



MARKET REPORT – INDIA



Prepared by:
Export Development Board (EDB), Sri Lanka
July, 2014

1. Background



Population	1.2 billion
GDP	\$1.87 trillion
Growth Rate	1.51% (2009 est.)
Industries	textiles, chemicals, food processing, steel, transportation equipment, cement, mining, petroleum, machinery, software, pharmaceuticals
Export	\$313.2 billion (2013 est.)
Export Goods	software, petrochemicals, pharmaceuticals, precious stones, textiles, machinery, iron
Exports – partners	ore,[10]chemicals, automobiles United Arab Emirates 12.3%, United States 12.2%, China 5.0%, Singapore 4.9%, Hong Kong 4.1% (2012 est.)
Imports	\$467.5 billion (2013 est.)
Import Goods	crude oil, raw precious stones, machinery, fertilizer, coal, steel, chemicals
Imports – partners	Pakistan 24.3%, US 18%, Russia 8.7%, India 5.8%, China 5.6%, Germany 4.4% (2012 est.)

India is the second-most populous country with over 1.2 billion people, and the most populous democracy in the world. The economy of India is the tenth-largest in the world by nominal GDP and the third-largest by purchasing power parity. India is the 19th-largest exporter and the 10th-largest importer in the world.

Nearly two-third of the population depends on the agriculture for its livelihood. India is the largest producer in the world of milk, jute and pulses, and also has the world's second largest cattle population with 175 million animals in 2008.^[98] It is the second largest Producer of rice, wheat, sugarcane, cotton and groundnuts, as well as the second largest fruit and vegetable producer, accounting for 10.9% and 8.6% of the world fruit and vegetable production respectively.

India is Sri Lanka's closest neighbor. The relationship between the two countries is more than 2,500 years old and both sides have build upon a legacy of intellectual, cultural, religious and linguistic intercourse. Relations between the two countries have also matured and diversified with the passage of time, encompassing all areas of contemporary relevance.

India and Sri Lanka have a vibrant and growing economic and commercial partnership. Much of the impetus for the current level of our economic interaction stemmed from the signing and entry into force of the Free Trade Agreement in 1998 and March 2000 respectively.

India is the third largest export market of Sri Lanka, and the number one supplier in 2013. India - Sri Lanka total trade figure shows a declining trend in 2012 and 2013. India is among the four largest investors in Sri Lanka economy and Sri Lanka's investments in India have shown remarkable growth in recent years.

India investment to Sri Lanka reached US\$ 160 million in 2012. Major investments are Bharati Airtel in mobile telecommunication, Britannia in confectionary sector, Lanka IOC, TATA, Taj Hotels, Ultratech Cements, Ambuja Cement, CEAT, Piramal Glass and Ashok Leyland.

On the other hand, Sri Lankan companies such as Brandix, MAS Holdings, Damro, Dankotuwa, Carson Cumberbatch, Aitken Spence, John Keels, Colombo Dockyards,

DRH Logistics and Freight Links International etc have established in many sectors through trade or investments in India.

In terms of development cooperation, too, India makes a significant contribution, Sri Lanka being the largest recipient of aid, grants and concessional lines of credit in South Asia.

2. Bilateral Trade between Sri Lanka and India (2009-2013), Value in US \$ Mn

YEAR	EXPORTS FROM SRI LANKA	IMPORTS TO SRI LANKA	TOTAL TRADE	BALANCE OF TRADE
2009	325	1,695	2,020	-1,370
2010	474	2,473	2,947	-1,999
2011	522	4,338	4,860	-3,816
2012	570	3,525	4,095	-2,954
2013	544	3,089	3,633	-2,545

