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BACKGROUND NOTE

VERITÉ RESEARCH SRI LANKA POLICY GROUP

# **Sri Lanka falls behind Least Developed Countries in trade facilitation**

— Here are three steps it can take to reverse this trend.

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# BACKGROUND NOTE

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## Verité Research Sri Lanka Economic Policy Group

Members: Prof. Dileni Gunewardena, Prof. Mick Moore, Dr. Nishan de Mel, Prof. Shanta Devarajan.

The Economics Team of Verité Research compiled the study. The team comprised Subhashini Abeysinghe and Mathisha Arangala. Editorial support was provided by Hasna Munas and Nishan de Mel.

## **Sri Lanka falls behind Least Developed Countries in trade facilitation – Here are three steps it can take to reverse this trend.**

### **Abstract**

This note compares progress made by Sri Lanka against its regional competitors, other developing and least developed countries in facilitating trade by making import and export procedures of the country efficient, less costly, and more transparent. The comparison is done by using the notifications on progress made by countries under the World Trade Organisation's Trade Facilitation Agreement (TFA) as a yardstick. The analysis finds that Sri Lanka's progress falls below not only its competitors and peers but also the least developed countries. Based on the findings, this note provides three lessons Sri Lanka can learn from the experience of others who performed better.

# 1. Introduction

Sri Lanka is presently facing a debt crisis, partly because it borrowed foreign exchange without increasing its ability to earn it. The country's poor export performance is evidence of this failure. Sri Lanka's exports-to-GDP ratio has consistently declined from over 30% in 2000 to 14% in 2021. The value of exports has stagnated for over a decade, recording either negative or low single-digit growth rates.

While there may be numerous factors contributing to Sri Lanka's sluggish export performance, this policy note highlights an important one that puts Sri Lankan exporters at a disadvantage compared to their competitors in the region: the failure of the government to facilitate trade by making import and export procedures efficient, less costly, more predictable and transparent.

**Trade facilitation (TF)** refers to simplifying, streamlining, and automating import and export procedures and making them more transparent. Higher cost, time and lower predictability that result from the failure to implement measures to facilitate trade undermine the international competitiveness of Sri Lankan exporters. It also makes the country a less attractive destination in the region for export-oriented foreign investments. Further, higher costs and time to trade across borders also keep Sri Lankan SMEs away from international markets. These costs weigh more on SMEs compared to larger firms.

The note compares Sri Lanka's performance in facilitating trade against its key competitors in the region, developing countries and Least Developed Countries (LDCs) and finds that it has made very poor progress in facilitating trade compared to its competitors. It is not only falling behind peers, but also LDCs. The note also provides three lessons Sri Lanka can learn from the experience of others that fared better. It does so by using the experience of Sri Lanka and its competitors in implementing the trade facilitation measures included in the World Trade Organisation's Trade Facilitation Agreement (WTO TFA) that came into effect in 2017.

## 2. Summary findings and recommendations

### 2.1. Revisit & recategorise the TF measures Sri Lanka has stated it cannot implement without external assistance

Under the WTO's Trade Facilitation Agreement (TFA), countries have included their commitment to implement TF measures in three categories. Measures countries are ready to implement immediately are included in Category A, measures that require time to implement are included in Category B, and measures that require time and external assistance to implement are included in Category C.

Sri Lanka by including 69.3% of TF measures in Category C, has demonstrated to the world that it lacks the capacity to implement bulk of the measures. Sri Lanka in this respect falls behind even the LDCs that on average included less than half (40%) of TF measures in Category C demonstrating more confidence in their capacity to implement. Sri Lanka is far behind other developing countries, that included only around one fifth of the commitments (21.7%) in Category C. Of the 125 LDCs and developing countries party to the WTO TFA, only ten countries (including Sri Lanka) have included over 69% of TF measures in Category C.

These findings reflect very poorly on Sri Lanka, a middle-income economy. To create a positive perception of the country and to assure potential traders and investors of its commitment to facilitate trade, the country needs to reassess its Category C commitments and transition some of the measures to Category B. Reducing the Category C to 40%, will get Sri Lanka to the level of LDCs. Reducing it to 21.7% will enable the country to be on par with its peers. This study identifies 10 measures Sri Lanka can prioritise in this transition and fast track their implementation (refer to Annex 2 for the list). Over 50% of LDCs and over 70% of Developing countries have stated that they have already implemented these or can implement them on their own by including them in Category A or B.

