

**Impact of Post Doha Agricultural Liberalization on Efficiency and Comparative Advantage of Rice and Potato Sectors in Sri Lanka: A Policy Analysis Matrix Approach**

Specific policies on agriculture included provision of input subsidies, guaranteed product prices and state owned marketing services. With the implementation of open economic policies starting from 1977, Sri Lanka liberalized some of the activities relating to agriculture and on a “second wave of liberalization” in 1990, and the trade policy was further simplified. However, some of the policies of the inward looking extend even in to post liberalization period and imports of major sensitive agricultural commodities including rice, potato, chili and onions are still controlled through tariffs, non tariff measures and quantitative restrictions. Thus the present policy is neither liberal nor protective. To complicate matters further, Doha Development Agenda demands a substantial improvement in market access, reduction and ultimate phasing out of export subsidies and domestic support. Consequently nobody is clear about the real effects of present day policy and don’t know how to continue with further policy reforms.

Fragmented research conducted so far does not shed enough light on the impacts of the existing agricultural policies and no analytical framework exists for the evaluation of the future policy impacts. On this background, PAM offers a repeated usable, simple static general equilibrium simulation model which provides a simple means of producing coherent sets of multiple efficiency indicators under different policy scenarios, which can be compared with level of liberalization.