3. Sri Lanka's major export products to India (2009-2013), Value in US \$ '000

Code	Description	2009	2010	2011	2012	2013
H.890190	-Vessels for the transport of goods and both persons and goods	18,435	18,735	18,991	26,265	52,901
H.23099030	-Poultry feed	36,516	41,496	34,597	44,609	35,715
H.854430	-Ignition wiring sets and other wiring sets for vehicles, aircraft...	21,303	31,996	34,223	28,925	28,275
H.09041120	-Matured Berries of pepper with a density exceeding 450 grams per liter					24,639
H.09071092	-Cloves				1,516	20,511
H.470790	-Other paper/paper board, including unsorted waste and scrap	8,744	11,527	17,926	14,740	16,842
H.680221	-marble, travertine and alabaster	3,433	5,564	17,752	16,548	16,098
H.09071012	-Cloves				330	12,420
H.70199020	-For the manufacture of fibre glass fishing boats			1,196	481	12,315
H.08028090	-Other				381	10,836
H.23024010	-Brans, sharps & other residuals of rice	6,165	8,444	8,106	15,022	9,744
H.09041111	-Organic				67	9,413
	-Bottles, flasks, jars, pots nes		478	10,343	8,570	8,290
H.94035090	-Wooden furniture of a kind use in a bed room, not used	2,256	3,677	5,304	5,585	7,135
H.84185090	-Other furniture for storage & display, incorporating refrigerating & freezing equipments	22,865	17,276	23,139	16,136	6,738
H.44111490	-Other	51	3,629	5,872	5,551	6,201
H.08134090	-Fruits, dreid, excl. apricots, prunes, apples, tamarind	1,215	1,703	1,590	2,220	6,102
H.470710	-Unbleached kraft paper or paperboard or corrugated paper or paperboard	3,935	6,431	8,166	6,899	5,952
H.95030090	-Other remote controlled toys	116	1	4	3,207	5,925
H.580620	-Narrow woven fabrics, with >=5% elastomeric yarn or rubber thread	1,944	3,996	5,280	5,518	5,871

H.780110	-Refined lead, unwrought	2,225	3,648	1,494	4,368	5,731
H.09041119	-Other				804	5,657
H.401519	-Gloves of vulcanized rubber (excl. surgical gloves)	5,270	7,646	8,453	6,644	5,417
H.610310	-Suits				10,013	5,287
H.09041190	-Pepper, neither crushed no ground, other	2,415	15,040	9,470	8,215	5,087
H.600622	-Knitted or crocheted fabric of cotton, nes, dyed	2,040	5,244	10,530	2,246	5,082
H.850720	-Lead-acid accumulators (excl. for starting piston engines)			1		5,081
H.40112010	-Having a rim size 20 inches and above					4,869
H.08029010	-Arecanuts, freshed, not shelled	1,305	2,059	1,607	1,702	4,246
H.090821	-Neither crushed nor ground				460	4,109
H.740911	-Plates, sheets and strip, of refined copper, in coils, >0.15mm thick			1		4,000
H.740811	-Wire of refined copper, maximum cross-sectional dimension >6mm	7,032	15,567	10,785	7,282	3,974
H.621710	-Clothing accessories,	564	148	683	6,065	3,949
H.27101960	-Fuel oils		3,293	20	8,035	3,859

4. Sri Lanka's major import products from India (2009-2013), Value in US \$ '000

Code	Description	2009	2010	2011	2012	2013
H.27101940	Gas oil including Diesel	213,956	235,258	421,834	188,420	216,064
H.30049090	Mediciments, mixed or unmixed in the form of retail sale, nes	78,874	93,001	133,945	149,556	157,383
H.25232930	Other portland cement imported in packing of over 50 kg or in bulk	26,948	58,457	92,010	120,724	129,827
H.27101220	Petrol				20,275	125,447
H.87112010	Motror cycle, >55 cc & =< 200 cc, not more than 3 years old, reciprocating internal comb	71,696	134,987	174,299	120,669	108,459
H.87032154	Other trishaws, not more than 2 years old			21,526	131,098	107,204
H.17019910	White crystalline cane sugar	9,616	34,362	320,128	185,284	67,928
H.87042161	Vehicles with seperatae bodies for cabin and cargo for 3 cargo capacity < 1500	8,478	38,153	92,549	104,107	65,912
H.07031020	B' onions	37,054	49,180	37,804	28,609	65,745
H.230400	Oil-cake and other solid residues, of soya-bean	33,111	31,371	70,365	75,443	60,818
H.09042110	Chillies				7,794	49,155
H.27101960	Fuel oils			69,799	84,157	42,408
H.280300	Carbon (carbon blacks and other forms of carbon,)	11,203	23,490	42,023	27,392	38,454
H.520939	Dyed cotton (85% or more) fabric, weighing > 200g/sqm,	27,171	33,950	61,359	46,422	35,433
H.252310	Cement Clinkers	1	10,124	40,611	39,116	32,253
H.520859	Woven fabric of cotton, conten 85% or more cotton, weighing =	660	1,693	6,547	28,063	31,949
H.600622	Knitted or crocheted fabric of cotton, dyed	14,481	19,574	31,824	26,649	29,750
H.72071110	Billets	2,674	11,685	12,847	18,584	29,699
H.87021059	Other		9,751	68,582	64,991	27,567
H.850231	Wind-powered generating sets	5	17,376	23,971	6,798	25,281
H.87019010	Agriculture tractors not over 10 years old	11,042	24,592	47,709	46,530	22,862
H.600690	Knitted and crocheted fabric of artificial filament,	17,104	18,335	19,050	18,730	21,395

