ISSUE 76

January 2021

CNCI NEWS BULLETIN

CNCI Office Bearers

- Mr.Ruwan Edirisinghe
  Chairman
- Mr.Canisius Fernando
  Deputy Chairman
- Mr.Kevin Edwards
  Vice Chairman
- Mr.Pradeep Kahawalage
  Vice Chairman
- Mr.Shamendra Panditha
  Vice Chairman
- Mr.Kasun Rajapaksa
  Vice Chairman
- Mr.Amila Sugathapala
  Treasurer

Secretary General
Mr.Abeyratne Muthugala

Special Economic Zone Bill to be enacted soon

The Special Economic Zone (SEZ) Bill will be enacted hopefully by the end of next month under which the Colombo Port Commission will be set up to oversee operations, market and position the Port City to be a competitive investment hub in the region, a top official overseeing the operations of the Colombo Port city project told Sunday Observer Business last week.

Page 01

Country's reserves in a comfortable position

Page 02

Inflation dips to 3% in January

Page 02

CB, Govt to explore avenues

Page 03

Rupee's strength rebounds

Page 05

LITRO Gas – A journey of over 150 years

Page 06

Fitch Ratings revises National Long-Term Ratings of SL financial institutions

Page 04

CSE records the highest turnover since May 2008

Page 05

Supporting socio economic recovery of Micro, Small Enterprises in Sri Lanka during Covid–19

Page 07

Daily average turnover crosses Rs 13.5 bn – Acuity Stockbrokers

Page 04

UPCOMMING WEBINAR BY CNCI

Page 08

EXCHANGE RATES AS AT 31st JANUARY 2021 AND SRI LANKA ECONOMY SNAPSHOT

Page 09

The Ceylon National Chamber of Industries - CNCI
No.20, 1st Floor, Galle Face Court 2, Colombo 03, Sri Lanka
Tel: +94 11 2452181 | 2339200 | 2331444 : Fax : +94 11 2331443
Email : cnci@slt.lk Web: www.cnci.lk

.Colombo Port City

Special Economic Zone Bill to be enacted soon

Commission to oversee operations

The Special Economic Zone (SEZ) Bill will be enacted hopefully by the end of next month under which the Colombo Port Commission will be set up to oversee operations, market and position the Port City to be a competitive investment hub in the region, a top official overseeing the operations of the Colombo Port city project told Sunday Observer Business last week.

“The legislation for the SEZ has been approved and it will be in force soon enabling the Commission to carry on marketing and promotional activities that will help attract global investors to the financial city,” Colombo Port City Executive Project Management Director Raja Edirisuriya said.

The legislation is aimed at making the Port City the country’s first service-oriented specialised economic zone.

Early this month the Cabinet approved the drafting of the Colombo Ports Commission Bill. The proposal was presented to the Cabinet of Ministers by President Gotabaya Rajapaksa in keeping with the Government’s policy statement ‘Vistas of prosperity and Splendour’.

The SEZ will offer a wide scope of services to the region as a leading regional hub. Colombo Port City’s strategic location in the South Asian region which accounts for over 1.8 billion (2018) population and a combined GDP of USD 3.4 trillion (2018).

The Commission will comprise the best professionals with highest customer training and skills,” Edirisuriya said, adding that work of the Commission will go on irrespective of the government that is in power.

A primary task of the Commission will be to ensure a one-stop-shop for operations such as obtaining approvals and visas.

“Investors will not want to come if there is no clarity and consistency of policy. The role of the Commission will not change according to the whims and fancies of politicians,” Edirisuriya said, adding that Sri Lanka should be on top of the game as it competes with regional players.

He said Sri Lanka has around 12 export zones. Being an orderly city with residential facilities, the Colombo Port City will stand out from the rest of the cities in the region.

When completed the project will provide over 200,000 job opportunities in addition to a large number of indirect employment opportunities. “The Port City has already attracted USD 1 billion. Over USD 1 billion in FDIs will come in a year.” Sri Lanka was considered a model by Singapore in the 1960s and today it is a leading economy in the region.

Prime Minister Mahinda Rajapaksa having ended the battle against terrorism in 2009 looked at an economy from a long-term perspective to compete with major cities such as New York, London, Tokyo and Shanghai.

