



The Ceylon National Chamber of Industries - CNCI

**CNCI ACHIEVER AWARDS 2019**  
FOR INDUSTRIAL EXCELLENCE

2019

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# “CNCI Achiever Awards - 2019” Applications at Final Evaluation

The “CNCI Achiever Awards” competition is one of the most popular award schemes among the business circle in the country. The applications received are evaluated at several stages. At first, it is the initial scrutinizing by the CNCI staff to presume that the applications are in order. Next is the Auditors’ check to ascertain the accuracy and appropriateness of the financial details and reports submitted and to verify/ highlight the financial figures and ratio analysis, which is normally tasked to a reputed audit firm.

Thereafter the evaluation by the internal panel of judges, at which stage all the contestants in the categories of Micro and Small are interviewed and all the applications are evaluated against the detailed information provided by them under 13 areas which are considered as selection criteria. Formally the internal panel of judges are mainly consisting of Chartered Accountants, Engineers and Management/ Business consultants.

Finally it is the Evaluation by the external panel of judges. In this year too, the final evaluation panel was chaired by Professor Kapila Perera- Vice Chancellor of the University of Moratuwa. The increased competitiveness due to huge number of applications and their operational success sharpened the process of evaluation. The panel members for the External Judging Committee consisted of those who represented both the public sector and private sector organizations which are closely related to the industrial sector.

The photographs show the final evaluation of applications by the External Panel of Judges, headed by Professor Kapila Perera - Vice Chancellor of University of Moratuwa.



# Macroeconomic fundamentals in good shape; 4th Q growth to be favorable: Governor



*Dr. Indrajith Coomaraswamy*

Central Bank Governor Dr. Indrajith Coomaraswamy told a group of exporters yesterday the country's macroeconomic fundamentals are in pretty good shape and the fourth quarter growth would be favorable.

"We have also raised sufficient funds to meet our obligations pretty much to the middle of next year," he said.

"I am not saying they are wonderful; but the fundamentals are in pretty good shape," he said at the National Exporters' CEO Forum in Colombo.

After the 21 April suicide attacks, the country has seen improved security and retail and manufacturing sectors returning to normal. "We have managed the economic fundamentals fairly well after the attacks and the security forces have done a remarkable job in containing the situation. We all have high level of confidence in the situation now," he said referring to the security and business confidence.

The Governor said when he was in London, people around the world now are learning to accept and adjust to one-off bombings and attacks. Explaining why he believes Sri Lanka's macroeconomic fundamentals are improving, the governor said that on the 13th of May, the International Monetary Fund (IMF) executive board approved the report on the 5th review of the extended fund facility for Sri Lanka.

"If our fundamental were not in pretty good shape, IMF wouldn't have approved it. IMF is used by markets, donors to screen economies on their behalf."

"I believe those fundamentals would remain fairly robust," Dr. Coomaraswamy said.

IMF also said in the comments, 'Sri Lanka has the capacity to raise money to meet external obligations'. Dr. Coomaraswamy noted that Sri Lanka was able to raise funds through two tranches of sovereign bonds recently. Sri Lanka raised 2 billion US dollars from 5 and 10 year sovereign bonds in June and sold 500 million dollars of 5-year bonds for 6.35 percent and 1.5 billion US dollars of 10 year bonds for 7.55 percent. The yield is about 460 basis points above US Treasuries for 5-years and 553 basis points for 10 - years, based on published rates for June 24.

In March, Sri Lanka sold one billion US dollars in 5-year bonds at 6.85 percent and 1.4 billion US dollars of 10-year bonds at 7.85 percent indicating a spread of about 441 basis points above US Treasuries for 5-years and 521 basis points for 10 years.

"This shows key creditors and investors continue to have confidence in Sri Lanka's economy. Also mass market participation by local investors gave us confidence," Dr. Coomaraswamy said.

Dr. Coomaraswamy attributed the government's apparent hurry to borrow to forthcoming presidential and general elections which could create uncertainty among investors.

