Vol. 04 Department of Commerce Sri Lanka May 2025

GLOBAL TRADE INSIGHTS

HEADLINES

FRANCE'S EVOLVING FOOD & BEVERAGE MARKET: STRATEGIC OPPORTUNITIES FOR SRI LANKAN EXPORTS

FRANCE:A GLOBAL LEADER IN THE F&B SECTOR

France stands as one of the most lucrative and dynamic food and beverage (F&B) markets globally, offering significant export potential for countries like Sri Lanka. With a sophisticated consumer base, high purchasing power, and a strong appetite for organic, exotic, and ethically produced foods, France presents a promising frontier for exporters seeking long-term market integration.

France remains a dominant force in the global food landscape, especially within Europe. The country leads European imports of processed fruits, vegetables, and nuts—absorbing nearly half of global supplies—and holds a commanding share of the continent's food processing industry. This sector is poised for continued expansion, with a projected compound annual growth rate (CAGR) of 13.9% between 2025 and 2035.

SHIFTING CONSUMER PRIORITIES: ORGANIC, SUSTAINABLE, AND ETHICAL CHOICES

The modern French consumer is increasingly guided by values of sustainability, health, and ethical consumption:

- **Sustainability** is no longer optional. A 2024 survey revealed that most French consumers expect brands to take proactive measures to protect nature, influencing product innovation and packaging decisions.
- The **organic food** market in France surpassed €4 billion in turnover in 2024—a 1.1% increase from 2023. Currently, organic products make up about 6% of total food consumption in the country.
- **Fair-trade goods** are experiencing growing demand. In 2023 alone, French consumers spent €1.3 billion on fair-trade staples such as bananas and cocoa. A significant 70% of consumers now demand transparency in profit margins, often enabled through traceable labeling systems.

GROWING APPETITE FOR GLOBAL FLAVORS AND HEALTHY OPTIONS

French consumers are becoming more adventurous in their culinary preferences, with 40% expressing interest in international flavors—particularly Mediterranean and Asian cuisines. This shift is creating space for tropical and exotic products from Asia and beyond.

Simultaneously, health-conscious food choices are on the rise:

- **Plant-Based Foods:** The plant-based segment grew by 18% in value from 2021 to 2023, reaching €648 million.
- **Gluten-Free Market:** France has also emerged as Europe's third-largest and third-fastest-growing gluten-free market, with a projected CAGR of 6.12% through 2030.
- **Organic & Free-From Synergies:** Many of these categories overlap with organic and "free-from" offerings, as consumers seek "clean-label" products that are healthy, transparent, and eco-friendly.

OPPORTUNITIES FOR SRI LANKA IN THE FRENCH MARKET

France ranked as Sri Lanka's 10th largest export destination in 2022, with total exports reaching USD 257.5 million. This offers a strong foundation to expand bilateral trade, particularly in food and beverage categories.

Key sectors for growth include:

- Tea (Ceylon black and green blends)
- Spices & Essential Oils (especially EU PGI-certified Ceylon cinnamon)
- Coconut-Based Products (oil, milk powder, activated carbon)
- Seafood (fresh, frozen, and value-added)
- Processed Foods and Confectionery
- Non-food exports like apparel, rubber goods, and gems also hold potential in lifestyle-driven markets.

SIAL PARIS

Sri Lanka's participation in SIAL Paris 2024 was a major milestone. Under the coordination of the Sri Lanka Export Development Board (EDB) and Embassy of Sri Lanka in France, 19 local exporters showcased high-value products ranging from spices and confectionery to frozen foods and EU PGI cinnamon.

The five-day event led to confirmed orders worth €2.8 million, with an additional €3.6 million under negotiation. Strategic brand promotion—including a video endorsement by French chef Dominique Pambrun—boosted visibility and brand value for Sri Lankan products.