Work on the landmark project which was launched in 2014 with an estimated investment of around USD 1.4 billion is expected to be completed in 2041.

The project is jointly developed by the Government and China’s CHEC Port City Colombo (Pvt) Ltd. and funded by CHEC Port City, a unit of China Communications Construction Company (CCCC) Limited.

Land reclamation of 269-hectares was completed in 2019 and currently underground utilities are being placed.

“We want to create an environment that could compete with investment hubs in Dubai, Singapore, and Hong Kong to woo in investors, entrepreneurs, innovators, companies and financial entities with a sound legal, tax and regulatory mechanism,” Edirisuriya said, adding that a thorough study on the impact of the project on the environment has been done through the Environment Impact Assessment report.

Source: Sunday Observer – 24th January , 2021

Country's reserves in a comfortable position

– Treasury Secretary

The country's gross official reserves are in a satisfactory position and the government is comfortable with the current amount of reserves, said Treasury Secretary S.R. Attygalle responding to the need to seek funding from a multilateral donor to boost reserves.

"We are quite comfortable with the level of reserves which will grow this year with exports picking up and foreign direct investments starting to come in," Attygalle said, adding that the country has foreign reserves to support four months of imports.

Gross official reserves are estimated at US dollars 5.7 billion at end 2020, with an import cover of 4.3 months according to data from the Central Bank.

"Last year we settled loans fully and this year too we have no issue in setting the debt. Merchandise exports recorded around USD 10 billion last year despite the pandemic while imports dropped drastically to below USD 15 billion from around USD 21 billion narrowing the trade deficit.

"The Export Development Board, the apex body driving exports, targets an export income of US$ 10.15 billion in merchandise exports and US$ 4.58 billion in services exports this year," the Treasury Secretary said, adding that the import cover for four months was a scenario even during the former government and that is a comfortable position. "There is no need at all to seek funding from anyone as the opposition claims.

The Central Bank has certain arrangements to boost reserves," Attygalle said.

Amidst hostile global market conditions, the Government and the Central Bank continued to explore avenues of financial flows to the country, while discussions with domestic and foreign counterparts in this regard have made notable progress.

The trade deficit is expected to have narrowed by over US dollars 2.0 billion last year compared to the previous year.

Source: -Daily Observer – 24th January 2021

Inflation dips to 3% in January

- **Food inflation drops from 9.2% in Dec. to 6.8%; Non-food category down to 1.4%**

Headline inflation, as measured by the year-on-year (Y-o-Y) change in the Colombo Consumer Price Index (CCPI, 2013=100)1, decreased to 3% in January from 4.2% in December 2020, largely due to the statistical effect of the high base prevailed during January 2020, the Central Bank said in a statement yesterday.

Meanwhile, Food inflation (Y-o-Y) decreased to 6.8% in January from 9.2% in December 2020.Further, Non-food inflation (Y-o-Y) decreased to 1.4% in January from 2% in December 2020.The change in the CCPI measured on an annual average basis decreased to 4.3% in Januaryfrom 4.6% in December-2020.

Monthly change of CCPI recorded at 0.51% in January. This was due to price increases observed in items of both Food and Non-food categories. Moreover, monthly changes of Food and Non-food categories recorded at 0.29% and 0.22%, respectively, in January. Accordingly, within the Food category, prices of red onion, coconut and sea fish increased in January. However, price of big onion recorded a decline during the month. Meanwhile, prices of items in the Non-food category recorded an increase during the month mainly due to price increase observed in the Health (payments to private hospitals) sub-category.

The core inflation (Y-o-Y), which reflects the underlying inflation in the economy, decreased to 2.7% in January from 3.5% in December 2020. However, annual average core inflation remained unchanged at 3.1% in January.

Source: -Daily News – 2nd February ,2021

Boosting financial inflows

CB, Govt to explore avenues

The Government and the Central Bank will continue to explore avenues to increase financial flows to the country that will boost the level of official reserves to support economic growth, said Central Bank Governor Prof. W.D. Lakshman at a virtual media briefing on the Monetary Policy stance of the bank last week. He said discussions with domestic and foreign counterparts in this regard have made notable progress and added that the Central Bank and the Government will continue to discuss with local and foreign parties to bring in the much needed foreign exchange to the country.

