TRADE AND INVESTMENT FRAMEWORK AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

The Government of the United States and the Government of the Democratic Socialist Republic of Sri Lanka (individually a Party and collectively the Parties):

Desiring to strengthen further the bonds of friendship and spirit of cooperation that have existed between the United States and the Democratic Socialist Republic of Sri Lanka for over fifty years;

Desiring to foster an open and predictable environment for international trade and investment and economic cooperation;

Recognizing the benefits to each Party resulting from increased international trade and investment;

Reaffirming their membership in and strong support for the World Trade Organization (WTO);

Desiring that this Framework Agreement reinforce the multilateral trading system by strengthening efforts to complete successfully the Doha Development Agenda;

Recognizing the benefits of eliminating non-tariff barriers as a means to facilitate greater access to the markets of both countries;

Recognizing that foreign investment confers net positive benefits on each Party;

Recognizing the essential role of private investment, both domestic and foreign, in furthering growth, creating jobs, expanding trade, improving technology and enhancing economic development;

Desiring to encourage and facilitate private sector contacts between the two countries;

Recognizing that the effective protection and enforcement of intellectual property rights encourages technological innovation and investment;

Recognizing the increased importance of services in their economies and in their bilateral and international relations;

Reaffirming our commitment in the Doha Declaration that expansion of trade and investment and the promotion of sustainable development and protection of the environment can and must be mutually supportive;

Reiterating our commitment reaffirmed in the Doha Declaration to uphold internationally recognized core labor standards;

Acknowledging the Treaty Between the Government of the United States of America and the Government of Sri Lanka Concerning the Encouragement and Reciprocal Protection of Investment ("the Bilateral Investment Treaty") of 1991; the Bilateral Agreement for the Protection of Intellectual Property Rights of 1991; and the Bilateral Air Services Agreement of 2002; and

Stressing that the liberalization of trade and investment promotes economic growth and development and considering that it would be in their interest to establish a bilateral framework to further promote trade and investment between them.

To this end, the Parties agree as follows.

Article One.

The Parties affirm their desire to expand trade in products and services consistent with the terms of this Agreement. They shall take appropriate measures to encourage and facilitate in a mutually beneficial way the exchange of goods and services and to secure favorable conditions for long-term development and diversification of trade between their respective nationals and companies.

Article Two.

In accordance with their prevailing laws and regulations, the Parties agree to establish a Joint Council on Trade and Investment.

The Joint Council will be composed of representatives of both Parties. All meetings of the Joint Council will be jointly chaired by the United States Trade Representative (USTR) on behalf of the United States of America and by the Minister of Commerce and Consumer Affairs on behalf of the Democratic Socialist Republic of Sri Lanka. The chairs may delegate their authority to their respective senior officials to conduct a meeting of the Joint Council. Both Parties may be assisted by officials from other government agencies as circumstances require.

Article Three.

The Parties plan to coordinate, as appropriate, their efforts to advance the Doha Development Agenda. Such coordination should occur in the Joint Council, and in the various bodies of the WTO.

Article Four.

The Parties agree to initiate consultations on areas of cooperation that may be agreed by the Joint Council to liberalize trade and/or investment.

Article Five.

The Joint Council shall be responsible for:

(1) convening regular meetings of the Parties regarding the terms of this Agreement.

(2) monitoring the Partiesbilateral trade and investment relations and identifying opportunities to expand trade and investment; and

(3) organizing consultations on specific trade matters and those investment issues not arising under the Bilateral Investment Treaty.

Article Six.

The Joint Council may establish ad hoc working groups that may meet concurrently or separately to facilitate its work.

Article Seven.

The Joint Council may meet at the request of either Party on a mutually convenient date and at an agreed location to consider any trade matter or investment issue not arising under the Bilateral Investment Treaty between them.

Article Eight.

This Agreement shall be without prejudice to preexisting rights and obligations of the United States of America and the Democratic Socialist Republic of Sri Lanka under their respective domestic laws, the WTO, or under any other binding agreements to which either Party is a signatory.

Article Nine.

This Agreement may be added to or amended at any time by mutual consent of the Parties.

Article Ten.

This Agreement is effective from the date of signature by both Parties and shall remain in effect unless terminated by mutual consent of the Parties or by either Party upon six months written notice to the other Party.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective governments, have signed this Agreement.

DONE at Washington, D. C. this 25th day of July 2002.

For the United States of America

For the Democratic Socialist Republic of Sri Lanka