

Economic pact with India 'not finalised yet': Sri Lanka

Sri Lanka has said the an economic pact with India 'is yet to be finalised', even as [New Delhi](#) was hopeful that the long-awaited Comprehensive Economic Partnership Agreement (CEPA) would be signed on the sidelines of the upcoming Saarc summit.

Addressing a weekly post-cabinet press briefing in Colombo Friday, official spokesman and Minister of Media Anura Priyadharshana Yapa said the cabinet 'is yet to approve the proposed agreement' and it would be subjected to further consultation and dialogue with the relevant officials and parties.

'Still there are some issues that are debatable in the agreement,' Yapa was quoted as saying in media reports.

The government's remarks have come a few days after the radical Janatha Vimukthi Peramuna (JVP) said Sri Lanka should not sign the deal as the party believed it 'favoured India'.

The JVP, a former coalition partner of the United People Freedom Alliance (UPFA) government, also said the existing Indo-Lanka Free Trade Agreement had resulted in large volumes of Indian imports to the country.

Ten days ago, visiting Indian Commerce Secretary Gopal K. Pillai told reporters here that India 'hopes to have the CEPA signed on the sidelines of South Asian Association for Regional Corporation (Saarc) summit opening in Colombo Aug 1".

Claiming the proposed agreement, once signed, would be India's first such agreement with another Saarc member country, Pillai said it would be fully operational in three years, covering trade in the areas of goods, services, education and custom cooperation between the two neighbours.

So far, India has signed the CEPA with Singapore in 2005 and is holding talks with South Korea, Japan and the EU to enter into the same agreement.

India signed a Free Trade Agreement (FTA) with Sri Lanka in 1999 and as a result Sri Lanka's volume of trade with India has increased from \$49 million to \$516 million while India's trade volume with Sri Lanka has increased from \$549 million to \$2.7 billion between 1999 and 2007.

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