SEAFOOD EXPO GLOBAL 2025

Sri Lanka is set to further strengthen its presence in the European F&B space through Seafood Expo Global (SEG) 2025 in Barcelona. With more than 35,000 professionals attending the 2024 edition, SEG provides unmatched access to buyers, retailers, and distributors from around the world. The Sri Lanka Pavilion (Booth 5M505) will showcase fresh, processed, and value-added seafood, leveraging the advantages of EU GSP+ access.

STRATEGIC PATH FORWARD

With France's food market increasingly shaped by sustainability, health, and ethical values, Sri Lanka's export strategy should emphasize:

- Traceability and certification (e.g., EU PGI for cinnamon)
- Value addition and branding
- Eco-friendly and health-oriented product innovation
- B2B relationship building through trade shows and digital platforms

France's demand for authenticity, transparency, and flavor diversity aligns closely with Sri Lanka's strengths in natural, tropical, and ethically sourced food products. By building on recent successes and strategically positioning itself, Sri Lanka can deepen its footprint in one of Europe's most influential markets.

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SELYN'S DIGITAL LEAP EARNS WFTO RECOGNITION

Source: World Fair Trade Organization (WFTO)

Selyn Sri Lanka, a women-led handloom textile manufacturer, has been recognized by the World Fair Trade Organization (WFTO) for its groundbreaking approach to combining traditional artisanry with advanced digital innovation. This feature is inspired by the original article shared on the WFTO LinkedIn page.

In collaboration with the London College of Fashion, University of the Arts London, and tech platform PaperTale, Selyn has launched the revolutionary "Sandra" Clapping Bag — a product that's not only stylish but also smart.

What makes the Clapping Bag extraordinary?

It's embedded with an Near Field Communication tag (NFC tag) and powered by Blockchain technology, allowing shoppers to simply scan the tag and gain full transparency into the bag's journey. From the fibre and dyeing process to the artisans behind the weave, and its social and environmental impact, the story behind every bag is just a tap away.

This initiative isn't just a win for fashion — it's a step forward for #Transparency, #Sustainability, and #Accountability. It proves that ethical fashion and digital innovation are no longer separate paths — they are converging to shape a more conscious and connected world.

We're proud to spotlight bold, trailblazing enterprises like Selyn that are redefining what's possible.

Learn more about Selyn at selyn.lk

WORLD FAIR TRADE ORGANIZATION

SELYN
GUARANTEED
FAIR TRADE

NEW EU REGULATION ON DEFORESTATION (EUDR)

🚨 ATTENTION FOR OPERATORS IN THE RUBBER SECTOR: EXPORTERS, MANUFACTURERS, TRADERS:

NEW EU REGULATION COULD IMPACT YOUR MARKET ACCESS TO THE EU MARKET AND PREPARE FOR THE COMPLIANCE OF EUDR TO AVOID ANY NEGATIVE IMPACT!

By Thavishya Mullegamgoda, Minister (Commercial)
Sri Lanka Embassy in Belgium & the Mission to the EU

EU DEFORESTATION-FREE PRODUCTS REGULATION (EUDR)

The European Union (EU) has taken a bold step to combat global deforestation and promote sustainable trade through the EU Deforestation-Free Products Regulation (EUDR). With rubber among the seven commodities in scope, Sri Lankan exporters and manufacturers especially those in the rubber industry must take immediate steps to understand and comply with the new requirements. The European Parliament finally adopted the provisional political agreement with the European Council to delay the application of the new EUDR rules until end of December 2025.

WHY DOES THIS MATTER FOR SRI LANKA?

EUDR Objective: Preventing the access to the EU market of commodities and (derived) products that caused deforestation (after Dec. 2020) and that have been produced not in line with domestic legislation of the country of production.

The EU is a key trading partner for Sri Lanka's rubber industry. Under the EUDR, rubber and its derived products can no longer be placed on or exported from the EU market unless they are "deforestation-free" and produced in accordance with relevant local laws. This means products must not originate from lands deforested after 31 December 2020.

Failure to comply with these rules could mean losing access to the EU market—a high-risk outcome for Sri Lanka's rubber exports.