H.481092	Multi-ply paper, coated	10,742	20,592	24,532	18,225	20,508
H.520521	measuring 714.29 decitex or more and not exceeding 14 metric number	21,964	24,098	26,467	21,694	19,144
H.25232920	Other portland cement imported in packing of 50kg and below	597	545	4,128	13,275	18,545
H.600621	Knitted or crocheted fabric of cotton, unbleached or bleached	9,839	8,014	13,736	8,166	18,533
H.551511	Woven fabrics,	14,422	12,363	19,940	15,042	18,251

5. The import products of India from the world and Sri Lanka's exports

Product Code	Product description	India's imports from Sri Lanka	India's imports from world	Potential
'7102	Diamonds, not mounted or set	189	20,882,47	330,126
'4011	New pneumatic tires, of rubber	4,904	480,231	202,720
'4001	Natural rubber, balata, gutta-percha etc	24,676	966,897	98,735
'4016	Articles of vulcanised rubber o/t hard rubber,	897	501,005	75,901
'0801	Brazil nuts, cashew nuts & coconuts	1,631	937,391	75,182
'6203	Men's suits, jackets, trousers etc & shorts	7,292	64,348	57,056
'7103	Precious & semi-precious stone, notstrug,	1,169	504,654	56,965
'8538	Part suitable for use solely/princ with boards, panels, fuses, switche	357	648,728	46,108
'2106	Food preparations,	878	90,162	44,603
'3802	Activated carbon; activated natural mineral products; animal black	720	44,669	43,949
'0902	Tea	2,649	46,231	43,582
'8431	Machinery part (hd 84.25 to 84.30)	583	1,239,646	42,725
'4005	Compounded rubber, unvulcanised, in primary forms	3,823	60,009	38,045
'6205	Men's shirts	2,521	39,796	37,275
'8712	Bicycles & other cycles, not motorised	3,334	41,685	37,188
'0302	Fish, fresh, whole	0	35,135	35,135
'8609	Cargo containers designed to be carried by one/more modes of transport	59	33,408	33,349
'4015	Articles of apparel & clothing accessories of vulcanised rubber	10,096	43,336	33,240
'6204	Women's suits, jackets, dresses skirts etc&shorts	3,368	36,536	33,168
'4907	Unused stamps; chequeforms, banknotes, bond certificates, et c.	0	338,983	33,168
'0904	Pepper, peppers and capsicum	37,499	111,593	33,070
'5209	Woven cotton fabrics, 85% or more cotton, weight over 200 g/m2	353	57,327	32,841

'2710	Petroleum oils, not crude	566	5,172,377	32,631
'8504	Electric transformer, static converter (for example rectifiers)	554	1,355,611	32,377
'3923	Plastic packing goods or closures stoppers, lids, caps, closures, plas	1,030	202,647	31,242
'9603	Brooms/brushes (tooth, toilet, painting);squeegee	120	41,668	29,248
'8544	Insulated wire/cable	29,844	802,043	27,585
'8534	Printed circuits	61	363,384	26,551
'2401	Tobacco unmanufactured; tobacco refuse	0	24,505	24,505
'6109	T-shirts, singlets and other vests, knitted or crocheted	2,816	26,896	24,080
'9031	Measuring or checking machines,	956	894,539	23,586