Gross official reserves according to the regulator were estimated at US dollars 5.7 billion at end of last year, with an import cover of 4.3 months.

“Amid hostile global market conditions, the Government and the Central Bank continued to explore avenues of financial flows to the country,” the Governor said.

Market interest rates continued to adjust downwards in 2020, and the low interest rate structure is expected to be maintained.

The economy is expected to have contracted by around 3.9 percent in 2020. As per the GDP estimates of the Department of Census and Statistics the economy, which contracted by 1.7 percent and 16.3 percent in the first and second quarters of 2020, rebounded in the third quarter of 2020 and recorded a growth of 1.5 per cent.

The spread of Covid-19 has weighed on Sri Lanka’s growth prospects in 2020, but the outlook for 2021 remains positive.

The regulator is optimistic that the economy would rebound this year from a muted growth notched last year which was battered by the global pandemic.

“The economy is well poised to rebound in 2021, supported by the unprecedented policy stimulus measures introduced by the Government and the Central Bank, improved domestic economic sentiments, alongside the improving prospects of the global economy,” the Governor said. However, the global pandemic which is far from over is expected to dampened economic revival prospects this year.

Excluding China, emerging market and d veloping economies are forecast to expand 3.4% in 2021 after a contraction of 5% in 2020 according to the World Bank. The Central Bank relaxed its monetary policy stance to unprecedented levels last year to reviving the economy affected by the pandemic.

In response, market deposit and lending rates declined notably last year.

The Central Bank will continue its accommodative monetary policy stance to maintain the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) at their current levels of 4.50 percent and 5.50 percent.

The Board arrived at this decision after carefully considering the macroeconomic conditions and expected developments on the domestic and global fronts.

As announced in November last year, the Board decided to introduce priority sector lending targets for the micro, small and medium scale enterprises (MSME) sector to support a broadbased economic revival, in consultation with the banking community.

The External sector is expected to remain resilient with the support of appropriate policy measures, amidst domestic and global challenges Cushioning the adverse impact of the pandemic on the balance of payments, the trade deficit continued to narrow, while the rebound of workers’ remittances continued through the second half of 2020.

The trade deficit is expected to have narrowed by over US dollars 2.0 billion in 2020 compared to the previous year. Workers’ remittances have grown by 5.8 per cent to US dollars 7.1 billion in 2020, with a historic high level of remittance receipts in December 2020.

With these developments, the external current account deficit is estimated to have narrowed substantially in 2020.

Measures taken by the Government to promote exports of goods and services are expected to buttress the external sector in 2021. Reopening the country for tourist arrivals under strict health guidelines could help improve external sector conditions in the period ahead. Meanwhile, overall domestic credit expanded notably, driven by the substantial increase in credit to the public sector. Reflecting the impact of increased domestic credit, the growth of broad money (M2b) continued to accelerate in 2020 providing ample liquidity to support domestic economic activity.

Headline inflation remained mostly within the targeted range of 4-6 percent during 2020.

The regulator hopes to maintain inflation in the targeted 4-6 per cent range under its flexible inflation targeting framework.

Source: Sunday Observer – 24th January ,2021

Fitch Ratings revises National Long-Term Ratings of SL financial institutions

Fitch Ratings has revised the National Long-Term Ratings of Sri Lankan financial institutions following the recalibration of the agency's Sri Lankan national rating scale.

The recalibration is to reflect changes in the relative creditworthiness among Sri Lankan issuers following Fitch's downgrade of the sovereign rating to 'CCC' from 'B-'/Negative on 27 November 2020.

National scale ratings are a risk ranking of issuers in a particular market designed to help local investors differentiate risk. Sri Lanka's national scale ratings are denoted by the unique identifier '(lka)'.