WHAT DOES "DEFORESTATION-FREE" MEAN?

Under EUDR, your rubber products must come from lands that:

- **Has not been converted from forest to agriculture after December 2020**
- **Meets all legal production requirements including land rights, labour rights, environmental and forest protection laws**

COMPLIANCE DEADLINES

- **Large Operators/Traders:
Must comply by 30 December 2025**
- **Micro and small enterprises:
Deadline extended to 30 June 2026**

WHAT ARE YOUR RESPONSIBILITIES?

As Operators (Exporters & Manufacturers), you must carry out due diligence, which includes:

1. **Data Collection:**
    - **Geolocation (latitude and longitude) of rubber-producing plots**
    - **Production date**
    - **Supplier details and proof of compliance**
2. **Risk Assessment:**
    - **Evaluate risks based on country of origin, deforestation levels, indigenous land claims, supply chain complexity, and more**
3. **Risk Mitigation (if needed):**
    - **Additional documentation, audits, or surveys to verify compliance**
4. **Due Diligence Statement Submission:**
    - **Must be registered via the EU's Information System, confirming that products pose no (or negligible) risk of non-compliance**

- **Attention:** ***If one plot of the "geolocalised mix" is found to be non-compliant, the entire set of geolocalised plots of land is non-compliant.***

INFORMATION SYSTEM

Recommends all stakeholders to refer the DG ENV of the European Commission website allocated for the implementation of EUDR and information on how to comply with EUDR regularly. This website is being continuously updated by the DG ENV:

https://environment.ec.europa.eu/topics/forests/deforestation/regulation-deforestation-free-products_en

The Information System as set out in Art. 33 of the Regulation was launched on 4 December 2024. Registration for users of the system was opened on November 2024:
https://green-business.ec.europa.eu/deforestation-regulation-implementation/information-system-deforestation-regulation_en

The Information System is a Registry of Due Diligence Statements, which is a specialized online tool that streamlines the creation of due diligence statements within your supply chains.

The Registry allows operators, traders and their representatives to make electronic Due Diligence Statements, and submit them to the relevant authorities to show that their products do not cause deforestation, in compliance with the Deforestation Regulation.

UPCOMING VIRTUAL TRAINING SESSIONS ON THE EUDR INFORMATION SYSTEM

Dates for upcoming virtual training sessions on the EUDR Information System are now available on the webpage:
https://green-forum.ec.europa.eu/deforestation-regulation-implementation/information-system-deforestation-regulation_en

Virtual Training for the Information System on 8 May 2025, 14:00 CEST
Virtual Training for the Information System on 15 May 2025, 14:00 CEST
Virtual Training for the Information System on 22 May 2025, 14:00 CEST
Virtual Training for the Information System on 28 May 2025, 14:00 CEST

WHO NEED TO DO DUE DILIGENCE & REPORTING

1. **Operators:**
- **Importers of raw commodity or derived products**
- **Exporters of raw commodity or derived products**
- **Manufacturers who place products on the EU market**

2. **Traders:**
- **Wholesalers & Retailers who make products available on the EU market**

THE LATEST DOCUMENTS PUBLISHED BY THE EUROPEAN COMMISSION

On 15th April 2025, the European Commission took action to simplify the implementation of the EUDR.

Accordingly, the Commission has provides further simplifications and reducing the administrative burden to facilitate the implementation of the EUDR and the European Commission published following key documents related to the implementation of the EUDR on 15th April 2025:

- **The Fourth Iteration of FAQs: https://circabc.europa.eu/ui/group/34861680-e799-4d7c-bbad-da83c45da458/library/e126f816-844b-41a9-89ef-cb2a33b6aa56/details**

- **An updated Commission Guidance document (in view of the Regulation's entry into application at the end of 2025 for Member States, operators and traders): https://environment.ec.europa.eu/document/5dc7aa19-e58f-42a3-bbbe-f0eb2e5a1d3a_en**

