For this, businesses need to better understand the intricacies of trade policy. This new weekly column is one component of a comprehensive new effort launched by the Ceylon Chamber to help businesses in every sector get smarter on trade issues and influence the trade policy process - an initiative we call 'Trade Intelligence for the Private Sector' or TIPS.

Support for Trade Pacts

There is now a growing recognition on the need for forging more trade pacts, given their potential to boost market access for exports as well as attract new investors. Top corporate executives surveyed at the Chamber's Sri Lanka Economic Summit held recently, overwhelming 70% agreed that 'Economic and trade agreements with partner countries would boost Sri Lanka's economy', while only 2% disagreed, while 28% were undecided.

Influencing with Evidence

There is often a lot of conjecture around the possible pitfalls of trade liberalization and bilateral trade agreements. Yet, the need of the hour is to bring out specific issues and make specific suggestions. With the government having committed to consulting with the private sector on trade policy issues, what the private sector needs to do now is to present solid and sensible arguments supported by credible and useful evidence to the government.

Offensive not just Defensive

While many businesses will be concerned about what industries, what product lines, and what services sectors to keep closed and to protect ('defensive interests'), we cannot and should not limit ourselves to that. We must also focus on what industries, what product lines, what services sectors we want the other party to open up, to give Sri Lankan businesses preferential access - what are called 'offensive interests'. A trade official recently mentioned that they rarely get submissions from Sri Lankan businesses on offensive interests. Our businesses must see the strategic opportunities, must believe they can compete, and must pay attention to offensive interests as much as they do to defensive interests.

Have Your Say

Businesses need to now come forward with lists of offensive interests for market access in countries that Sri Lanka is planning on forging trade deals with - India, China, Singapore, and Pakistan, and eventually Thailand, Japan, and Turkey. The Chamber has launched a comprehensive questionnaire (available on the CCC website) so that businesses can have their say on forthcoming trade agreements, and indicate difficulties as well as potential opportunities in trading with India, China, Singapore, and Pakistan.

Pro-active Private Sector

In trade liberalization, there will be winners and losers. The Sri Lankan business community must play a pro-active role in identifying these and help government to understand and take necessary action. Government authorities need substantive and sensible inputs, so that Sri Lanka's trade policies ultimately help Sri Lanka prosper.

This column is part of the 'TIPS' initiative of the Ceylon Chamber of Commerce, aimed at enhancing awareness on trade policy issues among the Sri Lankan private sector.

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