The National Ratings of the Sri Lankan financial institutions consider their creditworthiness relative to other issuers in the country. The recalibration of the Sri Lankan National Rating scale has resulted in the revision of the National Long-Term Ratings of the following Sri Lankan financial institutions:

Banks: Commercial Bank of Ceylon PLC (CB) to 'AA-(lka)'/Stable from 'AA+(lka)'/Negative, Hatton National Bank PLC (HNB) to 'AA-(lka)'/Stable from 'AA+(lka)'/Negative, Cargills Bank Limited to 'AA-(lka)'/Stable from 'A+(lka)'/Stable,

Non-Bank Financial Institutions: CBC Finance LTD to 'A(lka)'/ Stable from 'AA-(lka)'/Negative, HNB Finance PLC to 'A(lka)'/ Stable from 'AA-(lka)'/Negative, Richard Pieris Finance Limited to 'AA-(lka)'/Stable from 'A-(lka)'/Stable, Singer Finance (Lanka) PLC to 'A+(lka)'/Stable from 'BBB(lka)'/Stable, Abans Finance PLC to 'A(lka)'/Rating Watch Evolving (RWE) from 'BB+(lka)'/RWE and AMW Capital Leasing And Finance PLC to 'AA-(lka)'/Negative from 'BBB-(lka)'/Negative.

Source: -Daily News – 29th January 2021

Daily average turnover crosses Rs 13.5 bn – Acuity Stockbrokers

The Bourse ended the week on a positive note this week with ASPI increasing by 205 points (or 2.42%) to close at 8,668.07 points, while the S&P SL20 Index also increased by 202 points (or 6.09%) to close at 3,514.18 points.

Turnover & Market Capitalization

L O L C Holdings was the highest contributor to the week's turnover value, contributing LKR 8.07Bn or 14.88% of the total turnover value. Expo Lanka followed suit, accounting for 10.91% of turnover (value of LKR 5.92Bn) while Sampath contributed LKR 3.56Bn to account for 6.56% of the week's turnover. Total turnover value amounted to LKR 54.26Bn (cf. last week's value of LKR 60.02Bn), while daily average turnover value amounted to LKR 13.56Bn (12.99% W-o-W) compared to last week's average of LKR 12Bn. Market capitalization meanwhile, increased by 2.42% W-o-W (or LKR 89.46Bn) to LKR 3,789.15Bn cf. LKR 3,699.69Bn last week.

Liquidity (Value & Volume)

The Capital goods Industry Group was the highest contributor to the week's total turnover value, accounting for 25.73% (or LKR 13.96Bn) of market turnover. Industry Group's turnover was driven primarily by JKH, Hayleys, Royal ceramic & Vallibel One which accounted for 72.08% of the sector's total turnover. Diversified financials Industry Group meanwhile accounted for 19.77% of the total turnover value while Banks Industry Group contributed 15.28% to the weekly turnover.

The Materials Industry Group dominated the market in terms of share volume, accounting for 50.47% (or 1341.26Mn shares) of total volume, with a value contribution of LKR 7.72Bn. The Food, Beverage & Tobacco Industry Group followed suit, adding 13.35% to total volume (354.81Mn shares) while diversified financials Industry group contributed 13.27% (352.79Mn shares) to the weekly share volume.

Dividend Announcements

Company DPS(Rs.) Dividend Type Date(XD); JOHN KEELLS HOLDINGS PLC 0.5 Third interim 9/2/2021; HATTON PLANTATIONS PLC 0.5 First interim 9/2/2021; BPPL HOLDINGS PLC 0.24 First interim 10/2/2021.

Key economic indicators December 2020; Prime Lending Rate - 5.74%, Ave. Wtd. Deposit Rates - 5.8%, Ave. Wtd. Fixed Dep. Rates - 7.14%, CCPI Inflation Y-o-Y % (Base 2013) - 4.2%.

Source: Daily News 01st February 2021

CSE records the highest turnover since May 2008

Bourse continued its downfall for the second consecutive session recording a turnover of LKR 23.8Bn, its highest turnover since 2008. BIL dominated the turnover for the session with a contribution of 74%. Parcel trades in BIL boosted the turnover for the session amounting to 71%. The index plunged within the first 30 minutes of trading, thereafter, bounced back reaching its intraday high of 8,759.

The market later witnessed a strong downtrend for the rest of the session and closed at 8,567 losing 101 points. Foreigners continued to be on the selling side while recording low participation. Meanwhile, the secondary bond market yield curve remained broadly unchanged while the overall market recorded ultra-thin volumes. In the short end of the yield curve, 15.12.23 maturity changed hands in the range of 5.83%-5.85%.

Source: Daily News – 02nd February ,2021

Rupee's strength rebounds

The USD/LKR rate on spot contracts appreciated on Wednesday to close the day at Rs. 192.25/193.00 against its previous day's closing levels of Rs. 195.50/196.50.

