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Report Highlights:

Biotechnology in Sri Lanka is at a nascent stage; biotechnology policy and regulations are still evolving. A national policy on biosafety was launched by the Ministry of Environment and Natural Resources in October 2005. A labeling regulation with regard to biotech food products has been pending since February 2005. Sections III-V of this report were updated on 07/24/06.

Includes PSD Changes: No
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SECTION I: EXECUTIVE SUMMARY

Biotechnology in Sri Lanka is at a nascent stage; biotechnology policy and regulations are still evolving. There is no biotechnology regulatory system in force at present. A National Biosafety Framework for Sri Lanka (NBFSL) has been established to regulate the import of biotech foods, and to ensure the safe utilization of modern biotechnology in domestic agriculture. However, officials responsible for the development of the framework are unsure whether or when the draft policy framed under the NBFSL will be implemented. Major US agricultural trade interests in the country include wheat, processed cheese, apples, oranges, vegetable seeds, un-manufactured tobacco, feed, and a limited volume of packaged products. Sections III-V of this report were updated on 07/24/06.

SECTION II: BIOTECHNOLOGY TRADE AND PRODUCTION

There is no commercial production of biotechnology crops in Sri Lanka, nor are any biotechnology crops under development in the country. Sri Lanka imports soybeans, corn flour, planting seeds, lentils, cotton, and tobacco, some of which may be bioengineered. However, there is no mechanism to test whether the imported products are bioengineered. Sri Lanka is a food aid recipient country, receiving mostly wheat from the United States under the aid program.

SECTION III: BIOTECHNOLOGY POLICY

There is no regulatory framework in force in Sri Lanka for agricultural biotechnology. In August 2005, the Ministry of Environment and Natural Resources (MENR) constituted the National Biosafety Framework for Sri Lanka (NBFSL) to regulate the import of bioengineered food and the application of biotechnology in domestic agriculture. The NBFSL drafted a National Policy for Biosafety (www.biosafety.lk/pub/policy/policy.doc), which was launched by the MENR in October 2005. The NBFSL website, www.biosafety.lk, contains various proposals pertaining to biotechnology, such as the Legal Report on Biotechnology and Biosafety; Technical and Technology Aspects of Biosafety; and Institutional Aspects of a National Biosafety Framework.

Currently, there is no single regulatory authority to handle biotechnology products. The MENR was designated by the government to establish the NBFSL, and to interact with the Cartagena Protocol (CP) Secretariat. The NBFSL recommended the formation of a National Competent Authority, to be known as the National Council for Biosafety (NCB), as the apex body on biotechnology. The NCB, comprised of representatives of various concerned Ministries and civil society, will be tasked with a wide range of responsibilities, such as developing Research & Development-industry linkages to promote biotech industries, and establishing legislation, protocols, and guidelines. The NCB will have to be established by a framework law or an Act of Parliament. However, at present no efforts are being made to make the NCB a reality.

The NCB will be required to: (a) screen applications and forward them to the relevant Sectoral Competent Authorities (SCA) and (b) make them available for public comment. The SCA's are required to have their own mechanism to carry out risk assessments and report back to the NCB. SCA's may involve the following agencies:

Department of Agriculture (DOA):	Agricultural and non-agricultural (e.g. forest species, ornamentals) plants, planting material
Department of Health Service (DOH):	Biotech food and pharmaceuticals

Veterinary Drug Control Authority
(Department of Animal Production
and Health):

Domestic animals, including fish, birds,
bees, and any other domesticated or
wild animals kept in captivity. Biotech
fish and/or veterinary pharmaceuticals.
Animal feed including biotech feed
ingredients.

