

**SRI LANKA**



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**10<sup>TH</sup> COUNCIL OF MINISTERS MEETING OF  
INDIAN OCEAN RIM ASSOCIATION FOR REGIONAL  
COOPERATION**

**August 05, 2010  
Sana'a, Republic of Yemen**

**Statement delivered by**

**Hon. Gitanjana Gunawardena M.P.  
Deputy Minister of External Affairs of Sri Lanka**

**Your Excellency, Dr. Abubaker Abdulla Al-Qirbi,**

**Minister of Foreign Affairs, Republic of Yemen and Chair of IOR-ARC**

**Excellencies,**

**Ladies and Gentlemen,**

It is indeed a great pleasure to be in Sana'a, the Republic of Yemen at the 10<sup>th</sup> Council of Ministers Meeting of Indian Ocean Rim Association for Regional Cooperation.

I must place on record our appreciation to the Government of the Republic of Yemen for the excellent arrangements that have been made for this Meeting and for the gracious hospitality extended to me and my delegation during our stay in Yemen. I take this opportunity to express my sincere thanks and appreciation to the Government of the Republic of Yemen, outgoing Chair, for the leadership in steering the course of IOR-ARC during last two years.

I also wish to congratulate India and Australia on assuming the Chair and the Vice Chair of IOR-ARC respectively. I am confident that their stewardship would help us to achieve the objectives of our regional grouping for the greater benefit of our people.

The Indian Ocean is the third largest ocean. It carries half of the world's container ships, one third of the bulk cargo traffic, two thirds of the world's oil shipments. It is a lifeline of international trade and economy. The Indian Ocean Rim with a population of about 2.5 billion makes it an attractive market.

Mr. Chairman,

It is with pride that I bring to your attention that, one year ago, the Government of Sri Lanka eradicated the scourge of terrorism from our shores. Sri Lanka had coped with the challenge of LTTE terrorism for more than three decades, the LTTE being the most dangerous and deadly extremist outfit in the world.

The dawn of peace in Sri Lanka has brought about opportunities for rapid economic reconstruction in our motherland. The Government of His Excellency President Mahinda Rajapaksa, is investing heavily in the reconstruction of the affected areas in the North and East and in the improvement of the national infrastructure.

Mr. Chairman,

Sri Lanka has been a committed Member State of IOR-ARC and since joining the Association, has hosted the Council of Ministers Meetings in 2003 and 2004 in Colombo.

Since the very beginning of the IOR-ARC, we have followed a tradition of promoting a tripartite dialogue for decision making. The partners in this exercise are the government, academia, and the business community. In fact, the decision making process by the senior officials of the government has been well facilitated by the inputs received from the Academic Group and the Business Forum.

The Indian Ocean Rim Academic Group (IORAG) has produced many reports and so has the Indian Ocean Rim Business Forum (IORBF) suggesting various recommendations to move IOR-ARC forward. Therefore, the time is now opportune for us to take cognizance of these important suggestions and recommendations to make our regional organization more vibrant.

IORAG, for instance, submitted a report on a possible formation of a Clearing Payment Union for IOR-ARC. This report was jointly produced by the two focal points of IORAG in Sri Lanka and India and was submitted to the Ministerial Meeting in Oman in 2001. We should avail ourselves of the experiences of the Asian Clearing Union (ACU) & SAARC Payments Initiative, in order to take this dialogue further.

I strongly feel that there are areas where we can agree for “win-win” cooperation. Two areas come to my mind; firstly, IOR-ARC cooperation to enhance Intra-regional Tourism. Our region signifies unity in diversity. As such, it offers tremendous potential for tourism. An Indian Ocean package for tourism can cover Africa, Middle East, South and East Asia and Australia. Individual member countries can benefit from such tourism.

One of very fundamental activities undertaken by the IOR-ARC is the voyage by the “Jewel of Muscat” the reconstructed 9<sup>th</sup> Century trade vessel. The vessel arrived in the Port of Galle on April 19<sup>th</sup> and left Sri Lanka on May 15<sup>th</sup> 2010. This particular activity has created tremendous interest in Sri Lanka public, including school children.

Secondly, IOR-ARC cooperation in combating Marine Pollution and Ocean related Disaster Management. The recent British Petroleum episode in the Gulf of Mexico has brought to the attention of the international community that marine resources are an inseparable component of the shared heritage of mankind. In this context, as the Indian Ocean is our common medium of connectivity, protecting and preserving the marine ecosystem would be one of the priority areas.

Also, with the devastation caused by the Indian Ocean Tsunami in December 2004 and subsequent signs of underwater disturbances in the Indian Ocean, early warning system and disaster management have become crucial subjects.

Consequences of global warming are areas of concern for us. International research indicates that sea levels are rising unevenly in the Indian Ocean placing millions at risk along low lying coast lines. The rising sea levels are said to be caused in part by climate change and triggered by warming seas. These are areas we can cooperate and share each other's experiences.