Wealth Trust Securities said the appreciation was on the back of continued selling interest by banks. Last week the USD/LKR rate on spot next contracts was seen depreciating further to close the week at Rs. 196.50/198.50 against its previous weeks closing level of Rs. 193.00/195.00 on the back of continued demand by banks.

The more demanded spot contracts traded at level of Rs. 196.00 to Rs. 197.50. As of Tuesday 26 January, the Rupee had depreciated by 6%.On Wednesday, Money, Capital Markets and State Enterprise Reforms Minister Nivard Cabraal told journalists that he believes the Rupee should be at around Rs. 185 against the US dollar.

"Considering the macro economic situation no one needs to be unnecessarily concerned, and we wish to advice our exporters to convert their earnings into rupees. We must embark on this journey together during this difficult time. If any-one tries to rock the boat, it affects everyone in it. We can still steer this boat. But if anyone still tries to rock the boat, we will have to take measures to control them as the Central Bank is doing now," he said.

Providing context to his standpoint, Cabraal noted that in 2014 the rupee was Rs. 131 against the dollar when the then Government was charged with controlling exchange rates instead of allowing a float. However, with the Yahapalana government taking over, the rupee had depreciated as much as 6.7% annually to end at Rs. 181.63 during a period of no global economic turmoil, he said.

Cabraal added that with the advent of the current administration, the rupee has only depreciated to Rs.186, or 2.6%, at the end of the 2020, despite a global economic slowdown due to the pandemic. In addition, the Central Bank was able to buttress reserves by a further $ 282 million, Cabraal said, and "ensured the entire economy was not put in jeopardy".

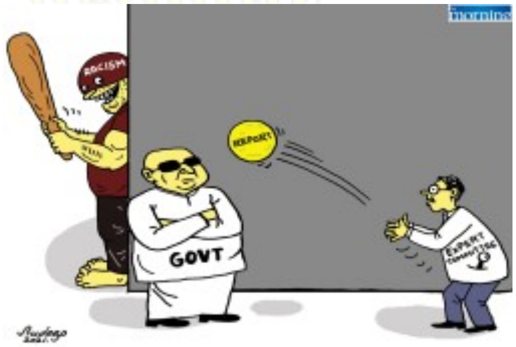
Speaking further he noted that Sri Lanka is not considering issuing any new International Sovereign Bonds in the near future but that the country has made progress on swap arrangements with India and China, which would be finalised soon.

Cabraal said that when he stepped down as Governor of the Central Bank in 2014, the country had issued $ 5 billion in sovereign bonds at 5.71%, but by end 2019 the country had issued over $ 15 billion in bonds at a rate of 7.35%, adding over Rs. 170 billion in debt payments to state coffers.

Despite this, Cabraal said Sri Lanka was still in a good position to issue International Sovereign Bonds to raise money, but it has chosen instead to balance its foreign-to-local debt ratio which is skewed heavily towards external markets.

Source:Daily ft – 29th January ,2021

Cartoons



Source:cartoon-themorning.lk-04-01-2021

Source:cartoon-themorning.lk-01-01-2021

From Gaspaha junction to becoming Lanka's energy sector leader

LITRO Gas – A journey of over 150 years

The Gas Works Street and the Gas Paha Junction (Gaslamp post with a cluster of five gas lamps) still stands as a unique part of Colombo's historic legacy. From powering the first gas lamps ever to be installed in the country to building an inimitable footprint in the Sri Lankan energy sector is a daunting task spanning over 150 years. For Litro Gas, it has been a significant journey that defines the growth of the LPG sector in the country.

The country's premier supplier of LPG stands tall as the key stakeholder of the transformation that led to the utilization of LPG as a mainstream energy source. Back when gas lamps were the norm and gas-powered tram cars were a common sight, the Ceylon Gas & Water Co, precursor of Litro Gas, managed what was then a highly developed network of LPG supply in the city of Colombo, delivered up to Ratmalana.

Throughout the years, Ceylon Gas & Water Co went through many phases of growth which culminated with the entry of Royal Dutch Shell - Shell Gas Lanka as a globally recognized world leader in energy. With it came access to global know-how and expertise that would benefit the LPG industry in the country. In 2010, when Litro Gas came into being, the market was ready for exceptional growth and expansion.