*Source : Dailynews dated 10th July 2019*



# Henry Ford: Inspiration from the past, Opportunities for the future

## Learning from the greatest business leaders of the world

Henry Ford (July 30, 1863-April 7, 1947) was an American industrialist and a business magnate and the founder of Ford Motor Company.

Ford did not invent the automobile. He didn't even invent the assembly line. But he was responsible for transforming the automobile from an invention of unknown utility into an innovation that profoundly shaped the 20th century.

Ford had all the characteristics of an innovator, which would make him successful and famous one day. When he was young, he organized other boys to build rudimentary water wheels and steam engines. He learned about full-sized steam engines by becoming friends with the men who ran them. He taught himself to fix watches. Thus, young Ford demonstrated mechanical ability and a preference for learning by trial-and-error.

In 1879, he left home to become an apprentice at Michigan Car Company, a manufacturer of railroad cars in Detroit. Over the next two-and-one-half years, he moved to several jobs when he thought he could learn more somewhere else. He returned home three years later and began to operate and service portable steam engines used by farmers.

In 1888, Ford married and moved to Detroit where Ford took a job as night engineer for Edison Electric Company. He saw the job in part as an opportunity to learn. Within five years, Ford had risen to Chief Engineer of the company.

But he had other interests. He tried to build horseless carriages with a team of friends. In 1896, he created a self-propelled Quadricycle to be steered with a tiller like a boat with two speeds. A second carriage followed two years later.

He persuaded a group of businessmen to back him in the biggest risk of his life – a company to make and sell horseless carriages. The company failed. To revive his fortunes, Ford began to build racing cars. And, that became a success. When Ford wanted to incorporate Ford Motor Company in 1903, financial backers willingly came in.

He hired young, able men who believed in his vision and would make Ford Motor Company into a great industrial enterprise. The new company's first car, called the Model A, was followed by a variety of improved models. It was a moderate success. But when in 1907, he introduced his four-cylinder, Model N; it became the best-selling car in the country.

Still Ford had a bigger vision: a better, cheaper motorcar for the great multitude. Working with a hand-picked group of employees, he came up with the Model T, introduced on October 1, 1908. It was easy to operate, maintain and handle on rough roads.

It immediately became a huge success. In 1910, the company moved into a huge new plant in Michigan. There Ford Motor Company began a relentless drive to increase production and lower costs. Henry and his team borrowed concepts from many small businessmen and mixed them with their own ideas and by late 1913, they had developed a moving assembly line for automobiles.

The turnover was so high that the company had to hire 53,000 people a year to keep 14,000 jobs filled. Henry responded with his boldest innovation ever – in January 1914,

he virtually doubled wages to US \$ 5 per day. At a stroke, he stabilized his workforce and gave workers the ability to buy the very cars they made. Model T sales rose steadily as the price dropped.

In 1919, Ford bought off the shares of all stakeholders except a few. The result was several new Detroit millionaires and Ford were the sole owners of the world's largest automobile company.

He continued to believe that the Model T was the car most people wanted. He ignored the growing popularity of more expensive but more stylish and comfortable cars like the Chevrolet and would not listen to Ford executives when they said it was time for a new model.

By the late 1920s, even Henry Ford could no longer ignore the declining sales figures. In 1927, he reluctantly shut down the Model T assembly lines and began designing an allnew car. It appeared in December of 1927 and – they called it the Model A.

The Model A was competitive for only four years before being replaced by a newer design. In 1932, at age 69, Ford introduced his last great automotive innovation, the lightweight, inexpensive V8 engine. Even this was not enough to halt his company's decline. By 1936, Ford Motor Company had fallen to third place in the US market, behind both General Motors and Chrysler Corporation.

When World War II began in 1939, Ford became one of the major US military contractors, supplying airplanes, engines, jeeps and tanks. In 1943, Ford officially turned over the control of the company to Henry II, his brother's son. Ford retired to his estate where he died on April 7, 1947, at age 83.