- **Draft delegated regulation - Ares(2025)3099313 dated 15 April 2025 open for comments**

- **Annex - Ares(2025)3099313 dated 15 April 2025 open for comments**

[Please note A Draft Delegated Act amending Annex I of the EUDR, available online for a four-week public feedback period: 15 April 2025 - 13 May 2025 (midnight Brussels time)

Refer for more details: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14655-Delegated-Regulation-amending-Annex-I-of-Regulation-EU-2023-1115-EU-Deforestation-Regulation-_en]

- **The European Commission's Press Release issued on 15th April 2025: https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1063**

For questions or further support, reach out to:

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UNLOCKING SOUTH AFRICAN MARKET

By Thiloka Perera, Second Secretary (Commercial)
High Commission of Sri Lanka in Pretoria-South Africa

INTRODUCTION

South Africa presents a promising market for Sri Lankan exporters, given its strong economic foundations, extensive trade agreements, and significant global trade connections. This article provides key insights into South Africa's business environment, trade regulations, and investment landscape to help Sri Lankan businesses navigate opportunities in this growing market.

ECONOMIC OVERVIEW

South Africa, with a population of 63.4 million, is the most developed economy in Africa. Its nominal GDP stands at USD 438.57 billion, with a GDP per capita of USD 6,968.42 (IMF, August 2024 estimates). The country's economy is diverse, with key sectors including mining, transport, energy, manufacturing, tourism, and agriculture.

As the world's largest producer of platinum and chromium, South Africa also has significant reserves of gold, diamonds, manganese, and iron ore. Its main export partners include China, the United States, Germany, India, and Japan, while key import partners are China, Germany, India, the United States, and Saudi Arabia.

TRADE AND INVESTMENT ENVIRONMENT

Trade Agreements

South Africa is a member of multiple international trade agreements and regional economic partnerships, such as:

• **Southern African Customs Union (SACU):** Allows duty-free movement of goods among member countries with a common external tariff.

• **Southern African Development Community (SADC) Free Trade Agreement:** Covers trade in goods and services, with over 85% of trade being duty-free.

• **African Continental Free Trade Area (AfCFTA):** Provides preferential trade terms across Africa.

• **Economic Partnership Agreement (EPA) with the European Union:** Facilitates preferential access to EU markets.

• **Generalized System of Preferences (GSP):** Reduces tariffs for selected products exported to the EU, USA, Japan, and other countries.

• **African Growth and Opportunity Act (AGOA):** Grants preferential access to the US market.

Investment Climate and Foreign Business Regulations

South Africa actively encourages foreign direct investment (FDI). **The Protection of Investment Act, 2015** ensures that foreign investors receive fair treatment compared to local investors. Additionally, various incentives are available, such as:

- Special Economic Zones (SEZs) offering reduced corporate tax rates (15%) and duty-free privileges.
- Grants for industrial innovation and infrastructure development.
- Accelerated depreciation allowances for investments in renewable energy and biofuels.
- A headquarter company regime that provides tax benefits for foreign investment operations based in South Africa.

REGULATORY AND TAXATION CONSIDERATIONS

Business Registration and Compliance

Foreign businesses can establish their presence through various entity types, including private limited companies, public companies, and branch offices. Registration with the Companies and Intellectual Property Commission (CIPC) takes approximately 7-10 working days. Additionally, companies must register with the South African Revenue Service (SARS) for tax purposes.

Tax System

South Africa has a residence-based tax system, meaning resident companies are taxed on worldwide income, while non-resident companies are only taxed on South African-sourced income. The corporate income tax rate is 27%, and VAT is levied at 15%.

Other tax considerations include:

- Withholding Tax: 20% on dividends, 15% on interest and royalties (subject to applicable double taxation agreements).
- Capital Gains Tax (CGT): Effective rate of 21.6% for corporate entities.
- Transfer Pricing Rules: Transactions between related entities must comply with arm's length pricing principles.