## **2.2. Provide high level leadership with the authority to spearhead the implementation of TF measures**

A key lesson Sri Lanka can learn from other countries that fared better is that the implementation of TF measures in these countries was spearheaded by individuals with a very high level of authority. For example, Vietnam's trade facilitation committee was chaired by the Deputy Prime Minister and India's by the Cabinet Secretary. In comparison, Sri Lanka's chair is the Director General of Customs. High level authority is vital for two reasons: (i) to facilitate access to financial and human resources and; (ii) to overcome the resistance from border agencies whose officials unfairly benefit from the existing opaque, complex, and manual processes.

Failure to provide the right leadership has resulted in Sri Lanka making far less progress in the actual implementation of TF measures since 2017. Sri Lanka was already behind regional competitors (such as Malaysia, Thailand, India, Cambodia and Bangladesh) and the average progress made by developing countries in 2017, but was at par with the progress made by LDCs. Over the last six years, not only has the gap between Sri Lanka and its regional competitors as well as developing countries widened, but the country is also now falling behind LDCs as well. In fact, most competitor countries in the region are moving beyond WTO TFA and are in the process of implementing TFA-plus measures.

## **2.3. Put in place a result-oriented, time-bound Action Plan and a mechanism to monitor and report progress**

Sri Lanka does not have a publicly accessible National Trade Facilitation Action Plan with specific timelines for each commitment. There is no information in the public domain about whether a monitoring mechanism is in place either.

By contrast, Sri Lanka's neighbour India has been consistently publishing National Trade Facilitation Action Plans, with the latest one covering the period from 2020 to 2023, all of which are available online. Making action plans and progress reports public will help create a positive image of the country and make implementation transparent and credible.

## **3. Research Overview**

This note compares the progress made by Sri Lanka in implementing trade facilitation measures against six countries in the South and Southeast Asian region that compete with Sri Lanka in the world market (refer to Exhibit 1) and the average progress made by developing countries and the least developed countries (LDCs). All six countries recorded a higher rate of growth in exports over the last two decades compared to Sri Lanka.

The yardstick used to measure progress is the notifications made to the WTO by each country of its WTO TFA commitments and implementation. The TFA negotiations were concluded in 2013 and the agreement entered into force in February 2017. There are 36 trade facilitation measures that signatory countries have committed to implement. They include, among others, measures such as:

- prompt publication of information such as import and export procedures, applicable taxes, fees and charges, laws, regulations, etc., in an easily accessible manner;
- providing opportunities and an appropriate time period for traders and other interested parties to comment on the proposed introduction or amendment of laws and regulations;
- facilitating the release and clearance of goods, e.g: electronic payment, risk management, expedited shipments;
- facilitating import, export, and transit of goods such as standardized border procedures, single window, use of international standards, and enhancing border agency cooperation.<sup>1</sup>

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<sup>1</sup>For further details on WTO TFA, see: World Trade Organisation, 'Trade facilitation', at [https://www.wto.org/english/tratop\\_e/tradfa\\_e/tradfa\\_e.htm](https://www.wto.org/english/tratop_e/tradfa_e/tradfa_e.htm), [Last accessed: 15 June 2023].

The notifications to the WTO contained in the WTO TFA database provide a comparable dataset that can be used to compare Sri Lanka's performance with its competitors. This analysis uses two indicators for this comparison.

- 1) The categorisation of the WTO TFA measures into Category A, B and C commitments
  - Category A includes measures a country is ready to implement immediately on the day the WTO TFA came into effect (or within one year for LDCs)
  - Category B includes measures a country has committed to enacting without external assistance but that requires more time.
  - Category C includes measures a country claims may need more time and require capacity-building assistance to implement.
- 2) The progress made by each country to implement the WTO TFA measures that were notified to the WTO.

A higher share of measures in Category A indicates that a country has been proactive in implementing measures to reduce the cost and time of trading across borders prior to the WTO TFA. In other words, the country had already invested in trade facilitation before the enactment of the WTO TFA, giving them a head start compared to its competitors.

