

## **Sri Lanka-Singapore Free Trade Agreement: A Stepping Stone for Economic Cooperation**

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### **Abstract**

Due to the key strategic location, the world has devoted considerable attention to Sri Lanka. In this regard, the government must take a ‘quantum leap’ in terms of moving towards a new era of international trade. Sri Lanka has signed 15 bilateral and regional free trade agreements, starting from Asia-Pacific Trade Agreement in 1976 to Sri Lanka-United State FTA in 2002. But the most significant agreement is with Singapore on 23rd January 2018, the ‘Sri Lankan-Singapore Free Trade Agreement (SLSFTA)’. This symbolizes institutional bonding between South Asia along with Southeast Asia and overshadowing the maritime spaces of Malacca Strait and Bay of Bengal. The main research question of this paper is identifying how the SLSFTA turns out to be a stepping stone for Sri Lankan-Singapore economic cooperation. The objective of the study is to look forward to a strong Sri Lankan-Singapore economic cooperation through mitigating the adverse impacts and maximizing the benefits to Sri Lanka. This study adopts a qualitative research methodology, wherein secondary data is taken as the main type of data obtained from newspaper interviews, journal articles, e-books, web articles, etc. Based on the findings a SWOT analysis discusses the strengths, threats, weaknesses, and opportunities of the SLSFTA. Strengths include high-quality human resources, reduce technical trade barriers, and a plethora of century-long cultural, and religious ties. Weaknesses include asymmetric advantages to Singapore’s interest, impact on domestic producers and consumers, and environmental degradation. Threats are public opposition, greater robustness requires for the consultation process, and economic downturn through COVID 19. Opportunities include accession to the regional economic partnership, better access to markets, increased FDI flow, and reduction of the dependence on EU and US markets. Research findings suggest that Sri Lanka should amend certain instruments and mechanisms to address weaknesses and threats of the SLSFTA. This study concludes how SLSFTA robust the Sri Lankan trade sector by creating a strong Sri Lankan-Singapore economic cooperation.

**Keywords:** Economic cooperation; International Trade; Singapore; SLSFTA; Sri Lanka

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