

**GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:3223
ANSWERED ON:25.04.2012
SETTING UP PROJECTS IN SRI LANKA
Venugopal Shri P.

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

- (a) whether it is true that the Government is considering to allow Indian industry to set up major projects in Sri Lanka;
- (b) if so, the details thereof;
- (c) whether it is also true that the Government had received many requests from Sri Lankan Government to extend more sops to revive the infrastructure in that country; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRIMATI PRENEET KAUR)

(a) & (b) India and Sri Lanka have well established trade, commercial & economic relations. Both countries signed a Free Trade Agreement (FTA) in 1998, which came into force in March 2000. Since then, bilateral trade has increased at a rapid pace and reached US \$ 4.86 billion in 2011. In 2011, India was the second largest Foreign Direct Investor in Sri Lanka with a total investment of US \$ 147 million. The investments are primarily in the areas of petroleum retail, IT, financial services, real estate, telecommunications, hospitality & tourism, banking, food processing and manufacturing sectors.

(c) & (d) Government has implemented and continues to implement a wide range of developmental projects for Internally Displaced Persons in Sri Lanka, including creation of infrastructure facilities in the areas of housing, education, health, livelihood restoration, economic revival, rehabilitation of harbour and restoration of railway lines.