Conversely, if a country has included a higher share of measures in Category C, it indicates low capacity and/or commitment to implement trade facilitation measures without external assistance.

Lastly, the level of actual progress made in implementation since the WTO TFA came into effect indicates a country's present level of proactiveness. Based on this analysis, the report identifies reasons why other countries fare better than Sri Lanka and the lessons Sri Lanka can learn based on their experience.

#### Exhibit 1: Merchandise Export performance of Sri Lanka vs selected competitors in the region.

Country	2000		2021		Increase between 2000-2021
	(USD Bn)	a % of GDP	(USD Bn)	% of GDP	
Cambodia	1	38%	19	72%	19-fold
Sri Lanka	5	33%	12	14%	2.4-fold
Bangladesh	6	12%	44	11%	7.3-fold
Vietnam	14	46%	336	92%	24-fold
India	42	9%	395	12%	9.4-fold
Thailand	69	55%	272	54%	3.9-fold
Malaysia	98	105%	299	80%	3.0-fold

Source: World Bank, 'World Development Indicators', at <https://databank.worldbank.org/source/world-development-indicators#>

### 3.1. Revisit and recategorise TF measures that Sri Lanka has stated that it cannot implement without external assistance

Sri Lanka has shown the world that it has done very little to facilitate trade prior to 2017 by including a very low share of TF measures in Category A, which contains measures the country was ready to implement in 2017. Sri Lanka has also shown low interest in proactively implementing trade facilitation measures by including a very high share of TF measures in Category C, which contains measures the country cannot implement without external assistance. The large number of measures in Category C of Sri Lanka indicates that the country lacks capacity and is less committed to implementing TF measures<sup>2</sup>.

Sri Lanka's Category A commitments show that it was ready to implement only 29% of the TF measures in 2017. By contrast, Southeast Asian competitors such as Malaysia and Thailand were ready to implement over 90% of measures and even Cambodia, an LDC, over 80%. India, Sri Lanka's neighbour in South Asia, was also ready to implement over 70%. The share of measures included in "Category A" by Sri Lanka is even lower than the share included by Bangladesh (34.5%), an LDC in South Asia. The country's preparedness to implement TF measures

<sup>2</sup> Refer Annex 1 for Sri Lanka's list of commitments.

was lower than the developing countries average of 59.7% and at par with the average for LDCs (27.8%)(refer to Exhibit 2).<sup>3</sup>

Sri Lanka's Category B indicates that it can implement only 1.7% of TF measures on its own without external assistance. By contrast, Vietnam, a lower middle-income economy like Sri Lanka has 64.3% of TF measures in Category B, indicating that it can implement bulk of the measures on its own. In terms of confidence in its own capacity to implement TF measures, Sri Lanka in fact lags far behind Bangladesh, a LDC in South Asia which included 36.6% of TF measures in Category B.

Sri Lanka has indicated that it lacks the capacity to implement bulk of the TF measures without external assistance by including 69.3% of the measures in Category C. By contrast, Vietnam has stated that it requires external assistance only to implement 9.2% of the TF measures.

## Exhibit 2: Percentage of commitments categorised under each category

Country	As a % of total WTO TFA Commitments			
	Category A Ready to implement on the day TFA comes into force (LDCs within a year)	Category B Need time to implement, but can do on its own	Category C Need both time and external assistance to implement	Unknown
World	62.3	14.4	20.6	2.7
Developing	59.7	16.9	21.7	1.6
LDCs	27.8	23.6	40.0	8.6
Malaysia	94.1	5.9	None	
Thailand	91.6	8.4	None	
Cambodia	82.8	3.8	13.4	
India	72.3	27.7	None	
Bangladesh	34.5	36.6	29.0	
Sri Lanka	29.0	1.7	69.3	
Vietnam	26.5	64.3	9.2	

Source: World Trade Organisation, 'Trade Facilitation Agreement Database', at <https://www.tfadatabase.org/>

Sri Lanka fares worse than the average LDC in terms of capacity to implement TF measures on its own. LDCs on average included less than half (40%) of TF measures in Category C. In fact, only ten (including Sri Lanka) out of 125 LDCs and Developing countries party to the TFA have committed over 69% to Category C. They include five LDCs (Madagascar, Sierra Leone, Djibouti, Central African Republic, Burkina Faso) and five developing countries (Sri Lanka, Suriname, Egypt, Ghana, Trinidad and Tobago).

