

**Statement made by Hon. Padmasiri Yatanwala, Deputy Minister of Agriculture of Sri Lanka**

**MINISTERIAL MEETING ON GOVERNANCE AND INTERNATIONAL COMMODITY MARKETS**

Mr. Chairperson, Director General of FAO, Panel of Speakers Ministers, Vice Ministers, Excellencies, Permanent Representatives,

Ladies and Gentlemen,

Firstly, I wish to convey our thanks and appreciation to Mr. José Granziano da Silva, the Director General of FAO personally, for having invited Sri Lanka to this important ministerial meeting: I consider this is a privilege and an honor to make this statement on behalf of the Minister of Agriculture and the Government of Sri Lanka at this meeting.

With me I bring the best wishes of His Excellency Mahinda Rajapaksa, the President of Sri Lanka, and the Government of Sri Lanka to this important Ministerial Meeting on Governance and International Commodity Markets. I am sure, that the deliberations of this international ministerial meeting will address the issues that are important to the member countries, and find favourable solutions towards achieving the common objective of prosperity and wellbeing of the people of our nations.

Many of you are aware, that Sri Lanka is a commodity dependent country as well as a net food importer of Tea, Rubber, and Coconut, which are major plantation crops grown in Sri Lanka and which account for around 25% of total export earnings in the country. Furthermore, Sri Lanka is spending around USD 1 billion annually on a national food bill, to import food item such as: wheat, potato, big onion, chilies green gram, soya bean, sugar and milk powder etc. In this context international commodity markets clearly impact on the economic growth, poverty and food security in Sri Lanka too.

In governance of international commodity markets, avoidance of excessive price volatility is important in the short run while paying attention to the other strategies such as improvement of real income in developing countries, encouragement of research and development to improve productivity and competitiveness is important in the long run. Buffer stock can play an important role in controlling price volatility. Furthermore, this is important in the context of climate change the world is facing today. At international level as well as local level there are deficiencies in reliable and up-to-date information on stocks. We should encourage all stakeholders at National, Regional and Global levels to work closely with the professionals in the fields of science, technology and industry to ensure that availability of information on stocks and maintaining the buffer stock is given a high profile in the country strategies.

For encouragement of research and development to improve productivity and competitiveness in developing countries, investment in agriculture must play an important role. We should encourage all stakeholders at National, Regional and Global levels to ensure that investment in the agriculture sector is given a high profile in the country investment Strategy.

At this juncture, it would be remiss, if I do not mention the valuable contribution made thus far by FAO, which assisted our country by an array of ways and means in the form of projects. This assistance has given some relief to the Government in terms of financial and technical perspectives. The Government of Sri Lanka, highly appreciates this assistance and support rendered by FAO, and looks forward to receiving similar kinds of support in future.

Thank you