"Litro Gas has a unique legacy that has been a part of Sri Lanka's history during 150 years of its journey," says Anil Koswatte, Chairman and CEO of Litro Gas Lanka Ltd, "That legacy has been an integral part of Sri Lanka's energy history, establishing LPG as a mainstream energy of choice for Sri Lankans."

"Throughout the years, we have experienced steady growth, managing to keep our prices competitive, passing on a great economic benefit to our customers – even when global LPG prices have risen. We have maintained our value proposition to customers while delivering on our pledges to our stakeholders."

"As underlined in the "Vistas of Prosperity and Splendour" presented by H.E. The President Gotabaya Rajapaksa and in keeping with the directives of the Presidential Task Force to uplift the living standard of the people, ensuring that the price of essential commodities such as LPG is stabilized is a key area to be considered", he adds. The household use of LPG broad-based around thirty-two years ago - increased demand for LPG in the country set the stage for Litro Gas to emerge as the national LPG provider.

Litro Gas maintains a robust and seamless service of supply throughout the island; along with the Company's state of the art storage and filling facility at Kerawalapitiya which is recognized as one of Asia's largest filling plants. Litro Gas also operates a cylinder refurbishment, cylinder requalification and bulk customer LPG delivery hub in Mabima, Sapugaskanda. Further, the Company manages a storage facility in Hambantota, giving it an edge in managing an efficient system of LPG delivery across the country. The Company owns a network of 42 distributors, approximately 14,000 point-of-sale locations and 1,500 home delivery hubs who meet the energy needs of the country.

Today, Litro Gas plays a key role in fueling the country's economic drive as the leader in the LPG sector with over 76% market share. The company generates a turnover of Rs 45 billion, providing LPG for over 4 million households across Sri Lanka while powering up commercial and industrial sectors as well.

Driven by innovation, Litro Gas Lanka launched a specially designed Home Delivery Mobile App that enables customers to connect seamlessly for their gas deliveries – an easy four-digit helpline (1311) for island-wide home delivery has also been introduced which benefits customers to meet their LPG requirements conveniently and swiftly.

Paving the pathway for the growth and expansion of LPG in Sri Lanka has been a historic achievement, one that has evolved over 150 years.

The Litro Gas journey continues, says Koswatte, to a future of unlimited possibilities.

Source:Daily News – 29 January 2021

Supporting socio economic recovery of Micro, Small Enterprises in Sri Lanka during Covid–19

In the Asia-Pacific region alone, as many as 81 million jobs have been lost due to COVID-19, and labour markets are facing significant slack in terms of unemployment, underemployment and inactivity. "COVID – 19 has triggered an economic slowdown in Sri Lanka that has particularly hit the tourism, manufacturing and MSE sectors," said Country Director for the International Labour Organization (ILO) in Sri Lanka and the Maldives, Simrin Singh. She spoke to Daily News Business on the impact of the COVID-19 pandemic on the world of work - discussing adapting to the new norms of working, the future of remote working, the most hard-hit due to the pandemic and the plight of local Micro and Small Enterprises (MSEs). She elaborated on how the COVID – 19 pandemic impacted Sri Lanka's MSE sector and ILO's role in helping the recovery process, and building back better. Following is an extract from the interview

Q: How has the pandemic affected the MSE sector?

A: In terms of its impact on micro and small enterprises this has happened in a number of ways - cash flow is the first one that comes to mind, there is also access to raw material that is curtailed, disruption in delivery and distribution of finished products, challenges in employees returning to work, amongst other things. Being a largely informal sector also makes MSEs extremely vulnerable as there is a lack of social protection and as such no safety net to rely on.

The situation is further exacerbated for women owned MSEs, who have to balance the dual role of caregiver to the elderly and children at home, and business continuity. It is also important to bear in mind that many of these MSEs were likely running on borrowed money - loans to start the business, to pay their workers, so they would have already been in debt and are now facing significant pressure when it comes to access to finance and debt repayment. Since they are often not diversified businesses, they cannot repurpose easily, and therefore rarely have other income streams that they could rely on. With the MSE sector being the backbone of the national economy, supporting these businesses to restart is essential to re-starting the economy as well as creating jobs, and will be of paramount importance once the immediate health crisis is over. In the meantime, we need to help small businesses face the pandemic with resilience and through employing pragmatic, appropriate actions.