See the next page

Henry Ford took inspiration from the past, saw opportunities for the future and believed in technology as a force for improving people's lives. To him, technology wasn't just a source of profits, it was a way to harness new ideas and ultimately, further democratize American life.

Life lessons from Henry Ford

1. Seek advice from others

One of the faults of Ford made was not listening to some of his most trusted advisers. Many people, his son included, warned him about the rising popularity of other cars, yet Henry Ford did not adapt well to these changes. Had Ford kept up with innovations as advised, he could have remained the number one leader in the industry. However, by the end of his life he was third.

2. Invest in what works

What makes Henry Ford so successful is that he took his business idea and made it bigger. Had he stayed with his original small factory, he wouldn't be the business icon that we know today. Even though all of these changes were cost intensive, Henry Ford was willing to take the risk and invest in what worked.

3. Create for everyone

Ford created products that appealed to everyone. He even raised the salary of his factory workers to the point where they could actually afford the cars they were making.

4. "Don't find fault; find a remedy"

The above is one of Ford quotes. He added, "Even better, take it one step further and find a solution to the problem."

5. Always produce high-quality work

Ford once said, "Quality means doing it right when no one is looking." We should all be at our best at all times, not only when our boss is watching.

6. Have passion for what you do

If you don't have enthusiasm for your work, then it's time to find a new job. While you won't have a perfect work day every day, having a passion for what you do will make everything more worthwhile. It might take some time to find this passion but Ford's life lessons show us that they are worth fighting for.

7. Anything is possible

Ford showed the world that anything is possible. He built an iconic company from the ground up, running it himself, buying out investors and making it bigger and better every year. He did his research, learned from great business owners who were using assembly lines and adapted it to fit his product. He was an innovator and someone who championed personal growth. He encouraged others to do the same. Like any person, he was not perfect but his story offers some great life lessons that can still be used to this day.

Source : Daily Mirror dated 12th August 2019

# July inflation slows to 3.3%



Inflation, as measured by the change in the Colombo Consumers' Price Index (CCPI), reduced to 3.3% in July from 3.8% in June, latest data from the Department of Census and Statistics said.

The CCPI for all items declined marginally in July 2019, to 130.0 from 130.2 in June 2019. A decrease in the index point by 0.18% was due to the expenditure value decrease of Food items by -0.22% and increase of Non-Food items by 0.03%.

The year-on-year (YoY) inflation of Food Group has decreased from -1.0% in June 2019 to -2.6% in July 2019 while that of Non-food Group has decreased from 6.0% in June 2019 to 5.9% in July 2019.

For the month of July 2019, on year-to-year basis, contribution to inflation by food commodities was -0.79%. The contribution of Non-Food items was 4.13%.

The moving average inflation rate for the month of July 2019 remained unchanged from June at 4.2%.

Source : Dailyft dated 02th August 2019



# The reasons for brain drain



We can see many professionals are migrating to countries like USA, UK, Australia and New Zealand. Some skilled workmen and trained IT Staff are also leaving. Most of the educated people are waiting for their turn to migrate.

One of the main reasons for this is the injustice they face in Sri Lanka. See how unreasonable our salaries are. For the same qualifications and experience different organizations pay different salaries. The gap is extremely wide. Organizations where there are powerful trade unions pay high salaries. They get all other benefits. Many professionals are frustrated.

See the salaries, allowances, benefits, perks given to politicians. See their pension scheme. See their Duty free vehicles, official residences, and foreign trips.

Are all equal before the law in Sri Lanka? But, see how a poor innocent person is treated at a police station and how a rich powerful person is treated. For some offence if a poor person is caught, he is punished immediately. If a rich powerful person is caught, it is very unlikely, there is any punishment.

See what is happening in the prisons. Rich powerful persons are treated in a very special way. This is not a secret. See the hospitals. Rich people can very easily go to a private hospital and get very good treatment. Politicians go to USA or Singapore for medical treatment. Is this fair?

See the Illegal drugs (like cocaine and heroin) problem in this country. For drug trafficking, this country has become a hub for the region. We have not been able to control this menace. Very powerful people are assisting drug sales.