A detailed analysis of the measures Sri Lanka included in Category C shows that five of the measures (2.1, 2.2, 6.2, 7.3, and 7.9) were included in "Category A or B" by over 60% of the LDCs.<sup>4</sup> Additionally, the notifications made by Sri Lanka to the WTO reveal that the country has requested further extensions for four of the measures it has included in Category C.<sup>5</sup> The reasons given are difficulty in finding a donor agency, the need to secure additional technical and financial assistance and difficulties in mobilizing the required resources. These requests reflect poorly on Sri Lanka when, in comparison, competitors like Vietnam included three of these measures in

<sup>3</sup> According to the WTO TFA, developing countries are expected to implement the Category A commitments on the day WTO TFA came into effect, while LDCs are expected to implement them within a year.

<sup>4</sup> Refer Annex 1 for more details.

<sup>5</sup> The four measures are: Enquiry points (1.3); Notifications for enhanced controls or inspections (5.1); General disciplines on fees and charges (6.1); Specific disciplines on fees and charges (6.2)

Category A and the remaining measure in Category B. Sri Lanka's stance is alarming because these four measures have already been implemented by 30-50% of LDCs and 75% of developing nations respectively.<sup>6</sup> These findings question whether Sri Lanka's inclusion of the bulk of the measures in Category C is because it genuinely needs external assistance to implement these or whether it is simply a ploy by the border agencies to prevent or postpone implementation.

#### Box 1 - Indicative Targets for Sri Lanka

##### **By how much should Sri Lanka reduce Category C commitments?**

**Sri Lanka will be at par with LDCs if Category C is reduced to 40% and at par with developing countries if it is reduced to 21.7%**

As mentioned earlier LDCs on average have 40% of its commitments in Category C, lower than the 69.7% of Sri Lanka. Developing countries on average have only 21.7% of its commitments in Category C. In fact, most LDCs party to the TFA (19 out of the 35 LDCs) have a lower share of TF measures in List C than the average. This is true for developing countries as well, where most (52 of 90 Developing countries) have less than the average in category C.

Reducing Sri Lanka's Category C commitments to 40% from 69.7% will bring Sri Lanka to the level of LDCs on average but the country would still compare poorly against most LDCs that have less than that in Category C. Reducing the Category C commitments to 21.7% will bring Sri Lanka up to the level of other developing countries. The country should aim to do better than LDCs and at least be at par with the average of developing countries.

##### **What measures can Sri Lanka prioritise in the transition and implementation?**

This paper shortlisted 10 measures Sri Lanka can prioritise to transition from Category C to Category B and fast track implementation using the following two indicators; 1) *over 50% of LDCs and 2) over 70% of the developing countries have included the measure in Category A or B.*

As per the notifications made to the WTO on implementation, all these 10 measures have already been implemented by at least 40% of the LDCs and 75% of the developing countries.

Annex 2 provides details of the shortlisted 10 measures.

The share of measures that Sri Lanka has placed in Category C is larger than that of many LDCs and does not bode well for a country that desperately needs to increase exports and attract export-oriented investments. It sends a negative signal to potential traders and investors and sows doubt about Sri Lanka's commitment to facilitating trade. Revisiting and recategorizing TF measures included in Category C to Category B is vital for Sri Lanka to save face, reverse course and accelerate implementation. In fact, so far 23 countries have taken the initiative to transfer at least one measure from category C to B.

The extent to which Sri Lanka should aim to reduce its List C commitments and what measures the country can prioritise in this transition are provided in Box 1. It is important to note that transitioning measures from List C to List B is meaningless, without implementation. The country's standing in the world will be judged by traders and investors not by its Lists, but by its action.

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<sup>6</sup> Refer Annex 1 for more details.



### 3.2. Provide leadership with high level authority to spearhead implementation

During the six years that the WTO TFA has been in place, Sri Lanka made the least progress among the selected Asian countries in implementation.<sup>7</sup> This poor progress reflects the lethargic approach Sri Lanka has taken towards implementation which was discussed in detail in Section 3.1.

