



CNCI NEWS BULLETIN

'Sri Lanka's Industrial News Letter'

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CNCI launches "Achiever Awards 2017"

The Ceylon National Chamber of Industries – CNCI has planned its official launch and the media briefing of the "CNCI Achiever Awards 2017" for Industrial Excellence to be held at Salon Anthurium of Hotel Galadri on 16th February 2017 at 6.00 pm.

This is a unique event where the CNCI, the premier Industrial Chamber in the country identifies and recognizes the Sri Lankan Industrialists for their achievements both in the manufacturing and service sectors.

The Achiever Awards have been designed by the CNCI to promote industrial growth in the country by recognizing and rewarding those industrialists who have excelled well in their businesses in the areas of quality standards, productivity, employee benefits, labour relations etc. while assuring concerns over the social and environmental obligations and to encourage these enterprises to reach further heights in their spheres of operations.

This is a valuable opportunity for all industrial settings of Extra Large, Large, Medium, Small & Micro categories in the country to know their own stand in respective industries in the provincial and National levels. We are certainly proud to mention that the CNCI Achiever Awards Competition has been able to produce a number of industrialists to the country who have become highly reputed and leading businessmen in Sri Lanka today. In this instance, it is pertinent to mention that there are some companies who initially contested under the categories of micro "Small" and "Medium" are now in the categories of "Large" and "Extra Large". There are, of course, the success stories behind the Achiever Awards Event organized by the CNCI.

We have also planned an awareness campaign through some selected regional chambers covering all parts of the island. Also given special emphasis to the North and East, considering as 'special districts' owing to disturbances they says.

Applicants of the CNCI Achiever Awards are subjected to a stringent evaluation procedure. Initially, financial sections of the applications will be audited by an audit firm to verify the accuracy of the information given. Next is the interviews and evaluation of the applications by an internal panel of judges consisting of Chartered Accountants, Engineers, HRM and Management specialist. Thereafter the factory visits are made by judging Committee members to witness the information provided by the applications. Finally, all the short listed applications will be evaluated by an external panel of judges consisting of eminent personalities representing the public and private institutions related to Commerce and Industry in the country. This Panel of Judges will be headed by Professor Ananda Jayawardena, Vice Chancellor of the University of Moratuwa. The presentation of awards will take place on 17th August 2017 at Hotel Galadari, Colombo.

Applications will be available at the CNCI Chamber Secretariat, Galle Face Court 2, Colombo 3 and all regional Chambers or It can be downloaded from their website www.cnci.lk from 17th February 2017 onwards.



Sri Lanka, Thailand FTA feasibility to conclude by August

Sri Lanka is looking at purchasing sugar from Thailand, while the feasibility study for the Free Trade Agreement with Thailand is set to conclude by August 2017, the Ministry of Industry and Commerce said.

Minister of Industry and Commerce Rishad Bathiudeen met with Thai counterpart Apiradi Tantraporn, Thai consumer goods exporters to Sri Lanka, and a leading sugar exporting company Mitrphol, during the APTA sessions.

“Sri Lankan sugar importers have decided to halt importing sugar from Brazil as cocaine is smuggled

in sugar containers,” Minister Bathiudeen said.

“So we will explore the possibility of importing sugar from Thailand. We have asked the company to provide information on sugar prices and the capacity they can supply.”

The feasibility study on the FTA with Thailand will be completed by August this year and the dates for the subcommittee meetings will be informed, officials said.

Min Bathiudeen has requested technical assistance in the areas of gem and jewelry, food processing, agriculture, electronics, automobile components with proposed FTA.

The Thai Commerce Minister mentioned that their government

will continue support for jewelry designing and provide support to identify companies that wish to invest in dried fruits in Sri Lanka.

Regarding agricultural cooperation between the two countries, she agreed to seek assistance of the Thailand International Cooperation Agency to bring agriculture experts to Sri Lanka.