Recently we celebrated 70 years of Independence. Still we are a poor country or a developing country. See countries like Singapore, Malaysia, Korea and Vietnam. Our politicians have failed miserably, as our senior managers of government. Can we see any attempt by our leaders to correct this situation?

See how much of corruption we have. Most government institutions are corrupt. Very often a bribe has to be given to get anything done. This is not a secret. How difficult it is to find good schools for our children. Private tuition has become part of our culture.

See the number of murders happening here daily, the number of crimes, and the number of robbery.

See how corrupt our politicians are. How irresponsible they are. Are they accountable for their blunders and failures, and corrupt practices? They always struggle for power. The Motherland is not important for them. Their Political party is very important for them.

See the financial situation and the debt situation of our country. For what purpose we have taken so much of debt? We take loans and our leaders waste that money for all sorts of mad things.

When we consider all these things, can we expect our professionals to be in this country? Will the educated people prefer to migrate or live in this country? Can we ask our children not to migrate? These are questions we have to study and find solutions. We can learn from other countries. Our leaders can learn from other great leaders of the world, if they wish to.

*Source : Mr.D Weerathunga, The Island dated 30th July 2019*



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# Fonterra pioneers in introducing world-leading traceability system to SL

People around the world now more than ever want to know where their food comes from and how safely it is made.

Reflecting this, the United Nations Food and Agriculture Organization established the first ever World Food Safety Day on 7 June 2019. Through advances in technology, new systems enable the food and beverage industry to maintain high standards and provide greater transparency to their consumers, helping to build trust in the safety and quality of their food.

In this context, New Zealand dairy co-operative Fonterra is leading the way as the first dairy company globally to implement a system that can electronically trace its products anywhere in the world within minutes. As part of this global commitment to boost food safety and quality standards, Fonterra Brands Sri Lanka has introduced this world-class electronic traceability system, called 'Trace', in Sri Lanka – a first for the nation.

Managing Director of Fonterra Brands Sri Lanka and the Indian Subcontinent, Sunil Sethi said, "The theme of this year's World Food Safety Day celebrations 'Food Safety, Everyone's Business' echoes our approach: we believe food safety and quality is the responsibility of everyone in our organization - from when dairy leaves our farms all the way to consumers around the world.

"Fonterra believes it is essential that food safety is integrated into every part of our daily lives and our traceability system is the platform we use globally to guarantee this, creating value for our consumers based on trust."

Two examples of how the traceability system works include:

**New Zealand:** Using the batch number, Fonterra can track a pack of Anchor milk powder right back to the New Zealand farm where the milk was collected. The system gives a view of the product's journey from raw milk throughout the production process, including details of ingredients, shipping, logistics, and storage details up to the point of distribution.

**Sri Lanka:** The product journey of a packet of Anchor Newdale flavored milk or yoghurt can be tracked using its batch number from the Fonterra local milk collection center in Sri Lanka to the point it arrives at the factory in Biyagama, through production, packing and processing and onwards to distribution.

Sethi further explained how Fonterra has converted its world-leading traceability system over the years with significant investment in technology. The system has been developed in accordance with the GS1 Global Traceability Standard, which is adhered to by world-class supply chains internationally.

"We have always been able to track our products through the value chain manually. However, the new Trace system gives us the ability to do it at a much faster pace.

"Our teams are now even more empowered to protect the safety and quality of our products through the Trace system. We have undertaken five months of extensive training and development involving more than 10 team members, including core food safety and quality personnel, plant managers, warehouse executives and shift leads, including a two week knowledge-sharing session in New Zealand to enhance our employees' expertise in product traceability.

"Safe Food, Safe People, World Class Quality is Our Promise – and this investment allows us to give Sri Lankans even more confidence in our high-quality, nutritious dairy," he said.

Fonterra's SAP Global Batch Trace system spans 12 countries, 250 operations and 430,000 electronic sensors. It allows Fonterra to pinpoint where in the world its products are at any point and gives total visibility over the journey of all the Co-operative's products from point of collection to point of distribution.