Exchange Control Regulations

South Africa maintains foreign exchange controls, overseen by the South African Reserve Bank (SARB). Foreign investors must obtain approvals for repatriating funds, loan capital, and licensing intellectual property to foreign entities. However, transactions within the Common Monetary Area (CMA) (Namibia, Lesotho, and Eswatini) are exempt from exchange controls.

OPPORTUNITIES FOR SRI LANKAN EXPORTERS

Sri Lanka has established a strong trade relationship with South Africa, with key exports including tea, coconut fiber and vegetable textile, apparel, retreaded or used pneumatic tyres, activated carbon, crepe rubber, and other rubber-based products. Among these, Sri Lanka has significant potential to expand exports of solid/cushion tyres, interchangeable tyre treads, and black tea in packings of 3kg or less. Additionally, there is strong demand in South Africa for machinery parts, presenting an opportunity for Sri Lankan exporters to tap into this growing market.

On the import side, Sri Lanka sources several essential products from South Africa, including bituminous coal, iron and steel, diamonds, organic chemicals, copper, and various agricultural items such as maize, oranges, apples and seeds. These imports support key industries in Sri Lanka, and there is potential for further strengthening trade partnerships by identifying complementary supply and demand gaps between the two countries.

Apart from trade, tourism is another sector with immense potential for growth. South African tourist arrivals to Sri Lanka have shown an overall upward trend in the past decade, with numbers increasing from 1,962 in 2011 to 7,416 in 2018 before experiencing a decline due to the pandemic. However, the sector is rebounding, with arrivals reaching 4,872 in 2024, marking a 41.5% increase from the previous year. To capitalize on this momentum, Sri Lanka should actively engage with South African travel agents to promote the country as a preferred tourist destination. Strengthening tourism partnerships, highlighting Sri Lanka’s cultural and natural attractions, and improving connectivity could further boost visitor numbers and contribute to economic growth.

The High Commission of Sri Lanka in Pretoria is keen to support the Sri Lankan business community by providing information, assisting in connecting with relevant business partners and chambers in South Africa, and facilitating participation in trade and travel fairs to enhance business and tourism opportunities.

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ITALY’S POSITION WITH REGARD TO US TARIFF MEASURES

By Tharaka Botheju ,Counsellor (Commercial)
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INTRODUCTION

The United States is a pivotal trading partner for Italy, serving as the largest non-EU market for Italian exports. In 2023, Italy's exports to the US totalled $70.9 billion. The primary categories of these exports included machinery, pharmaceutical products, vehicles and beverages. The tariffs are expected to exacerbate Italy's trade surplus with the U.S., which stood at $45 billion in 2024.

Trump’s 20% tariff announced on all EU products on 02 April and 25% tariff on steel and aluminium on 12 March 2025, are expected to exacerbate Italy's trade surplus with the US, which stood at US$ 44 billion in 2024. Immediately following the announcement of tariff on 02 April, Prime Minister Giorgia Meloni, typically a strong ally of Trump in Europe, has expressed concerns about the detrimental effects on Italy's export-driven economy, stating on social media that the tariffs are a measure that she considers to be “wrong” and not in the interests of either party. She was scheduled to meet with President Trump in Washington to discuss the issue further.

The European Union signalled its willingness to negotiate a tariff-free trade pact with the United States. While the EU’s preference remains negotiation, the bloc was also ready to escalate its response if necessary. The EU has further announced that it would begin imposing retaliatory duties on selected US imports.

On 07 April, during a meeting the Prime Minister Meloni had with the Council of Ministers, it was stated that a ‘trade war’ would not benefit anyone, neither the European Union nor the United States. The meeting highlighted the need to address this issue with determination and pragmatism. Economy ministers from Italy and Spain were calling for European governments to avoid confrontation with the US, despite the biggest EU countries, in particular France and Germany, calling for a tougher stance. The divergence views expressed by Italy has caused some scepticism among EU member states, particularly France, regarding the Italian Prime Minister’s proposed visit to the United States.

