

CEPA is by no means irrevocable

# Onus is on the govt. to make public CEPA document – Dr. Kelegama

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by Devan Daniel

The framework of the Comprehensive Economic Partnership Agreement (CEPA) with India which may be signed on the sidelines of the SAARC Summit is only a document which contains what CEPA is all about and its purposes.

"The schedules however, will be included much later after negotiations and here again the agreement is by no means irrevocable," Dr Saman Kelegama, Executive Director, Institute of Policy Studies (IPS), told the Island Financial Review.

IPS had been part of the negotiation process and had monitored the progress of the negotiations.

"It is only after deliberations with the stakeholders that certain items were brought up for negotiation," Dr Kelegama said.

"The professional services sector had been left out of the negotiations after professional bodies did not want the sectors opened until regulations and statutes are passed in parliament," he said.

The Comprehensive Economic Partnership Agreement is by no means irrevocable.

There are checks and balances in place to ensure that both countries will be in a win-win situation.

"Technical deliberations will be held every six months to sort out problems and a ministerial level meeting will be held every year to monitor CEPA and if an agreement needs to be revoked, there are provisions in place for that too," Dr. Kelegama said.

Only the following services sectors were put on the negotiation table based on stakeholder recommendations.

Sri Lanka has so far made the following commitments.

In Computer Related Services, Sri Lanka will allow Indians who are expert trainers and technical staff not more than 10 percent of the total staff for every US\$ 100,000.

Naval Architects, skilled welders and fitters, project/ship managers, repair engineers, automation engineers and

technicians are the other professionals who will be allowed into Sri Lanka.

Sri Lanka has committed to opening up the following service sectors for India to establish companies in Convention services, Healthcare (outside the Western Province), Tourism and Travel Agencies, Audiovisual services (50 percent Indian ownership in 25 cinema establishments) with restrictions in labour mobility.

"Negotiations are still on and it must be understood that the movement of Indian labour to Sri Lanka will be restricted to the above services depending on the size of the investment," Dr. Kelegama said.

He said, for example, that under the FTA, when ICICI Bank entered Sri Lanka only a certain category of staff were allowed into the country for every US\$ 25 million invested.

He said that CEPA will have similar restrictions in place.

He also said that liberalisation of the services sector will improve service stan-

dards and competition would force prices down making the services more affordable.

Dr. Kelegama said that certain items were left out of Sri Lanka's negative lists to safeguard the SME sector and agriculture.

"Items such as onions and potatoes are imported from India and these items come through the general tariff lines."

Dr. Kelegama said the onus was on the government to make public the negotiation rounds and the CEPA document.

Negotiations on the schedules will continue so it is not too late for stakeholders who had expressed concerns about CEPA to approach the Department of Commerce.

Apart from the Ceylon Chamber of Commerce and the Federation of Chambers of Commerce and Industry, the Ceylon National Chamber of Industries and the Organisation of Professional Associations had been included in the consultative process.