

FOR IMMEDIATE REPORTING

MINISTER S ISWARAN TO VISIT SRI LANKA FROM 31 MAY TO 2 JUNE 2016

1. Minister for Trade and Industry (Industry) S Iswaran will be visiting Colombo, the capital of Sri Lanka, and Trincomalee, a major port city in the eastern province, from 31 May to 2 June 2016. This visit aims to strengthen relations with Sri Lanka and open up business opportunities for Singapore companies in this fast-growing new market.
2. Mr Iswaran will grace the Sri Lanka-Singapore Business Forum with Sri Lanka Minister for Development Strategies and International Trade, Malik Samarawickrama on 1 June, in Colombo. He will also call on Sri Lanka Prime Minister Ranil Wickremesinghe, Minister for Industry and Commerce, Rishad Bathuideen and Minister of Megapolis and Western Development, Champika Ranawaka. On 2 June, Mr Iswaran will travel to Trincomalee where he will visit Singapore subsidiary Prima Ceylon Flour Mill Complex, the largest integrated flour milling complex in Sri Lanka. He will also call on Chief Minister of the Eastern Province, Ahamed Nazeer.
3. A business delegation of 28 Singapore companies, jointly led by International Enterprise (IE) Singapore and the Singapore Business Federation (SBF) will be in Colombo in conjunction with Mr Iswaran's visit to explore business opportunities there.
4. Mr Iswaran said, "Global economic uncertainties have strengthened the impetus for Singapore companies to look to new markets with potential, such as Sri Lanka. Our bilateral trade and investment flows have been on an upward trend, which is testament to the growing business interest and economic connectivity between our two countries. I encourage companies keen to explore and develop new markets for the long term to consider opportunities in Sri Lanka."
5. Sri Lanka and Singapore share good economic relations. Sri Lanka was Singapore's 39th largest trading partner in 2015, with bilateral trade amounting to S\$2.05 billion. Foreign direct investment from Singapore to Sri Lanka amounted to \$656 million as of 2014.
6. Sri Lanka's GDP growth rate averaged 6.4% from 2010 to 2015, one of the fastest in South Asia. Growth has been backed by reconstruction efforts and an expanding services sector, which contributed an estimated 62.4% of the country's GDP in 2015¹. The continued growth of Sri Lanka will create opportunities for Singapore companies in areas such as Urban Solutions, Tourism and Trade.

(Annex A - Factsheet on Singapore-Sri Lanka economic relations)

**MINISTRY OF TRADE AND INDUSTRY
31 MAY 2016**

¹ Source: World Bank

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ANNEX A

Factsheet on Sri Lanka-Singapore Economic Relations

Trade

1. In 2015, Sri Lanka was Singapore’s 39th largest trading partner and bilateral trade amounted to S\$2.05 billion. In 2015, Singapore’s exports to Sri Lanka totalled S\$1.9 billion, while Singapore’s imports from Sri Lanka totalled S\$146 million. Sri Lanka was Singapore’s 29th largest export destination in 2015.

2. Top exports to Sri Lanka include petroleum oils and oils from bituminous minerals; automatic data processing machines; and apparatuses for transmission or reception of voice messages. Top Imports from Sri Lanka include petroleum oils and oils from bituminous minerals; precious stones and semi-precious stones; and tea.

3. Singapore’s exports of services to Sri Lanka in 2014 amounted to S\$230 million and imports of services from Sri Lanka amounted S\$143 million.

Investment

4. Singapore’s stock of Direct Investment Abroad (DIA) into Sri Lanka amounted to S\$656 million as of end-2014. Singapore’s investments were mainly in the manufacturing sector. Stock of Foreign Direct Investment from Sri Lanka into Singapore amounted to S\$203 million as of end-2014.

Existing Agreements between Singapore and Sri Lanka

5. The **Bilateral Investment Treaty (BIT)** was signed and entered into force in 1980.

6. The **Avoidance of Double Taxation Agreement (DTA)** was signed in May 1979. A revised DTA was signed in April 2014 and is pending ratification.

Singapore’s Interests in Sri Lanka

7. Singapore companies have established a presence in Sri Lanka since the early 1990s. To date, Singapore companies have established a presence in Sri Lanka in the construction, infrastructure, manufacturing, food processing and service sectors. Notable companies include:

Sector	Company Interests
Manufacturing	<p>Prima Holdings is the largest Singapore-based investor in Sri Lanka. It is one of the pioneering companies in Sri Lanka and has substantive business operations in Sri Lanka, including:</p> <ul style="list-style-type: none"> • <i>Prima Ceylon</i> – Wheat flour milling and related activities. Operates an integrated flour milling complex in Trincomalee, Sri Lanka. • <i>Ceylon Grain Elevator Industries</i> – Focus primarily on feed milling, commercial farming and retail of poultry products,

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	<p>and production of animal feed. The company is the largest poultry player in Sri Lanka.</p> <ul style="list-style-type: none"> • <i>Ceylon Agro Industries</i> – Manufacture and supply of range of wheat and poultry food products. • <i>Prima Land</i> – Manages the Royal Park Apartments, a luxury apartment. • <i>Prima Management Services</i> – Offers a range of IT services to organizations both locally and internationally.
Master planning	<p>In 2004, CESMA, now known as <u>Surbana Jurong</u>, developed the master plan for Sri Lanka’s Megapolis in the Western Province. Prime Minister Ranil Wickremesinghe has recently appointed Surbana Jurong to revise the master plan, and also invited the planners to develop one for Trincomalee.</p>
Security	<p>Certis Lanka, a joint venture formed in 1995 with <u>Certis Cisco</u>, offers a wide range of Loss Prevention, Secure Logistics and Caring Services.</p>
Construction	<p><u>Woh Hup</u> has been in Sri Lanka since 1986 and was involved in the construction of the iconic Bank of Ceylon building, comprising a 32-storey office tower with 4-storey podium and 3-level basement carpark.</p> <p><u>Ley Choon</u>, through its wholly-owned subsidiary Teacly (S) Pte Ltd, secured a contract under the Greater Colombo Waste Water Management Project for the rehabilitation of 10 km of sewer lines and assessment of 125 km of sewer lines within Colombo Municipal Council Area.</p>
Infrastructure Development	<p>The 39-storey World Trade Centre in Colombo, is owned by Overseas Reality (Ceylon) Ltd, which in turn is majority owned by the <u>Shing Kwan Group</u>. The group is also the developer and co-owner of Havelock City in Colombo, a prime property including a 300-room hotel, 1,080 apartments, food courts, sports complex and a commercial area.</p> <p><u>SilverNeedle Hospitality</u> entered into a joint venture with conglomerate Abans Group to develop a mixed-use lifestyle centre which is inclusive of a 200 room NEXT Hotel™, a 4-storey lifestyle mall and a 30-storey condominium tower.</p>