6. Sri Lanka's leading 25 exporters to India – 2013

No	Company Name	Product
1.	AminovitPvt Ltd	Animal Feed
2.	Ishana Exports Pvt Ltd	Pepper, Cloves, Nutmeg & Mace, Other Fruits , Goraka (Garzenia), Areca Nuts, Cinnamon
3.	Motherson Electrical Wires Lanka Pvt Ltd	Insulated Wires and Cables, Scrap of Ferrous, Aluminum, Copper & Other Metals
4.	Colombo Dockyard PLC	Boat Building, Switches, Lamp Holders Boards & Panels, Books & Printed Matter
5.	D And R Exports Pvt Ltd	Furniture & Seats, Metal Furniture & Seats, Mattresses & Mattress Supporters, Labels Printed or Not, Made-Up Textile Articles, Apparel
6.	SaboorChatoorPvt Ltd	Pepper, Cloves, Nutmeg & Mace, Other Fruits , Goraka (Garzenia), Cinnamon
7.	Spice Of Life Pvt Ltd	Cloves, Pepper, Nutmeg & Mace, Areca Nuts
8.	Solas Marine Lanka Pvt Ltd	Glass & Glassware, Other Electrical & Electronic Products
9.	Stone Asia Pvt Ltd	Worked Monumental Stones
10.	Merbok M D F Lanka Pvt Ltd	MDF Boards, Other Textile Articles, Books & Printed Matter, Tableware & Kitchenware, Furniture & Seats
11.	Piramal Glass Ceylon Plc	Glass & Glassware
12.	S R Metals	Other Products of Base Metal, Standard Wire of Aluminum, Copper & Iron
13.	Shukra Trading Company	Pepper, Cloves, Nutmeg & Mace
14.	Everest Industrial Lanka Pvt Ltd	Refrigerators & Freezers, Scrap of Ferrous, Aluminum, Copper & Other Metals, Boilers, Piston Engines, Pumps & Vacuum Pumps

15.	Ceylon Spice Export	Pepper, Nutmeg & Mace, Cloves, Areca Nuts, Other Fruits
16.	SiluetaPvt Ltd	Apparel
17.	Hirdaramani International Exports Pvt Ltd	Apparel
18.	Busan Dipping Ko Lanka Pvt Ltd	Toys Games & Sport Requisites
19.	StretchlinePvt Ltd	Woven Fabrics, Other Textile Articles
20.	Rainwear Pvt Ltd	Apparel
21.	Leoch Lanka Pvt Ltd	Other Electrical & Electronic Products
22.	Wayamba Traders	Other Fruits , Areca Nuts, Cloves, Pepper, Nutmeg & Mace, Oil Seed
23.	Mubarak Trading Company	Goraka (Garzenia), Other Fruits, Cloves, Other Export Crops
24.	Associated CeatPvt Ltd	Pneumatic & Retreated Rubber Tyres& Tubes
25.	Lanka IOC PLC	Petroleum Products

7. Potential products to be explored from Sri Lanka

Apparel, Value added tea, Confectionery items, cocoa products, processed meat products, food preparations, spices, strawberries & fruits, furniture, MDF boards, insulated copper wiring sets and cables, bottle coolers, paints & varnishes, ceramic tableware & tiles, polished marbles, glass bottles, rubber gloves, pneumatic rubber tyres, solid tyres, copper wires, new machinery & electrical equipment parts, cosmetics, thermal papers, trailers & parts any other concessionary products under ISFTA

8. Trade Issues

Non Tariff barriers faced by Sri Lankan exporters when exporting to India

1. Greefield Bio Plantations Pvt Ltd
Product; Tea, Spices, Processed fruit products
Issue: Delays in clearance due to testing & high costs involved for testing for flavored teas.
Closed operation in India.
2. MAS Intimates Pvt Ltd Product:
Garments
Issue: Time delays in clearing due to testing and high cost involved for testing
3. Edna Chocolates Pvt Ltd
Product: Chocolates & Confectionary
Issue: Delays in clearance due to testing and high costs involved for testing

4. EuroScan Exports pvt Ltd Product:
tea

Issue: change of labeling requirements recently and shipment being resent to Colombo. Each new flavor tea need approval of the Tea Board India which involves high cost

FTA related issues

1. Fabric source restriction of Apparel applicable to 5 million pieces.
2. Quarantine issues with related to Floriculture Exports. (decorative items , due to lack of knowledge in the market floriculture)
3. Quarantine clearance Issues for Fruits.

9. Trade promotional programs carried out by the Sri Lanka Export Development Board

- Market Exposure programme for floriculture product exporters – Participation at “Flore Expo 2011” from 3rd to 5th March 2012
- India Rubber Expo 2010
- Technical Exposure program for Plastic products manufactures
- India Fashion Forum
- Sourcing Forum India
- Networking session to promote Sri Lankan Products in India targeting Sri Lanka Expo 2012 Market in December 2011
- India International Trade Fair
- Chennai International Trade Fair
- Ahaar Food Exhibition
- Plastindia
- Sri Lanka Trade Centre in Chennai – 2004-2009

10. Proposed Trade Promotional Activities

- Market Exposure Programme for Electronic Sector Exporters in East Asia & South Asia / IPC APEX India - 19-22 May 2014
- IITF 2014, 14th to 27th November 2014, New Delhi, India
- India Rubber Expo 2015, 15th to 17th January, New Delhi, India