Lanka Business Online

Australia and Sri Lanka sign new partnership agreement

Australia and Sri Lanka have signed a new development cooperation partnership during Prime Minister Ranil Wickramasinghe’s visit to Australia.

“The new partnership sets a new direction,” the Australian High Commission said releasing a statement.

“As Sri Lanka’s economy grows, Australia will support the Government’s reform agenda including ensuring that economic growth is inclusive.”

In 2017, Australia will be launching three new programs that focus on inclusive growth.

The ‘Skills for Growth’ program will deliver targeted skills development

to support job creation and business growth in the tourism sector.

Australia’s ‘Market Development Facility’ will support small and medium businesses to expand in a way that provides more job opportunities for all.

And our ‘Women in Work’ program will aim to provide more quality job opportunities for women.

Australia will also partner with the Government to share our experiences in reforming our economy and expanding key sectors like tourism.

Supporting Sri Lankans to study in Australia will remain a continuing element of the development partnership.

Over 1,000 Sri Lankans have received scholarships from the Australian Government since the 1950s to complete degrees in fields

as diverse as engineering, education, law and gender studies.

The MoU was signed by Australia’s High Commissioner to Sri Lanka, Bryce Hutchesson and Sri Lanka’s Secretary Ministry of Finance, R.H.S. Samarathunga.

Since 1951, Australia has provided an estimated AUD1.35 billion in assistance to Sri Lanka, with nearly half of this provided in the past twenty years.

Lanka Business Online

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Cosmetics Manufacturers calls on Govt. to regulate Industry



With the close down of Cosmetic Drugs and Devices Authority (CDDA), cosmetic manufacturers have faced great difficulties in expanding their markets overseas as there is no authority to issue Free-Sale Certificate at present.

Despite many lobbies that have been made through since May 2015, the health ministry has failed to provide a solution for these manufactures.

“Previously CDDA granted the Free-Sale Certificate, but now there is no party to authorize cosmetic

products in Sri Lanka. We are facing a big problem, not being able to enter into any new export markets without this certification,” Nature’s Secrets Chairman and Managing Director Samantha Kumarasinghe said.

He said that although National Medical Regulatory Authority (NMRA) was established instead of the CDDA, the institution has failed to execute this certification; thereby it has affected their exports significantly.

“We lobbied through Cosmetic

Manufacturing Association, Ministry of Industries and various other organisations to the health ministry, but the issue remains unanswered for over a year now,” Kumarasinghe charged.

He claimed that due to the Government’s short-sighted policies, the country was losing out on generating the much needed foreign exchange to the country through trade, while discouraging the exporters.

Acknowledging that there is a new Act being drafted, Kumarasinghe pointed out that no priority has been given to fast track the process to.

According to him, many products are smuggled to the local market imported from various countries, without knowing if they are authentic products as an organised group engaged in this are releasing products to the market after changing the labels.

“This is a very dangerous situation. Anyone can introduce a new cosmetic product to the market without meeting Government regulations and despite several attempts at informing the health ministry,” he added.

Daily FT

Sri Lanka foreign reserves drop by USD 568mn in January

Sri Lanka’s official reserves dropped 567.5 million US dollars to 5.45 billion dollars in January, down from 6.01 billion dollars at the end of December, official Central Bank data showed.

Foreign currency reserves were 4.52 billion US dollars and reserves in Gold were 0.86 billion US dollars.

The Central Bank’s Treasury bill holdings were down from 331.39

billion rupees in December to 250.65 billion rupees in January.

Central Bank has purchased 179.31 million dollars of foreign exchange from commercial banks at market rates in January while selling 71.73 million dollars in the month.

The Central Bank said recently it expects foreign reserves to pick up this year with FDI, especially from China, along with a planned syndicated loan and sovereign bond borrowings this year.

During the year up to 09 February 2017, the Sri Lanka rupee

depreciated against the US dollar by 0.6 percent.