Q: How is the ILO responding both globally and locally to the situation?

A: Our response to the crisis has been multi-pronged across the globe, and we have initiated a number of actions / interventions in Sri Lanka to address country specific issues. ILO's key project in the country seeks to facilitate the healthy socio-economic recovery of the Micro and Small Enterprise Sector of Sri Lanka, and is funded by the United Nations Multi-Partner Trust Fund (UNMPTF).

During the first quarter of 2020, we convened a tripartite meeting to discuss OHS (Occupational Health and Safety) and employment in the COVID – 19 era, with representatives from the WHO (World Health Organization), Ministry of Labour, Sri Lanka, Employees Federation of Ceylon, Joint Apparel Association Forum, National Institute of Occupational Safety and Health, Department of Labour OSH Division, Trade Unions (garments, industries, plantations, public corporations etc.). Since then, we have continued engagement with the above parties to sustain discussions, find solutions and promote rapport. The changing world of work has meant looking at existing labour laws and standards through a new lens to ensure decent work.

Apart from the above organizations, we work with a number of other organizations to effectively execute our objectives through the healthy socio-economic recovery project. We have partnered the Ministry of Industry and Commerce, Small Enterprise Development Division of the Ministry of Youth and Sports, the National Institute of Occupational Safety and Health, the Central Bank, and the Ministry of Health. Others include, WFP, various Commercial Banks, the Women's Chamber of Commerce, the Institute for Mental Health, medical anthropologists, psychologists, the media, and filmmakers

Q: Could you talk about the key initiatives of the healthy socio-economic recovery project targeted at MSEs?

A: Our key aspiration through this project is to ensure the socio-economic recovery and build the resilience of the MSE sector. The project interventions were informed by a rapid assessment carried out at the grass root level in the Kalutara and Gampaha district, in partnership with the Small Enterprise Division of the Ministry of Youth and Sport. This provided an understanding of what are some of the entities that have been hardest hit by COVID-19, and in what manner. The project takes a two-pronged approach; the first being the health and safety aspect from a MSE workplace setting, including necessary COVID-19 precautionary measures as well as psychosocial support needs, while the second component focuses on facilitating access to finance.

With regards to strengthening occupational safety and health (OSH) of small businesses and employees to enable business continuation, the ILO has partnered with the United Nations Office for Project Services (UNOPS) to purchase and supply Personal Protective Equipment (PPE) worth LKR 47 million to MSEs in the Kalutara and Gampaha Districts. We are also providing virtual training to these MSEs through NIOSH on implementing OSH measures and use of PPE. Similarly virtual training is also being provided to labour officers, SEDD officers, and several bank staff on psychosocial sensitivity when interacting with employers and employees of MSES. Complementing this, we are rolling-out a number of campaigns to educate MSE business owners about pragmatic steps to ensure both physical and mental wellbeing of themselves and their employees across the country.

Q: You mentioned a series of safety and health interventions to assist MSEs, could you elaborate?

A: First of all, we believe that small businesses need guidance on preventive measures to operate, and reopen businesses while the health crisis continues. We address this concern through providing guidance to ensure health and safety of all concerned in the workplace and assisting business owners to become aware of psychosocial risks involved and minimize such risks through timely and proper intervention. In partnership with local organizations, we continue to reach out to MSEs to provide them with practical and definite guidelines to stop the spread of COVID – 19 virus. These guidelines include steps on establishing OHS practices such as frequent hand washing, correct mask wearing etiquette and social distancing. The guidelines instruct business owners about establishing appropriate work area layouts, training employees to work from home, maintaining a transparent screening system and providing employees with PPE whenever necessary. The guidelines also detail effective methods to develop and agree on a response plan in case someone shows symptoms or gets infected.

The psychosocial guidelines first and foremost assist MSEs to identify such risks and hazards that may arise due to the OSH measures adopted to prevent spread of the virus, and new work processes, including long hours, risks associated with working from home and fears of losing employment. In addition to drafting and disseminating guidelines, we continue with ongoing demand for inputs into social protection responses from the Government together with the United Nations Country Team (UNCT).

Q: What is your involvement in assisting women workers during the pandemic?

