

NEWS

Sri Lanka set to lose GSP+

SRI LANKA is set to lose trade concessions worth more than \$100m after a European Union investigation found it in breach of the human rights commitments it had made in exchange for lower tariffs.

A year-long independent report commissioned by Brussels found shortcomings in Sri Lanka's protection of civil and political rights.

The European Union has found Sri Lanka in breach of International Human Rights laws, implying that Colombo does not fulfil the basic human rights conditions of GSP plus, according to an exclusive update by Reuters.

A spokesman for Lady Ashton, the EU's trade commissioner, said: "The Commission has completed a thorough investigation into the human rights situation in Sri Lanka. The report comes to the conclusion that Sri Lanka is in breach of [its] commitments."

The EU report serves up a wide-ranging critique of Sri Lankan human rights, and includes charges that government security forces were complicit in the recruitment of child soldiers.

"The assessment report says Sri Lanka does not fulfil the requirements of GSP plus," one EU source told Reuters.

"The evidence is very clear that Sri Lanka does not fulfil the basic human rights conditions of GSP plus," the source was quoted as saying, citing the report.

Brussels has consistently warned Sri Lanka it must meet 27 international human rights conventions to retain its GSP plus trade scheme.

"GSP plus is not an instrument used for short-term political crisis, but is meant to provide long-term stability," a European Commission official told Reuters.

"This is not a trade sanction. There are rules for GSP plus and if you break the rules, then unfortunately there are consequences. They will keep basic GSP either way."

The suspicion of violations of the UN Convention against Torture, the UN convention on the Rights of the Child and UN Covenant on Civil and Political Rights triggered the investigation and the report has supported these suspicions with complicity in the recruitment of child soldiers by the military and un-investigated civilian disappearances.

Human rights organisations have welcomed the findings having long-called for investigations into war crimes by the Sri Lankan military.

"You name it and Sri Lanka has the problem," Brad Adams of Human Rights Watch told Deutsche Welle.

"From extra-judicial killings,

disappearances, torture, illegal detentions, 250,000 people illegally detained in displaced persons camps, war crimes allegations from the final assaults on the LTTE - it's quite a terrible record."

The blockage has yet to be approved by member states but despite last minute attempts by groups such as 'Friends of Sri Lanka' and many British retailers such as Marks & Spencer to prevent it, it is likely to go ahead due to the findings.

The Sri Lankan government in reply has steadfastly withstood pressure on human rights and has repeatedly said it will not forgo its 'sovereignty' at the behest of western governments.

Claiming that their new key allies - Pakistan, China and India - will be more than capable of making up for the shortfall they have refuted the report and any possible independent investigation.

In an attempt to support its government the country's central bank has declared that there would be no adverse impact on its exporters.

"Our exporters are resilient and the loss would be minimal," K.D. Ranasinghe, director at central bank's economic research department, told Reuters.

The government is currently studying the EU report and will raise its counter-arguments to compel European governments to prevent the block. The decision will be made towards the end of the year by a vote.

Sri Lanka is a beneficiary of the EU's Generalised System of Preferences Plus scheme, which gives 16 poor countries preferential access to the trading bloc in return for following strict commitments on a wide variety of social issues.

Sri Lanka was handed the preferential treatment following the 2004 Indian Ocean Tsunami.

The scheme provides the holder the opportunity to import trade products into the EU for much lower tariffs than they would otherwise face and Sri Lanka has since reaped the rewards of it being granted.

Its suspension from the scheme - which still has to be approved by member states - would be the first since its inception in 2005.

Trade with Europe is key to Sri Lanka's economy: EU members account for 38 per cent of its exports, and provide it with a large trade surplus which Sri Lanka uses in turn to finance an equivalent deficit with neighbouring India.

Sri Lanka's garment industry earned \$3.47 billion from the EU as well as \$1.2 billion from its tea exports.



Sri Lankan President Mahinda Rajapaksa and Vietnamese President Nguyen Minh Triet agreed that their countries would cooperate more closely in the future during a visit by Rajapaksa to Hanoi

Vietnam, Sri Lanka sign pacts

VIETNAMESE and Sri Lankan presidents agreed on Thursday October 22 that the two countries would promote cooperation in the sectors of agriculture, fishery, oil and gas, and tourism, Vietnam News Agency reported.

The agreement was reached during talks between Vietnamese President Nguyen Minh Triet and visiting Sri Lankan President Mahinda Rajapaksa.

Triet said that the Sri Lankan president's visit is an important event, marking new development in bilateral relations.

Rajapaksa thanked the State and people of Vietnam for supporting Sri Lankan people, especially in international forums.

The two leaders agreed that the to-be-signed documents during the visit of Sri Lankan president will lay a foundation for ministries and state agencies of the two countries to further expand cooperation.

The two presidents also discussed measures to promote cooperation in regional and international forums.

After the talks, Triet and Rajapaksa witnessed the signing of many important documents for cooperation between the two countries, including the agreement on investment protection and encouragement, the agreement on crime prevention and fighting, the memorandum of

understanding on culture, the plan on cooperation for agriculture development in the 2010-2011 period, and the plan on seafood cooperation in the 2010-2013 period. Additionally an expected delegation of Vietnamese businessmen and heads of commerce are likely to arrive in Sri Lanka soon to further enhance these agreements.

Vietnam was thanked by Rajapaksa for the country's support in opposing a resolution against Sri Lanka in the United Nations Human Rights Council. Vietnam had opposed the UN's call for investigation into human rights abuses during the last days of the war in Sri Lanka.

Rights group opposes extending Sri Lanka's GSP+ privilege

Edward Mortimer
Letter to Financial Times

YOUR argument for extending Sri Lanka's "GSP+" access to the European Union market is plausible but specious ("Tigers and trade", editorial October 21). There might be a good case for extending this concession to all developing-country imports, but no one is suggesting that. As things stand, Sri Lanka is one of only 15 countries in the world to receive this treatment, and the only one in Asia. This discriminates unfairly against imports from other Asian countries.

GSP+ was accorded to Sri Lanka in 2005 on a wave of international sympathy after the tsunami. It was, as you say, conditional on ratification and implementation of 27 international agree-

ments. The EU now has to decide whether to extend the deal, in the face of a damning independent report, commissioned by the EU itself, which shows that Sri Lanka has flagrantly ignored many of these conditions, including notably those that cover basic human rights.

Nor is it only, as you suggest, a matter of "human rights abuses committed ... in the course of the conflict with the Tamil Tiger rebels". That conflict ended five months ago, with a total victory for the government. Yet so far from being magnanimous in victory, the government has until now held more than 250,000 civilians in insanitary internment camps, currently threatened with monsoon flooding, while an unknown number of alleged combatants are held elsewhere, out of sight of the media, Red Cross and other humanitarian agencies.

Wartime promises that Tamil grievances would be peacefully redressed once hostilities were ended have not been fulfilled. Instead an atmosphere of racist triumphalism has been encouraged.

"Sri Lanka is not Burma", you write. Perhaps not, but it seems some of its leaders would like it to be. Burma was the first foreign country visited by President Mahendra Rajapaksa after his victory over the Tigers last May, and his own government website reported that one of his aims was to advise the Burmese generals on how to defeat their own ethnic insurgents, learning from Sri Lanka's methods.

If the EU does not resist this repressive contagion, who will?

Edward Mortimer, Chair, Advisory Council, Sri Lanka Peace and Justice Campaign