Given the cross currency exchange rate movements, the Sri Lanka rupee depreciated against the sterling pound by 2.3 percent, euro by 2.0 percent, Japanese yen by 4.2 percent and Indian rupee by 1.9 percent during this period.

China, India, UK, Germany and France were the top five sources of tourist arrivals, accounting for 48.1 percent of total tourist arrivals in the month of January 2017.

Lanka business Online



Prime Minister launches "Swashakthi" loan scheme to help the small and medium scale entrepreneurs



Sri Lanka's Prime Minister launch the small and medium loan scheme to help scale entrepreneurs to start self-employments and industries to strengthen the village economy.

Addressing the event held at the Temple Trees today, the Prime Minister said the Ministry of National Policies and Economic Affairs has introduced the Swashakthi national loan scheme to strengthen the economy in each electorate of the country.

"The idea behind the "Swashakthi national Loan Scheme" is to take 25,000 ideas, and create 25,000 businesses, thus strengthening the villages of Sri Lanka," the Prime Minister said.

Under the loan scheme small and

medium scale entrepreneurs can get a loan up to a maximum of Rs. 250,000 with a low interest rate of 5.5 percent. About 25,000 individuals will benefit from the loan scheme to support the government's initiative to create one million employment opportunities.

Speaking at the event Governor of the Central Bank Dr. Indrajit Coomaraswamy said the initiative will contribute towards development and employment generation.

The scheme fills the need for a government led support mechanism to address financial, technical, marketing, and entrepreneurship needs, especially of youth and young graduates, women and differently abled people at grassroots level, the Governor said.

Swashakthi is a credit plus scheme that offers a package of support which supplements the access to financing, according to the Central Bank Chief.

He said the government departments have been mobilized to deliver the plus dimension of the credit scheme. In addition, Swashakthi will contribute to a broader policy of objectives,

particularly, the one relation to the creation of one million new jobs.

The scheme would establish over 25,000 new businesses throughout the country creating at least 75 businesses in each electorate, the governor added.

The Governor said at present, the Central Bank on behalf of the government operates a number of loan schemes to provide concessional financing Micro, Small and Medium Enterprises (MSME) to eradicate poverty and promote balanced economic growth through enhanced financial inclusion in the country.

The various Central Bank schemes have disbursed loans amounting to Rs. 9.5 billion among 917,200 MSME entrepreneurs during the last five years, according to the head of the Central Bank.

Sri Lanka has had a number of schemes to promote SMEs over the previous several decades. However, their track records, according to Dr. Coomaraswamy have been mixed.

Lanka Business Online

The Industry and Commerce Ministry support for SMEs to obtain ISO

The Industry and Commerce Ministry has initiated a program to support local small and medium industries, whose annual turnover is less than Rs. 750 million and permanent employment is less than 300 to obtain international

standard certificates.

This is with the intention of improving industry productivity, sustainability, food safety and hygiene. Assistance for International Standard Certifications would be for ISO 9001, ISO 14001, ISO 22000 and for ISO 50001.

Benefits of the program are full initial certification fee, up to the

maximum of Rs. 200,000 will be reimbursed upon the submission of above certificates. Consultation fee up to the maximum of Rs.100,000 will be reimbursed if the consultation service is provided by a government recognized institution. Continuous guidance will be provided for the period of certification process.

Lanka Business News.com

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Kalhari to bring advanced technology for rubber and fabric recycling

Kalhari Enterprises, a pioneer in waste recycling in Sri Lanka will take a major step to resolve rubber and fabric-waste recycling problems of Sri Lankan corporates. Qualified in plastics and rubber recycling, Kalhari Group Chairman and Managing Director, Indhra Kaushal Rajapaksa has begun negotiations with European and Indian companies to acquire the latest technology to convert rubber and fabric-waste into usable material or products.

The Kalhari Group won a Bronze Award in the Industry Sector (Small) at the 24th NCE Export Awards and has consistently won outstanding recognition for its performance since its entry into the recycling and export of waste. Over the years, the Kalhari Group has been a leading contributor of valuable foreign exchange to the country through the export of recycled waste.