A: Women's participation in the Sri Lankan labour force prior to the pandemic was already low - hovering at between 32% to 34% for decades. And this is very much an anomaly considering the high female literacy rate, and girls' participation including participation in higher education in Sri Lanka, which exceeds that of many countries in the region. Its raises a concern as to why the female participation in the workforce is low in comparison to compared to other achievements of women in the country. It is something that needs to be addressed going forward. It is possible that the current work structures of flexible working hours and teleworking introduced due to COVID-19 might help navigate some of the cultural-barriers that have been in place in terms of women returning to the workforce during and after childbearing periods.

Women led MSEs are beginning to take shape in the country, but they are facing daunting challenges during the pandemic. The vulnerability factor is more due to lack of consistent social support and financial vulnerability. The lockdown and subsequent school closures have added pressure on women to balance their business concerns and children. As a result, their business ventures have suffered, subsequently affecting their financial stability.

One possible remedial means could also be a greater investment made in terms of care work in the country, which then relieves women from caregiver roles in home settings and enables their increased participation in the labour force. An example would be reskilling or upskilling some of the current returnee migrant workers towards being a part of the caregiving sector, and providing some of the services in terms of the elderly and the young. These kind of provisions need to be thought about strategically and put to practice to allow more women to participate and not opt out from working because of pressures that are very real, and have to be tackled in their day to day life.

Our COVID-19 related project has a specific focus on addressing challenges faced by women entrepreneurs in the MSE sector and involves targeted training programmes on how to operate their businesses during the pandemic, mentorship, psychosocial support, and enabling access to finance

Source: : Daily Ft - 24 December 2020

CNCI Webinar

STOCK EXCHANGE & INVESTMENT OPPORTUNITIES IN THE SHARE MARKET

23rd February 2021 9.30 am - 11.00 am
(Participation accepts from 9.15 am)

Online - Zoom

COLOMBO STOCK EXCHANGE

CONTENT

* What is a Stock Market
* Share Market as an Economic Indicator of a country
* What is a share
* Colombo Stock Exchange
* Purpose of Stock Exchange
* How to open a CDS A/C
* Types of Securities
* Benefits of Investing
* How to do a Trade
* Transaction Cost
* CSE performance indices
* Things that CSE can do & can't do
* Current Market Condition

INVESTMENT

For Members	Rs.3,000/-
For Non Members	Rs.3,500/-

RESOURCE PERSON

Ms.Imesha Fernando
Senior Executive - Investor Education
Colombo Stock / Exchange

FOR

Directors, Managers, Executives, Supervisors and all those Interested in Share Market and Investment

FOR REGISTRATION

Please email your filled registration forms to:
po@cnci.lk, cnci@slt.lk, thecnci@gmail.com

Organized by
THE CEYLON NATIONAL CHAMBER OF INDUSTRIES- CNCI

For More Details
Contact: Madhushika / Nilanthi
0112339200, 2452181, 719429269
www.facebook.com/THECNCI

EXCHANGE RATES AS AT 31ST JANUARY 2021

Date	Buy Rate (LKR)	Sell Rate (LKR)
Australian Dollar	144.4602	149.5783
Canadian Dollar	146.6622	152.328
Swiss Franc	212.0469	219.8765
Renminbi	29.0726	30.1679
Euro	229.1927	235.5134
British Pound	259.8668	266.6941
Yen	1.8135	1.8612
Singapore Dollar	142.0539	146.3739
United States Dollar	189.6615	194.4435

Source: https://www.cbsl.gov.lk/en/rates-and-indicators/exchange-rates/daily-buy-and-sell-exchange-rates

Sri Lanka Economy **SNAPSHOT**

Economic Growth
1.5%
Q3, 2020

Inflation
NCPI (Y-Y) 5.20
NOV 2020

Interest Rates
T-bill < 364 days 4.9%
T-bond < 3 year 5.95%
T-bond < 5 year 6.81%

$ =
LKR 194.3090
INDICATIVE

Policy Rates
SDFR 4.50
SLFR 5.50

Unemployment Rate
5.8%
Q3, 2020

Population
21.8 million

Per Capita Income
Rs. 688,719

Area
65,610
Sq. Km

Source : https://www.cbsl.gov.lk/en/sri-lanka-economy-snapshot