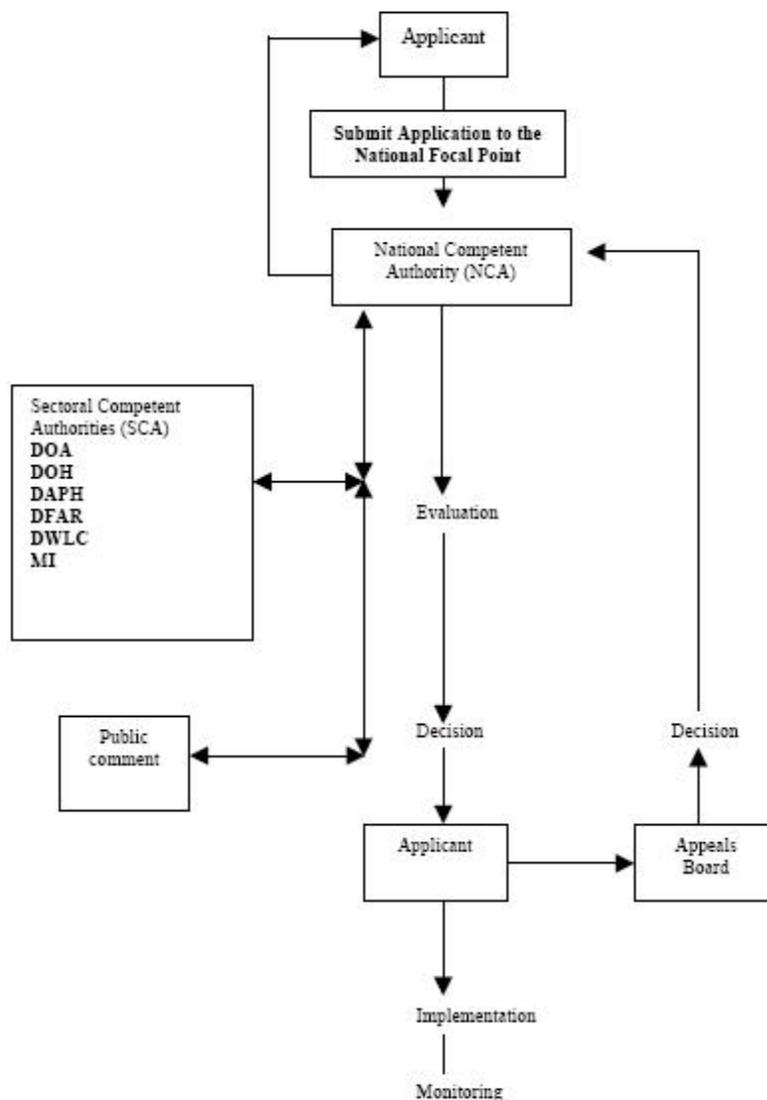
Department of Wildlife Conservation
(DWLC):

Wild animals and tropical aquarium fish.

Department of Fisheries & Aquatic
Resources:

All aquatic animals and aquatic plants.

Following is the NBFSL's proposed flow chart for the evaluation of biotech applications:



The National Science Foundation (NSF) recommended the establishment of an authority under the Ministry of Science & Technology that would be responsible for initiating, promoting, regulating, and monitoring biotech industries. It would also regulate the resultant activities with respect to safety, quality, and ethical issues.

The labeling of packaged food is required under the "Food (Labeling & Advertising) Regulations 2005," ostensibly for consumer awareness, health, safety, and nutrition reasons. A labeling regulation with regard to biotech food product imports has been pending since February 2005. The proposed legislation, even if implemented, is unlikely to have a significant impact on consumption and trade of such products, as the general public is not familiar with biotechnology.

Sri Lanka has signed and ratified the Cartagena Biosafety Protocol, which so far has not impacted trade. Although Sri Lanka at present does not have the capability (personnel and facilities) to test for biotech food, under the proposed monitoring and enforcement criteria of the NBFSL, approval of biotech products for import and use in Sri Lanka will be subject to rigorous testing and risk assessments by qualified laboratories and institutions.

SECTION IV: MARKETING ISSUES

At present, market acceptance for agricultural biotechnology products is not an issue.

SECTION V: CAPACITY BUILDING

USDA has trained a local agricultural scientist and two media persons on biotechnology issues, using the Cochran Fellowship Program. Under a scientific exchange program with the Sri Lankan Department of Agriculture, the USDA is funding programs aimed at developing rice varieties that are resistant to pests, diseases, and abiotic stress; DNA marker-based selection of tomatoes for bacterial wilt resistance and heat tolerance; and developing virus-free planting material.

Key Sri Lankan stakeholders, including government officials, scientists, and environmental groups, all of whom influence policy, need to be convinced regarding the safety aspects of biotech food, and regarding the advantages of biotechnology to achieve food security. An increased biotechnology outreach effort from the United States is necessary to achieve this objective. Assistance is also needed with institutional capacity building, including human resource development, in order to support and implement the biotechnology policy and an effective regulatory system.

The Council for Agriculture Research Policy (CARP) and the National Science Foundation have identified biotechnology as a means to improve the domestic agricultural sector's productivity, profitability, and to lessen the harmful effects of chemical fertilizers. A joint program between CARP and the Michigan State University to draw up a detailed road map for biotechnology in Sri Lanka began in December 2005 with a workshop to launch the project. Key stakeholders, including the government, private sector, universities, and Non-governmental Organizations participated in the workshop.

The U.S. government submitted comments regarding the Sri Lankan Bio Safety Framework to aid in its development.