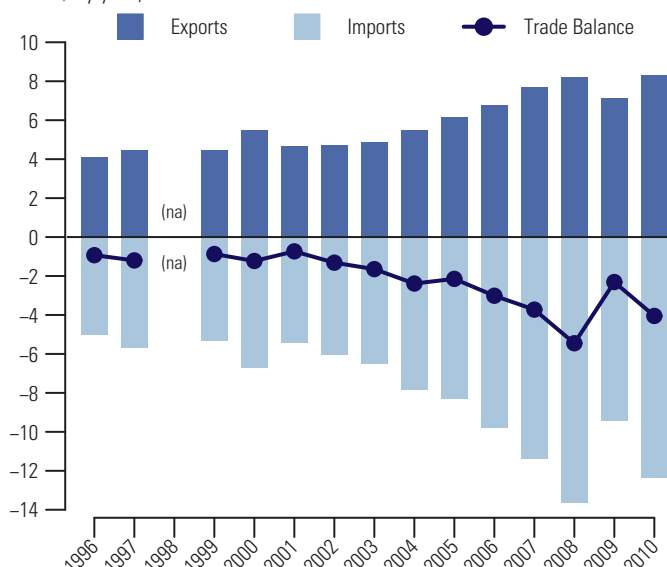


**Overview:**

After several years of continuous growth marked by a peak of 8.2 bln US\$ in 2008, the value of the exports of Sri Lanka dropped in 2009 (by 12.9 percent) but increased again in 2010 by 16.6 percent to amount to 8.3 bln US\$ slightly above the peak reached in 2008 (see table 1 and graph 1). Imports recorded a peak of 13.6 bln US\$ in 2008 before dropping in 2009 (by 30.8 percent) and bouncing back in 2010 by 31.0 percent to 12.4 bln US\$. This resulted in a trade deficit of 4.0 bln US\$ in 2010, higher than the 2009 deficit of 2.3 bln US\$ (see graph 1). Large deficits were recorded with Southern Asia (-2.8 bln US\$), South-eastern Asia (-2.1 bln US\$) and Eastern Asia (-2.0 bln US\$) (see graph 2). Trade recorded a surplus of 1.4 bln US\$ with Developed North America. Sri Lanka's trade was diversified across partners: in 2010, 20 (respectively 16) major partners accounted for 80 percent of exports (respectively imports) (see graph 3).

**Graph 1: Total imports, exports and trade balance**

(Bln US\$ by year)

**Exports Profile:**

In 2010, exports were composed of 45.9 percent of miscellaneous manufactured articles (SITC section 8), 26.6 percent of food, live animals, beverages and tobacco (SITC sections 0+1) and 14.5 percent of manufactured goods classified chiefly by material (SITC section 6). USA, United Kingdom and India were the three largest markets for exports (see table 4). The majority of exports to USA and United Kingdom were composed respectively of 82.1 and 85.4 percent of miscellaneous manufactured articles (SITC section 8). From 2008 to 2010, top exported products were tea, whether or not flavoured (HS code 0902), women's or girls' suits, ensembles, jackets, blazers, dresses, skirts (HS code 6204) and women's or girls' slips, petticoats, briefs, panties, nightdresses (HS code 6108) (see table 3).

**Table 1: Exports by SITC sections**

(Value in million US\$, growth and shares in percentage)

SITC	2010	Avg. Growth rates (%)		2010 share
		2006-2010	2009-2010	
Total	8304.1	5.3	16.6	100.0
0+1	2211.7	11.9	18.8	26.6
2+4	386.8	5.7	16.8	4.7
3	13.1	13.6	524.7	0.2
5	97.9	5.2	18.0	1.2
6	1208.2	1.1	34.5	14.5
7	441.1	5.8	43.2	5.3
8	3812.8	3.8	8.3	45.9
9	132.5	-4.1	13.0	1.6

**Table 2: Imports by SITC sections**

(Value in million US\$, growth and shares in percentage)

