

EU Sri Lanka Business Summit 2009
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EU-Sri Lanka Business Summit 2009 – Address by Ambassador Bernard Savage, Head of Delegation, Delegation of the European Commission to Sri Lanka & the Maldives

Honourable Minister of Enterprise Development and Investment Promotion, distinguished Members of the Head table, it is a pleasure indeed for me to address this event which is the first ever EU –Sri Lanka Business Summit to be held. I would like to take this opportunity to congratulate the European Chamber of Commerce for having organized this useful event and I hope this will become an annual event which will give the opportunity to EU missions and businesses to interact with the Sri Lankan government and enterprises on the long term development and investment needs of the country and at the same time examine mutually beneficial business partnerships between Sri Lanka and European enterprises.

It is no secret that EU is Sri Lanka's leading trading partner which is evident by the fact that

- EU is Sri Lanka's no.1 export partner where Sri Lanka exports approximately 1.9 billion Euro worth of products and services to the EU which represents 31 percent of Sri Lanka's total exports.
- EU is Sri Lanka's no.2 import partner where Sri Lanka imports 1.13 billion Euro worth of products and services from the EU which represents 12.4 percent of Sri Lanka's total imports.
- From Sri Lanka's point of view adding the overall Import + Exports figures makes EU, Sri Lanka's largest trading partner accounting for approximately 3 billion Euros worth of trade representing 19.9 percent of Sri Lanka's total trade.

This further confirms that EU and Sri Lanka enjoy a healthy business relationship and this should continue.

Sri Lanka was one of the first Asian countries to sign a formal co-operation agreement with the EC in 1975. A second cooperation agreement was signed in 1995. These agreements provided the basis for EU's political, economic and development cooperation partnership with Sri Lanka.

Considering the long term relationship the EU has been enjoying with Sri Lanka and taking into consideration the current situation where the country is getting ready to move into a new phase following a 25 year old conflict, events of this nature gives new opportunities for the EU and Sri Lanka to discuss, cooperate and enhance our Political and trade policy dialogue in a spirit of partnership & cooperation.

While EU should and will continue to provide Humanitarian assistance to those populations in Sri Lanka affected by the war or natural calamities, as Sri Lanka moves towards becoming a full fledged middle income country, in my opinion the relations between Sri Lanka and the EU has to move to another level. From support to Development cooperation activities over the years, we need to move towards re-focussing our cooperation and support to issues more related to trade policy, Sanitary and Phytosanitary Standards (SPS), Technical Barriers to Trade (TBT) and other Market Access issues.

Another problem we are jointly facing is the current economic downturn which is affecting populations across the world. Economic output is set to fall in 2009, and although it may rise again in 2010, it is the most vulnerable that face the greatest threat. According to the World Bank, the economic crisis could push a further 90 million people in developing countries into poverty this year. Not only the Western Countries but Developing countries like Sri Lanka who depend on western markets for their exports are also being hit hard by the downturn in trade. Foreign direct investment is falling, as are trade volumes and prices of commodities, leading to a slowing in growth. We feel that the current situation is yet another opportunity for us to work together to strengthen our markets.

I am convinced that this two-day business summit will give the opportunity for EU and Sri Lankan institutions and businesses to further discuss some of the issues I had raised earlier and would result in:

- Strengthening the EU's trade, political and economic dialogue
- Raising awareness of European and Sri Lankan products and businesses
- Strengthen mutual trade and investment flows between Sri Lanka and the EU
- Reinforce the private sector and new business development opportunities
- Identifying and addressing Sri Lanka's development and economic needs which would eventually contribute to peace and prosperity in Sri Lanka.

I would like to conclude by saying that Trade and investment are crucial for Sri Lanka's continued economic development and it is crucial as well to European small and medium scale (SMEs) in order to internationalise their businesses. Thus the value of this business summit is evident.

I would like to conclude my address by congratulating the European Chamber of Commerce of Sri Lanka, for the excellent work done in organizing this event, and I also would like to thank all the participants at this event from both the public and private sectors whose participation was vital to make this event a reality and a success.

Honorable Minister it is indeed a great honour to have you with us, and on behalf of the European Commission I would like to re-confirm to you and your government our fullest support to the economic progress of Sri Lanka and it is our hope that this event will further contribute in this regard.

I thank you all for your kind attention.