Explaining the company's philosophy, Rajapaksa said, "At Kalhari we strive to satisfy our customers by providing goods and services to exacting standards, and to empower rural Sri Lanka by protecting the environment and providing as many people as possible with a livelihood."

"In the developed world, waste

recycling has become a pressing need", he said, adding, "Fifty years ago, waste could be safely buried or incinerated. Today the situation is quite different because of the varied composition of waste, as well as the huge quantities." He said that burying waste could impact on both the soil and groundwater, while incinerating would release toxic gases to an atmosphere that is already under pressure.

"The solution is two-fold. We must be careful about consumption and how our garbage is disposed," he added. "At Kalhari we aim to provide the best recycling options so that Sri Lanka could tackle the problem before it gets out of hand." Kalhari began operations in 2003 with the recycling of PET bottles and has now grown to a group of four companies engaged in the export of recycled tyre-waste, fabric-waste, rubber-waste, post-consumer PET bottles and steel-dust. The Kalhari Group has its centralized management centre and processing plant in Heiyantuduwa, Biyagama, with two other factories in Mahara and Minuwangoda.

Rajapaksa has diverse business interests and is also a director of Building A Future Foundation,

BAFF Polymech and Sail Lanka Charter – companies engaged in sea-based tourism development activities such as yacht building, chartering, and mini marina development.

Rajapaksa was twice awarded the Asia Pacific Entrepreneurship Award. In 2014, Rajapaksa received the prestigious Merit Award from the Plastics and Rubber Institute of Sri Lanka for his significant contribution towards the development and growth of Sri Lanka's Polymer Industry. The same year, Kalhari won first place in the Western Province and a Silver Award for the 2nd place at the national level for Rubber and Plastic Based Products category at SMIDEX 2014 organized by the Industrial Development Board. "These Awards have been an encouragement to reach even higher," he said. "Each time we win an export award, we feel extremely happy because it is recognition of our contribution to the country."

Fulfilling his social responsibility through Lions Clubs International, Rajapaksa is a Charter Member of the Lions Club of Biyagama North in Lions District 306 B2 and has held several positions of responsibility. He is currently the District "Being in the world's largest service club organization has given me a great opportunity to help rural communities in Sri Lanka", Rajapaksa explained. "As we strive for success in business, the opportunity that the Lions have provided me to give back to the community is something I will always be grateful for."

"While the export awards are recognition of our success in business and naturally make me proud, the ability to give better sight to some people whom we may never meet again or to give a helping hand to disadvantaged students through Lions gives me immense personal satisfaction", he said.

Economic Performance

Economic Indicators - Latest Available

Gross Domestic Product at Constant (2010) Prices

Economic Activity	3 rd Quarter - 2016 (a)					
	(Rs. Mn)		Growth rates (%)		Contribution to Growth (%)	
	2015(b)	2016	15/14(b)	16/15	2015(b)	2016
Agriculture	165,043	161,844	7.3	-1.9	9.7	-3.6
Industry	581,949	621,354	4.9	6.8	23.2	44.3
Services	1,253,445	1,311,777	6.5	4.7	65.8	65.6
Taxes less subsidies on products	180,839	175,195	0.9	-3.1	1.4	-6.3
GDP	2,181,275	2,270,171	5.6	4.1	100.0	100.0

External Trade

Item	UNIT	2015	2016(a)	CHANGE	
				Absolute	Percentage
Exports					
October	Rs. Mn.	119,865 (b)	125,582	5,718	4.8
January - October		1,194,655 (b)	1,253,228	58,573	4.9
Imports					
October		230,823	279,961	49,138	21.3
January - October		2,128,484	2,299,925	171,441	8.1
Balance of Trade					
October		-110,959 (b)	-154,379	-43,421	39.1
January - October		-933,829 (b)	-1,046,697	-112,868	12.1

