



# CNCI NEWS BULLETIN

The Ceylon National Chamber of Industries

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## Budget 2016 Amendments Worsen Revenue Targets – *Sunday Times 20 Dec 2015*

Amendments made so far to the good governance government's 2016 budget is imperiling the country's economy due to negative impact on 21 revenue proposals prepared by the Treasury to raise estimated revenue of Rs. 223 billion, economic experts and officials warned.

Treasury officials were being pressurized to review the whole budget and make necessary corrections and amendments. In the 2016 budget there were 114 expenditure proposals and the estimated expenditure in the table prepared by the Treasury was Rs.253.325 billion.

Changes made in the budget so far will also affect the expenditure estimates, a senior official told the Business times. The amendments made in the revenue proposals will incur a deduction of at least Rs. 70 to Rs.80 billion in the estimated revenue, he said adding that re-introduction of tax slashed vehicle permits and the reduction of vehicle emission test levy to Rs. 1500 from Rs 5000 will alone bring down the estimated revenue by at least Rs. 66 billion.

"The vehicle permit schemes have been politicized and misused and have created a huge revenue loss of over Rs.40 billion a year to the government," Finance Minister Ravi Karunanayake said in his November 20 budget speech.

Amendments proposed to the Budget 2016 by Prime Minister Ranil Wickremesinghe will result in a Rs. 7 billion impact on the state revenue, he told Parliament on Tuesday. This was the first time that such a highest number of amendments had been made in a budget out of 69 budgets which have been presented in post independent era of the country, an economic expert said.

He noted that erroneous estimates, data and records are endangering the country's economy with relation to 114 expenditure proposals mostly for handouts where financial allocations are to be made from Treasury votes for the medium term 2015-2017 provisions.

Budget 2016 introduces approximately nine new levies including Vehicle Valuation Certificate Fee and Fee for Unregistered Vehicles to be Registered, Emission Levy and Environmental Fee, etc, he said. Almost Rs. 74 billion is expected to be collected from levies and charges and this amount will be reduced to great extent by revising some of them, he added.

A not-so publicised revision has been made in the proposal on footwear import taxes on the intervention of the Finance Minister. The budget had reduced customs duty to zero per cent from Rs.100 per pair. During a discussion between representatives' of footwear and leather product manufacturers, the Finance Minister had agreed to increase the Cess on footwear to protect local manufacturers bringing the total tax levy from importers to previous level.

The gazette notification was to be amended to provide for a Cess of Rs 600 instead of Rs. 500 Cess and introducing a Cess of Rs.200 per pair of shoe uppers fulfilling the pledge given to local manufacturers by the Minister. But to the dismay of footwear manufacturers, the gazette imposed a Cess of Rs 200 per one kg instead of per pair.

Surprisingly in the past shoe uppers quantity has been taken as only pairs and how the pairs changed to kg was questionable, President of the Sri Lanka Foot ware and Leather products Manufacturing Association, P.G .D. Nimalasiri told the Business Times. “Some invincible hand was behind this change to tarnish the good and flexible attitude of Finance Minister Ravi Karunanayake,” he said adding that the present Minister of Industries is of no use as he is not interested or bothered about problems of local manufacturers.

This was a clear example to prove the acts of saboteurs in the Finance Ministry and other relevant ministries to disrupt budgetary implementation process and bring disrepute to Minister Karunanayake, he added.

### Amendments in 2016 budget

- Annual vehicle revenue licensing fee has been reduced to 15 per cent from 25 per cent
- Rs.5,000 vehicle emission test fee reduced to Rs. 1,500
- The lease valuation fee of vehicles reduced to Rs. 5,000 from Rs. 15,000 for cars and Rs. 3,000 for 3-wheelers and motorbikes.
- Revoking the abolishment of tax slashed vehicle permits for senior government servants proposed in the 2016 budget.
- Tax increase on imported beer reduced to Rs. 160 per litre from Rs. 190 increase.
- Introduction of a new minimum wage for public and private sector workers which seeks higher standard of life.
- Change in the Cess on shoes and leather product imports
- Amendment to ‘funded’ pension scheme for state sector workers by appointing committee.
- Revoking proposed merger of EPF and ETF
- Proposal to add Rs.10,000 public sector salary increment amended by adding only Rs.2,000 next year.
- Committee to devise new pension payment scheme.
- Note: Loss in revenue from reducing vehicle emissions would be Rs. 12.5 billion. Loss in revenue from re-introducing vehicle permits will be over Rs. 40 billion



## Why Are Employee Retention Strategies Important?

Retaining a positive and motivated staff is vital to an organization's success. High employee turnover increases expenses and also has a negative effect on company morale. Implementing an employee retention program is an effective way of making sure key workers remain employed while maintaining job performance and productivity.