In response, the Italian government has issued a clarification, underscoring that the Prime Minister’s visit to the US will not entail bilateral discussions between Italy and the United States. The Prime Minister has also reaffirmed her commitment to the EU unity, emphasizing that the visit aligns with the collective stance of the European Union.

A central aspect of the proposed visit focuses on dispelling misunderstandings, particularly those related to the US perspective on VAT. Mr. Carlo Fidanza, leader of the Brothers of Italy delegation in the European Parliament, points out that this issue poses challenges, emphasizing that the Trump administration inaccurately perceives VAT as a discriminatory trade measure. This misconception has skewed US assessments of Europe’s trade surplus. Clarifying this point is a priority on the Italian delegation’s agenda during the proposed visit.

In addition to tariffs, non-tariff barriers represent another area for potential US engagement—an especially delicate matter for Italy. The US continues to consider specific aspects of the European regulatory system, such as bureaucratic and administrative procedures, along with health and quality standards in sectors like food, as impediments to trade. However, for Italy, these standards are not up for debate and it comes to food safety, these benchmarks are fundamental for Italy.

ANNOUNCEMENT REGARDING THE TEMPORARY SUSPENSION OF PREVIOUSLY ANNOUNCED COUNTRY-SPECIFIC US RECIPROCAL TARIFF FOR A PERIOD OF 90 DAYS

In addition to tariffs, non-tariff barriers represent another area for potential US engagement—an especially delicate matter for Italy. The US continues to consider specific aspects of the European regulatory system, such as bureaucratic and administrative procedures, along with health and quality standards in sectors like food, as impediments to trade. However, for Italy, these standards are not up for debate and it comes to food safety, these benchmarks are fundamental for Italy.

Upon temporary suspension of the previously announced country specific reciprocal tariff with effect from 09.04.2025, EU imports to the US will face the standard 10% tariff rate which will be applied on all countries. However, steel, aluminium and cars from the EU will continue to be subject to a separate 25% tariff when destined to the US.

As a response to this temporary suspension, The European Union has announced that it will suspend its countermeasures against US tariffs for 90 days. The 90-day pause serves as a window for the US and EU to negotiate a comprehensive trade agreement. The EU is advocating for a "zero-for-zero" tariff deal on industrial goods and addressing non-tariff barriers. However, the exclusion of critical sectors like semiconductors and pharmaceuticals from the pause indicates the complexity of the negotiations ahead. These sectors are considered "non-negotiable" due to the US' focus on reducing reliance on foreign supply chains, particularly from countries like China.

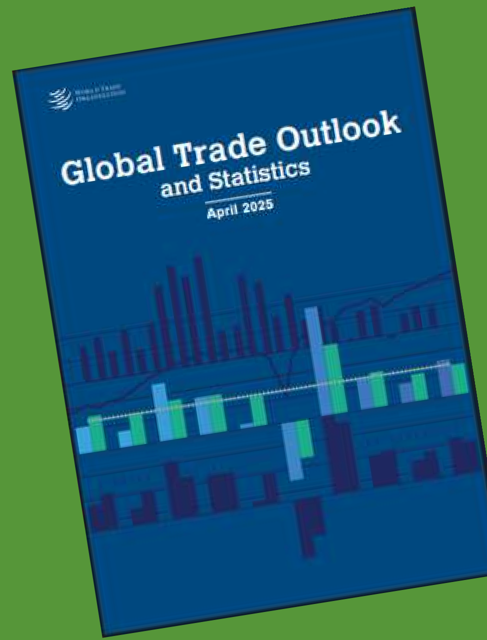
Prime Minister Meloni strongly favors negotiating the removal of all tariffs rather than responding with EU countermeasures, which she believes would escalate the conflict unnecessarily. She supports using the energy trade, particularly LNG and industrial cooperation as leverage points to strike a broader agreement with the US. While the broader EU also supports a zero-for-zero industrial tariff deal, Meloni is seen as more conciliatory and more personally invested in bridging the divide with the US.

