

**JOINT ACTION PLAN OF  
12<sup>TH</sup> JOINT COUNCIL MEETING OF US-SRI LANKA  
TRADE & INVESTMENT AGREEMENT (TIFA)**

**BOOSTING THE SRI LANKAN ECONOMY THROUGH  
INCREASED EXTERNAL TRADE AND INVESTMENT**

Sri Lanka now has the opportunity to achieve more of its potential and become a much stronger trade and investment partner of the United States. For this purpose, the United States Trade Representative (USTR) and the Government of Sri Lanka propose a Joint Action Plan to increase External Trade and Investment under the aegis of U.S.-Sri Lanka Trade and Investment Framework Agreement (TIFA) Council. The Action Plan envisages leveraging the growing role of external trade and investment in the Sri Lankan economy to boost employment and economic growth, and sets out proposal-specific goals within a 5-year timeline for completion. It recognizes that by increasing aggregate demand, a more competitive Sri Lankan economy will provide much greater export and investment opportunities for U.S. business. The Action Plan is primarily a guide for best practices for export led growth. The Government of Sri Lanka and USTR other stake holders will play an important strengthening role in developing an implementation plan of the enumerated proposals. The U.S.- Sri Lanka TIFA Chairs will be charged with monitoring progress in implementation of the Action Plan.

The Plan affirms that growth in external trade and investment can be accomplished, *inter alia*, through a combination of macroeconomic reform; trade and foreign investment policy reform; structural adjustments; addressing competitiveness factors; and better marketing of Sri Lanka as a place to do business. The U.S. can draw on a number of resources to partner with Sri Lanka in its external trade and investment related efforts. The following key elements will form the proposed Joint Action Plan:

***Proposal #1***

Sri Lanka transforms its trade/investment regime to world class standards.

***Proposal #2***

Improve the competitiveness of Sri Lanka's current exports.

***Proposal #3***

Develop new markets, especially regional services.

***Proposal #4***

Promote greater inter-action among U.S- Sri Lanka business.

***Proposal #5***

Improve utilization of opportunities under the U.S. Generalized System of Preferences (GSP).

***Proposal #6***

Strengthen worker rights and promotion of ethical and environmentally friendly manufacturing practices to boost the global competitiveness of Sri Lankan industry, especially the Ready Made Garment (RMG) sector.

***Proposal #7***

Reform education for making it more responsive to the needs of the business.

***Proposal #8***

Deepen the role of all sectors of society, especially women, in business and trade.

***Proposal #9***

Promote greater support of SMEs in trade and investment.

***Proposal #10***

Consider promotion of other initiatives to increase external trade and investment and strengthen bilateral economic relations.