SITC	2010	Avg. Growth rates (%)		2010 share
		2006-2010	2009-2010	
Total	12353.7	6.0	31.0	100.0
0+1	1760.0	13.9	26.4	14.2
2+4	369.0	-0.1	56.4	3.0
3	2064.3	6.1	12.9	16.7
5	1381.7	9.4	29.9	11.2
6	3515.5	3.3	21.5	28.5
7	2646.9	5.6	69.3	21.4
8	527.8	1.7	17.6	4.3
9	88.5	11.0	1958.9	0.7

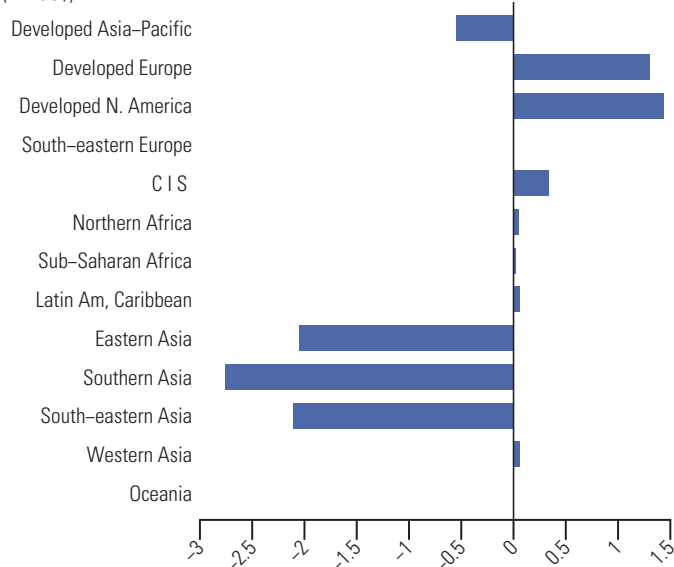
**Table 3: Top 10 export commodities 2008 to 2010**

(Value in million US\$)

HS code	4-digit heading of Harmonized System 2007	Value (million US\$)			Unit value			SITC code
		2008	2009	2010	2008	2009	2010	
All Commodities.....		8176.8	7121.5	8304.1				
0902 Tea, whether or not flavoured.....		1258.6	1175.7	1366.8	4.0	4.1	4.4	074
6204 Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts.....		649.8	564.6	584.2	6.9	6.9	7.0	842
6108 Women's or girls' slips, petticoats, briefs, panties, knitted or crocheted.....		380.8	359.3	407.0	1.5	1.5	1.5	844
6109 T-shirts, singlets and other vests, knitted or crocheted.....		354.2	338.2	345.6	3.4	3.1	3.2	845
6203 Men's or boys' suits, ensembles, jackets, blazers, trousers.....		329.5	324.9	368.9	7.4	7.4	7.5	841
7102 Diamonds, whether or not worked, but not mounted or set.....		394.3	296.7	310.6	520.4	579.3		667
6212 Brassieres, girdles, corsets, braces, suspenders, garters.....		275.7	310.0	326.7	62.3	68.1	59.6	845
6104 Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts.....		228.5	238.3	239.7	5.8	5.7	5.7	844
4012 Retreaded or used pneumatic tyres of rubber.....		200.7	116.1	200.7				625
9999 Commodities not specified according to kind.....		223.1	113.6	132.5				931

Graph 2: Trade Balance by MDG Regions in 2010

(Bln US\$)



Graph 3: Partner concentration of trade in 2010

(Cumulative share by ranked partners)

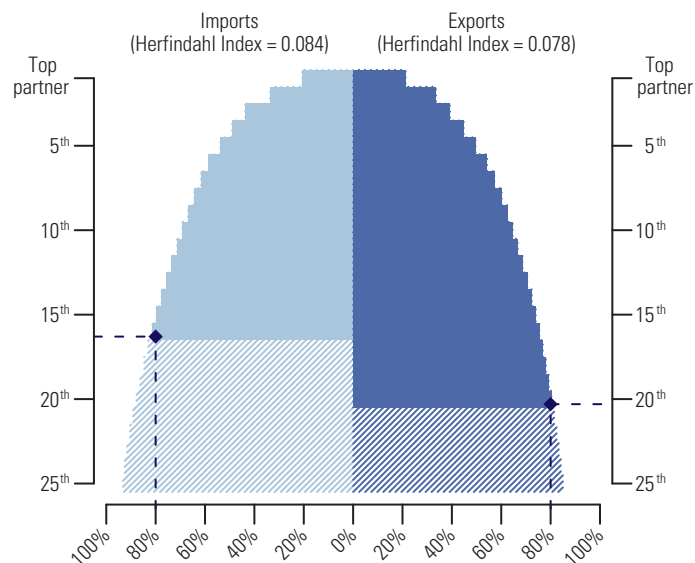


Table 4: Exports by principal countries and SITC sections in 2010

(Value in million US\$, percentages of country total)