Sri Lanka was already behind its regional competitors as well as the average performance of developing countries in 2017. However, the country was at par with LDCs at that time. Over the last six years, Sri Lanka's lack of commitment to implementation has further widened the gap between Sri Lanka and its regional competitors and other developing countries. Alarming, Sri Lanka has also fallen behind LDCs (refer to Exhibit 3).

Sri Lanka progressed marginally from 29% in 2017 to 31.5% in 2023.<sup>8</sup> In comparison, Vietnam which was behind Sri Lanka in 2017, progressed substantially from 26.5% to 87.4%. Sri Lanka's performance not only falls short of the average implementation reported by developing countries (79.7%) but also of LDCs (41.4%). 21 out of 35 LDCs have a higher implementation rate than Sri Lanka. Out of the 125 LDCs and Developing countries party to the WTO TFA, only 22 countries (including Sri Lanka) have recorded a level of progress of less than 32%.<sup>9</sup>

In all the 22 TF measures where Sri Lanka has made no progress, the average level of implementation by developing countries and LDCs was at least 40% with 17 of these measures having over 60% implementation.<sup>10</sup>

Successful implementation of trade facilitation reforms requires the ability to overcome resistance from border agency officials that fear losing the unfair privileges they have enjoyed for decades from the existing opaque, complex, and manual processes. In addition, the government also needs to allocate sufficient financial and human resources to implement these reforms. Therefore, individuals that spearhead these reforms must have the authority to manage resistance from multiple agencies and facilitate the allocation of resources.

#### Exhibit 3 - Percentage of commitments implemented as of 19 June 2023

Country	% of Commitments	
	Start	As of 19 June 2023
World	62.3	76.2
Developing	59.7	79.7
LDCs	27.8	41.4
Malaysia	94.1	100
Thailand	91.6	98.7
Cambodia	82.8	84.5
India	72.3	100
Bangladesh	34.5	44.5
Sri Lanka	29.0	31.5
Vietnam	26.5	87.4

Source: World Trade Organisation, 'Trade Facilitation Agreement Database', available at <https://www.tfadatabase.org/>

<sup>7</sup> These countries are selected because they are competitors of Sri Lanka in the international market and have experienced higher growth in exports compared to Sri Lanka (refer Exhibit 1)

<sup>8</sup> Which means only three of the 25 pending measures have been completed over the last 6 years; namely allowing pre-arrival submissions of documentation and information (7.1); quitting the mandatory use of pre-shipment inspections for tariff classification and customs valuation (10.5); measuring and publishing average release time of goods (7.6).

<sup>9</sup> Sri Lanka (31.5%); Central African Republic (26.90%); Burkina Faso (26.10%); Lesotho (25.60%); Egypt (23.10%); Eswatini, Kingdom of (23.10%); Trinidad and Tobago (22.70%); Zambia (22.70%); Afghanistan (21.00%); Gabon (14.70%); Nepal (11.80%); Suriname (10.10%); Madagascar (8.80%); Myanmar (8.80%); Uganda (8.40%); Kenya (7.60%); Sierra Leone (5.90%); Djibouti (1.70%); Venezuela, Guinea-Bissau, Haiti, Yemen (commitments yet to be designated)

These 22 countries include nine out of the 10 countries (including Sri Lanka) that demonstrated the lowest confidence in their capacity to implement the TFA by including over 69% of the measures in Category C. The only exception is Ghana with over 73.1% of the measures in category C but with an implementation rate of higher than Sri Lanka's at 50.8%.

<sup>10</sup> Refer Annex 1 for more details.

Sri Lanka has failed to provide high level leadership to TF implementation. Sri Lanka's National Trade Facilitation Committee (NTFC), established to spearhead the implementation of the WTO TFA, is co-chaired by the Director General of Sri Lanka Customs (DG Customs) and the Director General of Commerce. By contrast, the NTFC of Vietnam is chaired by the Deputy Prime Minister. In India, NTFC is chaired by the Cabinet Secretary, the most senior civil servant in the country and in Bangladesh, by the Minister of Commerce.