Exchange Rates - 20th February 2017

Currency	Buying Rate (Rs.)	Selling Rate (Rs.)
Dollar (USA)	149.1500	152.8800
Pound (UK)	184.4200	190.7000
Euro (EU)	157.2200	163.2100
Franc (Switzerland)	147.6500	153.4900
Dollar (Canada)	113.1800	117.6300
Dollar (Australia)	113.2900	118.3800
Dollar (Singapore)	104.6900	108.5100
Yen (Japan)	1.3128	1.3621
Renminbi (China)	21.4800	22.5300

Central Bank of Sri Lanka



CNCI Organized a Training on MS Excel Advanced Data Analysis

The CNCI had organized comprehensive full day Training on "MS Excel Advanced Data Analysis" Which was conducted on February 01st 2017 from 9.00am to 4.00pm at "SLIDA", Colombo 07.

Mr. Chesmi Kumbalathara, Data Analytics Consultant of the company Shared Knowledge Asia Pacific having his expertise and many years of significant experience, as a Lecturer at University of Sri Jayewardenepura with the participants. A large number of participants from Manufacturing and Service sector organizations including Managers, Executives and Supervisors pertaining to the field of Admin, Finance and Accounting, attended at this seminar.

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Event Calendar...

Local Exhibitions

Global Lift and Escalator Expo is a 3 day event being held from 23rd February to 25th February 2017 at the Sri Lanka Exhibition & Convention Centre in Colombo, Sri Lanka. This event showcases products like Passenger lifts, freight elevators, service elevators, hospital elevators, small store lifts, components and accessories and much more etc. in the Industrial Products industry.

Textech Sri Lanka is a 3 day event being held from 9-11 March 2017 at the SLECC in Colombo, Sri Lanka. This event showcases product from Chemicals & Dyes, Office & Commercial Supplies, Computer Hardware & Software, Industrial Products, Printing & Publishing, Plant, Machinery & Equipment, Textile, Fabrics & Yarns industries.

National Health Care Exhibition will be held in Sri Lanka, Southern on 03 Mar 2017 - 05 Mar 2017 at BMICH. Medicare 2017 - National Health Care Exhibition Sri Lanka is organized by Aitken Spence Conventions & Exhibition.

Vywasaya 2017 organized by Small Enterprises Development Bureau Sri Lanka will be held on March 31, 2017 at BMICH, Colombo

The Investment & Business Conclave offers the perfect blend of opportunities aimed at enriching institutional, corporate and individual investors and business houses with a comprehensive set of guidelines for their investment decisions, and act as a networking opportunity for introductions to potential business partners with a view of establishing partnerships in Sri Lanka. Venue: May 30, 2017 at Cinnamon Grand, Colombo

International Exhibitions

Kuwait Health Exhibition & Conference -Kuwait's premier health care & pharmaceutical event 06-08 March 2017 Kuwait International Fair, Kuwait City.

East China Fair - One of the biggest exhibition in China for homeware and clothing will be held on March 1 –5, 2017 in Shanghai.

AAHAR '2017 – International Trade Fair Food, Food Processing, Machinery & Technology will be held on March 07 - 11, 2017 at New Delhi, India

Dubai Wood Show is the premier destination for wood specialists who visit the show every year from across the globe. It has become the region's only dedicated business-to-business meeting place for the wood, wood accessories and woodworking machinery industry, taking place from 7 - 9 March, 2017 at the Dubai World Trade Centre.

Fuel Cell Expo is a 3 day event being held from 1st March to the 3rd March 2017 at the Tokyo Big Sight in Tokyo, Japan. This event showcases products like Electrolytes/Ion Exchange Membranes Gas Diffusion Layers (GDL) Separators, Single Cell Test Equipment Power Load Equipment Gas Analysis Equipment Flow Meters/Dew-point Hygrometers / Thermometers / Manometers Other Calibration Devices/Detection Devices Cell Inspection Equipment etc. in the Petroleum, Oil & Gas industry.

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which exceeds 300 manufacturing and service organiza-