Source : Daily Mirror dated 17th July 2019



# Successful Seminar conducted by CNCI

The Ceylon National Chamber of Industries (CNCI) organized and conducted a comprehensive full day seminar on "EPF & ETF" on Tuesday 30<sup>th</sup> 2019 from 9.00 am to 4.30 pm at Hotel Taj Samudra, Colombo.

This important seminar was conducted by Mr. Milanga Weerakkody, Commissioner of Labour- Legal (Law Enforcement) & the Chief Legal Officer at the Department of Labour and Mr. K G Kumarasinghe, Legal officer, Department of Labour with their expertise and decades of experience in the field.

The areas which were covered at the seminar included the Introduction and Objectives of EPF and ETF Acts, Reckonable Total Earnings, Obligations of the Employer, Consequences of non-compliance, Provisions for Member Benefits, Powers and Role of Department of Labour in respect of EPF payments, Offences and Directors' Liability, Dissolving companies and the Liability of Unpaid EPF, Recent interpretations by Courts and the proposed amendments to the Acts.

According to the ratings of the participants marked at the "Programme Evaluation Sheets", 100% were "Good" along with the following types of General Comments

## Some comments made by the participants

This seminar is very good for us

Good event to improve the knowledge to handle any issue

Gained good knowledge about Labour Laws/Acts/ Benefits of EPF & ETF. I think every employer & employee should gain this knowledge to avoid any type of disputes about their employment

In future hope to participate more seminars

Training objectives were clearly explained and achieved

It will be great if you can organize this type of seminar for practical issues in EPF & ETF





## Exchange Rates as at 31st July 2019

| Date                 | Buy Rate (LKR) | Sell Rate (LKR) |
|----------------------|----------------|-----------------|
| Australian Dollar    | 118.7874       | 123.7081        |
| Canadian Dollar      | 131.8859       | 136.5657        |
| Swiss Franc          | 174.9583       | 180.93          |
| Renminbi             | 25.0144        | 26.1735         |
| Euro                 | 193.2255       | 199.7739        |
| British Pound        | 210.8696       | 217.4783        |
| Yen                  | 1.5959         | 1.6529          |
| Singapore Dollar     | 126.6304       | 130.76          |
| United States Dollar | 174.3269       | 177.9768        |

## Economic Indicators as at 31st July 2019

| Overview                       | Last | Refer-<br>ence | Previ-<br>ous | Range         | Frequency |
|--------------------------------|------|----------------|---------------|---------------|-----------|
| GDP Annual Growth Rate (%)     | 3.7  | 19-Mar         | 1.8           | 0.5 : 16.12   | Quarterly |
| Unemployment Rate (%)          | 4.7  | 19-Mar         | 4.6           | 3.7 : 16.6    | Quarterly |
| Inflation Rate (%)             | 3.3  | 19-Jul         | 3.8           | -0.9 : 28.3   | Monthly   |
| Interest Rate (%)              | 7.5  | 19-Jul         | 7.5           | 06:10.5       | Daily     |
| Balance of Trade (USD Million) | -823 | 19-May         | -797          | -1101 : -50.1 | Monthly   |
| Current Account (USD Million)  | 423  | 19-Mar         | -815          | -1695 : 423   | Quarterly |
| Current Account to GDP (%)     | -3   | 18-Dec         | -2.6          | -19.3 : -0.4  | Yearly    |
| Government Debt to GDP (%)     | 82.9 | 18-Dec         | 76.9          | 16.3 : 109    | Yearly    |
| Government Budget (% of GDP)   | -5.3 | 18-Dec         | -5.5          | -10.2 : -5.3  | Yearly    |
| Corporate Tax Rate (%)         | 28   | 18-Dec         | 28            | 15:42         | Yearly    |
| Personal Income Tax Rate (%)   | 16   | 18-Dec         | 16            | 15:35         | Yearly    |