During her Washington visit on 17 April, Prime Minister Meloni and President Trump showed optimism regarding the future of US-EU trade relations. Trump notably said there is a "100 percent" chance of reaching a tariff deal with the European Union, although he did not offer specifics or timelines.

Trump seems to maintain a firm tariff position. He hasemphasized that tariffs are a strategic advantage for the US, saying he is in “no rush” to remove them. He stated, “Everybody wants to make a deal. And if they don't want to make a deal, we'll make the deal for them", adding that he expects to cut deals with every country "over the next three to four weeks".

GLOBAL TRADE OUTLOOK 2025

Source: World Trade Organization



The World Trade Organization (WTO) website recently published the “Global Trade Outlook and Statistics” report, presenting the WTO Secretariat's forecasts for world trade in 2025 and 2026. The report includes detailed breakdowns of merchandise and commercial services trade by sector and region, as well as information on leading traders.

HIGHLIGHTS

In 2025, the volume of global goods trade is likely to fall 0.2% from a year ago under the tariff situation as of 14 April which includes a temporary pause on “reciprocal” tariffs.

The decline is steepest in North America, where exports are forecasted to drop by 12.6%, largely due to trade tensions and tariff uncertainty.

The report attributes the overall contraction to the proliferation of tariffs since January 2025 and highlights that if “reciprocal” tariffs are reinstated, combined with expanding trade policy uncertainty, merchandise trade could shrink by as much as 1.5% in 2025. Such developments would have profound impacts on least-developed countries (LDCs), many of which are highly dependent on a narrow range of exports and are vulnerable to external shocks.

In response, WTO Director-General Ngozi Okonjo-Iweala emphasized the urgent need for member states to foster a fair and stable trading environment, cautioning that prolonged policy uncertainty could severely hinder global economic growth and disproportionately impact the world’s most vulnerable economies.

For the first time, the WTO included services trade projections in its outlook. While not subject to tariffs, services trade is expected to grow by 4.0% in 2025—about a percentage point lower than previously forecast. This moderation reflects the ripple effects of merchandise trade disruption, particularly on sectors such as freight transport, logistics, and international travel.

Regionally, Asia and Europe are expected to show modest trade growth, with Asia’s exports and imports both increasing by 1.6%, and Europe seeing a 1.0% rise in exports and 1.9% in imports. In contrast, North America’s sharp contraction is expected to subtract 1.7 percentage points from global trade growth.

On the services side, Europe is set to lead with a 5.0% growth in exports, followed by Asia at 4.4%. In contrast, North America will see more modest growth of 1.6%, with expectations of a slight rebound in 2026. Africa, South and Central America, and the Caribbean are expected to face declines in services exports in 2025, reflecting broader regional challenges.

The WTO stresses that while the temporary suspension of tariffs has helped ease immediate pressure, the path ahead remains uncertain. Continued global cooperation, reform, and clear communication of trade policy are vital to restore confidence and promote inclusive growth.

SRI LANKA'S EXPORT POTENTIAL

Source : ITC Export Potential Map

SRI LANKA'S PRODUCTS WITH POTENTIAL

The treemap on the International Trade Centre's Export Potential Map illustrates Sri Lanka's untapped export potential across various product categories and global markets. Each colored block represents a specific product, with the size of the block corresponding to the estimated value of unrealized export potential. Larger blocks indicate products with significant growth opportunities. For Sri Lanka, the treemap highlights that products like tea, apparel, rubber products, and coconut-based goods offer substantial untapped potential in international markets. The map suggests that, while Sri Lanka is already exporting these products, there remains a considerable margin to expand their presence, particularly in high-demand global markets. It serves as a strategic guide for exporters and policymakers to identify sectors where targeted investment, improved production capacity, and market diversification could significantly enhance the country's export earnings.

The products with greatest export potential from Sri Lanka to World are Black tea, packings >3kg, Brassieres, and Black tea, packings <=3kg. Black tea, packings >3kg shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $295 mn.