### MANAGE EMPLOYEE TURNOVER

Employers implement retention strategies to manage employee turnover and attract quality employees into the organization. Retention programs focus on the relationship between management and their workers. Competitive pay, benefits, employee recognition and employee assistance programs are all apart of a company's attempt to maintain employee satisfaction. Human resources specialists utilize feedback they receive from exit interviews and focus groups to improve employee relations and reduce turnover.

### COST EFFECTIVE

A company can significantly benefit from employee retention programs because of a direct effect on an employer's bottom line. High turnover can be very expensive. According to the Society for Human Resources Management, "employee replacement costs can reach as high as 50 to 60 percent of an employee's annual salary." Strategies geared towards retaining good workers helps offset employee replacement costs and reduces the indirect costs such as decreased productivity and lost clients.

### MAINTAIN PERFORMANCE AND PRODUCTIVITY

Employee retention practices help support an organization's productivity. Recruiting and training new employees takes time. An unfilled position means work is not getting done. Even if a position is filled, there is still a learning curve most employees must overcome before their work becomes profitable. Taking the necessary steps to keep current workers satisfied with their roles will ensure productivity is not interrupted.

### ENHANCES RECRUITMENT

Effective retention strategies often begin during the employee recruitment process. Employees are more inclined to remain with a company that fulfills the promises made when their employment offer was extended. Companies that provide a realistic view of their corporate environment, advancement opportunities and job expectations to new hires can positively influence employee retention.

### INCREASES MORALE

Employees that enjoy what they do and the atmosphere in which they work are more likely to remain employed with their company. Retention strategies are important because they help create a positive work environment and strengthen an employee's commitment to the organization. Strategies that target employee engagement, such as team-builders and community involvement, increase company morale and give employees a sense of pride in what they do.

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## Economic Performance

### ECONOMIC INDICATORS - LATEST AVAILABLE

Category	August 2015 US \$ Mn	August 2014 US \$ Mn	Growth (%) US \$ Mn
Exports	798.9	992.6	(19.5)
Industrial Products	618.2	749.6	(17.5)
Imports	1523.4	1724.5	(11.7)
Deficit in Trade A/C	(724.5)	(731.9)	(1.0)
Workers' Remittances	566.0	548.1	3.3
Earnings from Tourism	265.2	223.4(b)	18.7

### EXCHANGE RATES - 2016.01.29

Daily Exchange Rates		
Currency	Buying Rate (Rs.)	Selling Rate (Rs.)
Dollar (USA)	141.0100	145.3400
Pound (UK)	210.9700	219.1200
Euro (EU)	148.1100	154.5700
Franc (Switzerland)	135.7500	141.9100
Dollar (Canada)	104.5800	109.2500
Dollar (Australia)	100.2700	105.2800
Dollar (Singapore)	99.1900	103.3300
Yen (Japan)	1.1423	1.1912

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## The Importance of Business Communication in an Organization

Business communication defines most organizations, resulting in effective marketing campaigns, productive interpersonal relationships among co-workers and successful customer service resolutions. Because audiences demand different kinds of communications in different situations and settings, effective business communication professionals understand how to tailor messages for maximum results

### FUNCTION

Though most casual observers of corporate behavior focus on a company's external marketing, business communication happens throughout every organization, using multiple channels for many kinds of desired results. Asha Kaul of the Management Development Institute in India writes that effective business communication includes a two-way cycle of messaging and feedback designed to achieve a specific reaction. Efficient, appropriate, thoughtful messages often correlate to successful companies staffed by engaged professionals.

### FEATURES

The feedback cycles required for effective business communication can take different forms, especially when aided by modern technology. In addition to speech and written text, business professionals must understand how to communicate effectively via e-mail, text message and even social media status update. New tools allow business professionals to combine personal messages with automated responses, such as vacation auto-responder messages, to help process large amounts of information. Many effective communicators find ways to cut through the clutter of overflowing inboxes with handwritten notes or direct phone calls.

### CONSIDERATIONS

Messages must take on the characteristics of the medium chosen for communication, making it more challenging when team members speak, read and learn differently from each other. For instance, a manager with a highly visual learning style may not respond as intended to a dense report from an employee with strong writing skills. Likewise, a company director accustomed to highly analytical spreadsheets may not appreciate the lack of density inherent in a text message.