Country	Total	Shares by SITC sections (%)									Total
		0 + 1	2 + 4	3	5	6	7	8	9		
World.....	8304.1	26.6	4.7	0.2	1.2	14.5	5.3	45.9	1.6	100	
USA.....	1767.7	2.8	1.4	...	1.4	11.1	1.2	82.1	0.0	100	
United Kingdom.....	1021.9	7.1	0.6	...	0.4	3.1	3.5	85.4	0.0	100	
India.....	467.2	33.2	13.5	0.0	1.8	23.4	18.1	10.1	...	100	
Italy.....	463.0	8.7	1.7	...	0.7	6.4	1.0	81.4	0.1	100	
Germany.....	400.6	11.7	4.1	...	0.6	15.0	9.5	59.1	0.0	100	
Belgium.....	386.6	7.1	2.7	...	0.1	63.0	0.4	26.7	...	100	
United Arab Emirates.....	246.6	73.1	1.3	...	1.5	11.2	0.6	12.2	...	100	
Russian Federation.....	243.0	90.3	0.6	...	1.5	0.5	1.2	6.1	...	100	
Singapore.....	186.3	10.9	6.1	...	2.2	6.6	44.4	30.0	...	100	
Netherlands.....	184.9	33.9	7.6	...	1.3	9.0	3.4	44.7	0.1	100	

**Imports Profile:**

Imports in 2010 were composed of 28.5 percent of manufactured goods classified chiefly by material (SITC section 6), 21.4 percent of machinery and transport equipment (SITC section 7) and 16.7 percent of mineral fuels, lubricants and related materials (SITC section 3). From 2008 to 2010, top products for imports were petroleum oils, other than crude (HS code 2710), petroleum oils and oils obtained from bituminous minerals, crude (HS code 2709) and other knitted or crocheted fabrics (HS code 6006) (see table 5).

Table 5: Top 10 import commodities 2008 to 2010

(Value in million US\$)

HS code	4-digit heading of Harmonized System 2007	Value (million US\$)			Unit value				SITC code
		2008	2009	2010	2008	2009	2010	Unit	
All Commodities.....		13629.1	9431.9	12353.7					
2710 Petroleum oils, other than crude.....		1631.3	869.6	1128.6	0.8	0.5	0.7	US\$/kg	334
2709 Petroleum oils and oils obtained from bituminous minerals, crude.....		1318.0	844.7	751.6	0.7	0.4	0.6	US\$/kg	333
6006 Other knitted or crocheted fabrics.....		346.2	308.0	372.3	8.4	7.6	8.4	US\$/kg	655
7102 Diamonds, whether or not worked, but not mounted or set.....		380.2	260.6	274.1		469.7	496.5	US\$/carat	667
1001 Wheat and meslin.....		391.2	268.7	236.5	0.4	0.3	0.3	US\$/kg	041
5209 Woven fabrics of cotton, containing 85 % or more by weight of cotton.....		310.6	272.7	297.5	5.4	5.4	6.4	US\$/kg	652
1701 Cane or beet sugar and chemically pure sucrose, in solid form.....		198.3	214.8	359.1	0.4	0.5	0.7	US\$/kg	061
8703 Motor cars and other motor vehicles principally designed for the transport.....		220.3	64.2	445.8	0.1	2.0	3.7	thsd US\$/unit	781
0402 Milk and cream, concentrated or containing added sugar.....		276.9	157.1	247.4	4.4	2.5	3.4	US\$/kg	022
2523 Portland cement, aluminous cement, slag cement.....		234.2	168.2	189.7	0.1	0.1	0.1	US\$/kg	661