The DG Customs is not the right fit for such a position for several reasons; The DG does not have much influence over budget allocation decisions of the government, nor does he/she have authority over other border agencies to provide the required directions and guidance and overcome the resistance to reforms. Further, there is also a conflict of interest when the chair of the committee tasked with monitoring and evaluating the progress of the implementation of TF measures is also the head of the agency responsible for implementing most of the measures.

The importance of having a high-level committee chaired by an individual with high-level of authority in government to implement reforms in Sri Lanka Customs is also emphasised by the Presidential Commission appointed to investigate and inquire into the various allegations and alleged corruption in Sri Lanka Customs (SLC). In its 2022 report, the Commission emphasises the need to establish a high-powered steering committee, overseen by the President, to ensure the successful implementation of the recommendations.<sup>11</sup>

The current government stated in 2022 its commitment to implement the recommendations of the said Commission.<sup>12</sup> Yet, these recommendations have faced the same fate as WTO TFA, according to a response received to a request for information under the Right to Information (RTI) Act filed by Verité Research. The recommendation to set up a high-level committee has been completely overlooked. According to the information received by Verité Research, the DG Customs appointed a committee chaired by an Additional Director General (ADG) of Customs to monitor the progress of the implementation of the recommendation.<sup>13</sup> Providing high level leadership is important to accelerate the implementation of both WTO TFA as well as the recommendations made by the Presidential Commission referred to above.

### **3.3. Put in place a results-oriented, time-bound action plan and a mechanism to monitor and report progress**

A time bound action plan that identifies the agencies responsible for implementation and a mechanism to monitor progress will contribute to the successful implementation of any reform program. Making such plans and progress reports public increases transparency and accountability of implementation. Sri Lanka's trade facilitation action plan has not been made public. By contrast, Sri Lanka's neighbour India has been consistently publishing National Trade Facilitation Action Plans, with the latest one covering the period from 2020 to 2023, and these plans are published online. While Sri Lanka is yet to publish the action plan for WTO TFA implementation, India's second National Trade Facilitation Action Plan for 2020-2023 in fact has included 52 additional measures that go beyond the WTO TFA.<sup>14</sup>

Even with the action plans in place, it is crucial to monitor and report progress to ensure successful implementation. There is no published information about a monitoring mechanism put in place for the implementation of the WTO TFA and no progress reports have been made public beyond the notifications made to the WTO.

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<sup>11</sup> Presidential Secretariat, 'Commission of inquiry to investigate and inquire into the various allegations and alleged corruptions in Sri Lanka Customs', 31st March 2022, received in response to requests for information filed under the Right to Information Act No. 12 of 2016.

<sup>12</sup> Ministry of Finance, 'Interim Budget Speech - 2022', at <https://www.treasury.gov.lk/api/file/69d90eaf-5eda-4947-9b43-0cb1f99ccef0>, [Last accessed: 15 June 2023], paragraph 8.3.

<sup>13</sup> Information provided by the Ministry of Finance and Sri Lanka Customs in response to requests for information filed under the Right to Information Act No. 12 of 2016.

<sup>14</sup> National Committee on Trade Facilitation: India, 'National Trade Facilitation Action Plan 2020-2023', at <https://old.cbic.gov.in/resources//htdocs-cbec/implmntin-trade-facilitation/NTFAP2020-23jk.pdf>, [Last accessed: 15 June 2023].

## 4. Conclusion

This note finds Sri Lanka to be the most laggard in terms of its commitment to implementing trade facilitation measures among the selected Asian countries. The country has made the least progress in facilitating trade during the last six years. It finds Sri Lanka's lack of progress in trade facilitation alarming, particularly as it falls behind even the least developed countries and claims that it has lesser capacity than the least developed countries to implement measures to facilitate trade.

At a time when other countries in the region are moving beyond WTO TFA and are adopting TFA-plus measures to address bottlenecks that prevent their companies from succeeding abroad, Sri Lanka's poor commitment and lack of progress in trade facilitation is a clear drawback.

Sri Lanka's weak performance in this respect compared to its competitors and even LDCs in the region does not bode well for the country, especially given its dire need for foreign exchange. The country's poor track record sends a negative signal to potential traders and investors that can increase the country's ability to earn foreign exchange earnings.