### MISCONCEPTIONS

Despite a cultural trend toward casual communication, studies indicate that spelling and grammar still play major roles in how audiences evaluate business professionals. Critics of "millennials," workers born between 1977 and 1998, often advise younger professionals to double-check their communication for tone, relevance and especially presentation. Older decision-makers may refuse to conduct business with young representatives using unprofessional communication.

### EFFECTS

In most organizations, effective communication offers the best opportunity to make an outstanding first impression. Using powerful words, images and messages, business professionals can craft strong internal partnerships while developing the foundation of a solid client base. However, the second half of the feedback cycle can really cement interpersonal relationships. By building a reputation as an engaged listener, a professional can set up next actions that solidify her commitment to acting on requests or adjusting after responses.

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## MEMBER'S SUCCESS STORIES

### Kelani Cables bags double silver at the SLIM-Brand Excellence 2015



Mr. Mahinda Saranapala, CEO, Kelani Cables PLC with the SLIM Brand Excellence silver awards in hand. Others in the picture are Mr. Anil Munasinghe, GM Marketing, Kelani Cables PLC, Mr. Channa Jayasinghe, Brand Development Manager and sales and operational staff of the company.

knowledge to society and to promote preserving environment.

“SLIM Brand Excellence awards brought recognition to Kelani Cables brands associating with the business world and CSR initiatives. I salute with heartfelt gratitude all Kelani Cables staff who strive to provide superior products and an excellent customer service to our customers around the island at this special moment of glory”, said the CEO. Kelani Cables bagged the silver award in the CSR category for the Kelani Saviya CSR project it does with the Peradeniya and Jaffna Universities. Kelani Saviya considered as a noble CSR initiative carried out by a truly Sri Lankan company was launched in 2007. Jaffna University joined with the CSR program in February 2015.

CSR Brand of the year' and 'B2B Brand of the year' are the two categories that conferred Kelani Cables with the silver awards. The award ceremony is conducted annually by Sri Lanka Institute of Marketing (SLIM) to recognize winning brands in the marketplace. Mr. Mahinda Saranapala, CEO, Kelani Cables PLC, expressing his views on this victory said Kelani Cables being Sri Lanka's number one brand in secure electrical and communication cables engages in CSR activities as a constant practice and priority is placed on education, providing world-class knowl-

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## CNCI Organized a Seminar on EPF & ETF In Payroll Management

A comprehensive full day seminar on “EPF & ETF in Payroll Management” was conducted by CNCI at Raja Bojun on 17th November 2015.

Mr. Obadage Leelarathne, Labour Commissioner-Special Investigation (EPF) and Mr. A.J.M.S. Jayasundara-Assistant General Manager Enforcement (ETF) with their grand expertise and many years of significant experience, led the course by sharing presentation and thoughts of ground substances.

A large number of participants from Manufacturing and Service sector organizations including MDs, CEOs, GMs, Managers, Executives and Supervisors pertaining to the field of Admin, Finance and HR, attended at this seminar

<<< Movement of Seminar >>>



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## EDUCATIONAL PROGRAMS/SEMINARS/EXHIBITIONS

### International Exhibitions

- ◆ **“India International Travel & Tourism Exhibition”** is a 3 day event has been held from 15th January to the 17th January 2016 at the Bombay Exhibition Centre in Mumbai, India.
- ◆ **“Bahrain International Modern House2 2016”** is a 3 day event has been held from 7-9 January 2016 Bahrain Manama. It has Home Decor, Furniture, Architecture and Creativity
- ◆ **“Tire Technology Expo 2016”**. Deutsche Messe. Hanover, Germany on February 16-18, 2016
- ◆ **“The 2016 International Production & Processing Expo”** has been together more than 1,250 exhibitors and 30,000 visitors in Atlanta from Jan. 26-28, 2016.

### Local Exhibit



- ◆ **“Edex Expo - Sri Lanka's Largest Education Exhibition & Job Fair”** Sri Lanka’s largest education exhibition and Job Fair – EDEX Expo was held on 22-24 January 2016 at BMICH Colombo, and on 29-30 January 2016 at Kandy City Centre (KCC), Kandy. Launched in 2004 the twin expos will be the 26th and 27th in the series.
- ◆ **Jaffna International trade Fair** - It was held on 7th Edition 29th - 31st January 2016" Municipal Grounds" in front of Subramaniam Park, Adjoining Duraiyappah Stadium, Jaffna, Sri Lanka
- ◆ **“Pakistan Single Country Exhibition 2016”** The high-level exhibition which was held in Sri Lanka from 15th to 17th January 2016 at the BMICH and feature representation from Pakistani commercial establishments in 15 sectors,