Mr. Chairman,

Ongoing regional cooperation projects within IOR-ARC of special interest to Sri Lanka, include cooperation in the fisheries sector, setting up of a Maritime Council and development of a compendium on investment regimes. Sri Lanka has presented its comments relating to the Instrument for the Establishment of the Fisheries Support Unit of the IOR-ARC.

We believe that it is necessary to promote sustainable exploitation of fishery resources. The danger of over utilization has now become a serious concern.

Sri Lanka looks forward to playing an active role in the proposed Maritime Transport Council (MTC) and also to establish a vibrant working relationship with the rest of IOR-ARC Member States.

We also need to take note of the growing security concerns on shipping and cooperate to strengthen the protection of shipping lanes vital to trade in our region.

Under the “Mahinda Chinthanaya”, vision statement for Sri Lanka of President Mahinda Rajapaksa, Sri Lanka has enhanced its maritime support services such as the extension of the Port of Colombo and the establishment of a new harbor in Hambantota which is in the south of Sri Lanka.

The Port of Hambantota is strategically located a mere 12 nautical miles north of major maritime/ trade route which will connect the East and the West in the Indian Ocean. The new Port will commence operations this year, and once fully functional, it will definitely be a catalyst in servicing and promoting maritime trade in the Indian Ocean.

Mr. Chairman,

The four key components of the IOR-ARC roadmap include trade liberalization, trade and investment facilitation, economic and technical co-operation and trade and investment dialogue.

Preferential Trade Agreement may be useful as a framework to enhance economic cooperation for the mutual benefit of all members while safeguarding the interests of member countries and we appreciate the work undertaken by the trade experts in this regard.

Sri Lanka welcomes the outcome of the deliberations of the Fourth Meeting of Trade Experts on the IOR-ARC Preferential Trade Arrangement, in mapping the work envisaged with regard to the implementation of a framework for a PTA. However, given the slow progress in the negotiations of the PTA we find it is timely that the Group of trade experts, while working towards the finalization of the framework for the PTA should also explore other mechanism for the expansion of trade.

Sri Lanka notes with satisfaction the successful conclusion of the “Regional Experts Meeting on Herbal Medicine Processing” which was held in Teheran in June 2010. The initiatives taken at the end of the Expert Group Meeting would be a medium for strengthening cooperation in herbal medicine related technology among the Member States.

IOR-ARC today is well into its second decade. It is therefore timely that we undertake a realistic assessment of the opportunities and challenges faced by our Organization. The need is to collectively map out a strategy that can unlock the tremendous potential that is in existence within the Member States of IOR-ARC.

As IOR-ARC seeks to expand its cooperation in to new and innovative areas ,its imperative that the member states of IOR-ARC takes stock of their capacity and will assist to each other to strengthen the areas of common interest.

There are clearly three specific areas in which Sri Lanka considers it self uniquely placed to contribute to enhance cooperation within the IOR-ARC region. These are:

- Environment
- Ocean Sciences
- Intellectual Property Rights

The idea is for Sri Lanka to provide a centre of excellence in one of these fields, where activities such as academic and professional exchanges, facilitation of capacity building, research and analysis and technical cooperation would take place. The government of Sri Lanka hopes to be able to provide resources for such a centre.

Mr. Chairman,

Sri Lanka welcomes the proposed review of the IORAC Charter, which seeks to build and expand understanding and mutually beneficial co-operation through a consensus based approach.

Mr. Chairman,

Sri Lanka’s expertise in the field of construction has been recognized regionally and internationally with Sri Lankans handling a number of mega construction projects for international agencies. Sri Lanka therefore wishes to host the 3<sup>rd</sup> Construction Business Conclave Seminar on Business Opportunities in 2011.

Sri Lanka has been historically a seat of learning and imparting knowledge. In the field of education, Sri Lanka has been able to produce globally competitive academics and

researchers across all disciplines. We have developed our own postgraduate institutes in disciplines such as engineering, agriculture, science, medicine, management, archaeology and Buddhist studies. Sri Lanka wishes to underline that the challenges and concerns of the globalization process that is taking place in the realm of education can only be addressed in a collective manner.

In this regard, Sri Lanka appreciates the offer of the Government of Malaysia to host “IOR-ARC Higher Education Conference” which will be held in Malaysia. Given the importance of the agenda of this meeting, Sri Lanka will ensure the highest possible and active participation.

Mr. Chairman,

With the growing significance of emerging markets in Asia, Middle East, and parts of Africa, IORAC can play a significant role in the future.

Mr. Chairman,

Finally, I wish to acknowledge the contribution of the Chair, the members and the IOR-ARC Secretariat in steering this session to a successful conclusion. I assure you, Mr. Chairman, Sri Lanka’s fullest support and cooperation in the progress of IOR-ARC.

May Triple Gems Bless You.

Thank You.