Sri Lanka can take three steps to send a positive signal and accelerate the implementation of the TF measures: (1) Revisit and recategorize measures included in Category C to a level at par with its peer economies and priorities transitioning and implementing measures already included in Category A or B by most LDCs and developing countries ; (2) Fast track implementation of trade facilitation measures by providing higher level leadership; and (3) ensure transparency and credibility of implementation by publishing a time-bound action plan and instituting an effective mechanism to monitor and report progress.

## Annexures

### Annex 1: TFA commitments and Implementation status by measure: Sri Lanka vs LDCs and Developing Countries

Measure no	Measure	Commitment															Implementation status as of 23 June 2023			
		Sri Lanka			LDCs				Developing				Developing and LDC				Sri Lanka	LDCs	Developing	Developing and LDC
		A	B	C	A	B	C	Unknown	A	B	C	Unknown	A	B	C	Unknown				
1.1	Publication	0	0	100	19	35	37	9	54	26	19	1	44	29	24	3	0.0	45.1	81.1	71.0
1.2	Information available through internet	0	0	100	17	15	60	9	52	12	35	1	42	13	42	3	0.0	33.7	76.7	64.6
1.3	Enquiry points	0	0	100	17	14	60	9	46	25	28	1	38	22	37	3	0.0*	31.4	81.9	67.8
1.4	Notification	0	0	100	31	33	27	9	56	28	14	1	49	30	18	3	0.0	51.4	82.2	73.6
2.1	Comments and information before entry into force	0	0	100	31	46	14	9	62	23	13	1	54	30	14	3	0.0	57.1	81.1	74.4
2.2	Consultations	0	0	100	26	46	20	9	59	26	14	1	50	31	16	3	0.0	48.6	81.1	72.0
3	Advance rulings	0	0	100	20	37	34	9	47	19	33	1	39	24	34	3	0.0	45.7	73.2	65.5
4	Procedures for appeal or review	100	0	0	37	32	23	9	75	13	11	1	64	19	14	3	100.0	56.8	87.3	78.8
5.1	Notifications for enhanced controls or inspections	0	0	100	34	20	37	9	53	23	23	1	48	22	27	3	0.0*	42.9	80.0	69.6
5.2	Detention	100	0	0	69	14	9	9	79	16	4	1	76	15	6	3	100.0	77.1	95.6	90.4
5.3	Test procedures	0	0	100	17	6	69	9	44	13	41	1	37	11	49	3	0.0	20.0	60.0	48.8
6.1	Disciplines on fees, charges imposed	0	0	100	26	31	34	9	57	24	18	1	48	26	22	3	0.0*	48.6	77.8	69.6
6.2	General disciplines on fees and charges	0	0	100	34	26	31	9	67	12	19	2	58	16	22	4	0.0*	48.6	80.0	71.2
6.3	Specific disciplines on fees and charges	100	0	0	34	46	11	9	77	14	8	1	65	23	9	3	100.0	57.1	88.5	79.7

7.1	Pre-arrival processing	0	100	0	29	14	49	9	61	23	15	1	52	20	24	3	100.0	34.3	87.8	72.8
7.2	Electronic payment	100	0	0	20	26	46	9	58	22	19	1	47	23	26	3	100.0	34.3	83.3	69.6
7.3	Separation of release	0	0	100	37	29	26	9	73	15	12	1	63	19	16	3	0.0	57.1	88.9	80.0
7.4	Risk management	0	0	100	14	9	69	9	51	5	42	2	41	6	49	4	0.0	19.3	66.7	53.4
7.5	Post-clearance audit	0	0	100	37	9	46	9	59	10	29	2	53	10	34	4	0.0	42.9	73.3	64.8
7.6	Average release times	0	0	100	17	14	60	9	44	15	39	1	37	15	45	3	100.0	28.6	74.4	61.6
7.7	Authorised operators	0	0	100	6	14	71	9	39	19	39	3	30	18	48	5	0.0	14.3	66.7	52.0
7.8	Expedited shipments	100	0	0	29	23	40	9	62	15	22	1	52	17	27	3	100.0	45.7	82.1	71.9
7.9	Perishable goods	0	0	100	31	34	26	9	64	14	20	2	55	20	21	4	0.0	42.9	80.9	70.2
8	Border Agency Cooperation	0	0	100	0	9	82	9	53	13	31	2	38	12	46	4	0.0	11.9	68.1	52.4
9	Movement of goods	100	0	0	69	17	6	9	88	10	1	1	82	12	2	3	100.0	80.0	95.6	91.2
10.1	Formalities	0	0	100	28	20	44	9	60	14	25	1	51	16	30	3	0.0	42.1	74.4	65.4
10.2	Acceptance of copies	0	0	100	24	33	34	9	60	25	14	1	50	27	20	3	0.0	40.0	81.1	69.6
10.3	Use of international standards	0	0	100	23	20	49	9	68	11	20	1	55	14	28	3	0.0	34.3	78.9	66.4
10.4	Single window	0	0	100	6	11	74	9	25	11	62	2	20	11	65	4	0.0	20.0	47.2	39.6
10.5	Pre-shipment inspection	0	100	0	64	13	14	9	89	6	4	1	82	8	7	3	100.0	78.6	95.6	90.8
10.6	Use of customs brokers	100	0	0	60	20	11	9	82	11	6	1	76	14	7	3	100.0	71.4	92.2	86.4
10.7	Common border procedures	100	0	0	49	20	23	9	84	10	5	1	74	13	10	3	100.0	54.3	91.3	80.9
10.8	Rejected Goods	100	0	0	57	29	6	9	81	12	6	1	74	17	6	3	100.0	71.4	91.7	86.0
10.9	Temporary admission of goods and inward and outward processing	100	0	0	54	31	6	9	84	11	4	1	76	16	5	3	100.0	71.4	94.4	88.0
11	Transit	100	0	0	31	28	33	9	70	16	13	1	59	19	18	3	100.0	42.9	85.9	73.9
12	Customs cooperation	0	0	100	31	17	43	9	59	19	20	2	51	18	26	4	0.0	37.2	81.1	68.8

\* Extension requested by Sri Lanka.

Source: World Trade Organisation, 'Trade Facilitation Agreement Database', available at <https://www.tfadatabase.org/>

## Annex 2: List of measures to priorities to be transitioned from category C to B

Measure no	Description	Commitment					Implementation		
		Sri Lanka	LDCs		Developing		Sri Lanka	LDCs	Developing
		C	A+B	C	A+B	C			
1.1	Prompt publication of information on trade procedures, taxes, fees etc. in a non-discriminatory and easily accessible manner.	100	54	37	80	19	0	45.1	81.1
1.4	Notification to the WTO TF committee the official places where information referred to in 1.1 etc. is published	100	64	27	84	14	0	51.4	82.2
2.1	Opportunity and appropriate time periods to comment and information before new or amendments to laws/regulations/duties comes into force	100	77	14	85	13	0	57.1	81.1
2.2	Regular consultations between border agencies, traders and other stakeholders	100	72	20	85	14	0	48.6	81.1
5.1	Notification & guidance for Enhanced Controls or Inspections in relation to sanitary and phytosanitary conditions	100	54	37	76	23	0	42.9	80
6.1	General Disciplines on Fees and Charges Imposed on or in Connection with Importation and Exportation such as publication of relevant information, informing parties in advance of any revisions, periodical review	100	57	34	81	18	0	48.6	77.8
6.2	Specific Disciplines on Fees and Charges for Customs Processing Imposed on or in Connection with Importation and Exportation such as ensuring that the fees are set to recover the cost of the service	100	60	31	79	19	0	48.6	80
7.3	Separation of Release from Final Determination of Customs Duties, Taxes, Fees and Charges	100	66	26	88	12	0	57.1	88.9
7.9	Preventing avoidable loss, deterioration of perishable goods, by releasing goods at the shortest possible time under normal circumstances, outside business hours under exceptional circumstances, providing priority during examination, arranging for proper storage facilities pending release etc.	100	65	26	78	20	0	42.9	80.9
10.2	Acceptance of paper or electronic copies of supporting documents for import/export/transit formalities	100	57	34	85	14	0	40	81.1

Source: World Trade Organisation, 'Trade Facilitation Agreement Database', available at <https://www.tfadatabase.org/>

