



CNCI NEWS BULLETIN

ISSUE 80
June 2021

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CNCI ACHIEVER AWARDS 2021

Applications are now open

Applications for the “CNCI Achiever Awards 2021” for Industrial Excellence are open with effect from 15th July 2021.

The CNCI Achiever Awards scheme has been initiated by the Ceylon National Chamber of Industries – CNCI to boost the industrial sector in the country by recognizing and rewarding those industrialists who excel well in their businesses. The contestant companies are evaluated based on their performance shown in the areas of quality standards, productivity, corporate plan, research & development, employee benefits, labour relations etc while paying concerns over the social and environmental obligations thereby encouraging these industries to reach further heights. The Achiever Awards scheme is highly popular among the industrial sector and is considered as a valuable opportunity to all industrialists of Extra Large, Large, Medium, Small & Micro categories, to contest in provincial and National levels. The CNCI takes pride to mention that the CNCI Achiever Awards Competition is held in 2021 for the 20th consecutive year.

In other years, the CNCI generally launches this annual programme with a media briefing in a grand way with a good gathering at a leading hotel in Colombo. However, in this year it is a new normal situation where physical gatherings had been restricted in the face of a global pandemic threat. The Chamber has not met our sponsors yet, but the CNCI Management is confident that the valued sponsors who have been joining hands with the CNCI for the past several years will be with CNCI in this year too. We will meet them as soon as the circumstances will permit us to do so Canisius Fernando, CNCI Chairman said.

At the at Management Meeting of the Chamber, CNCI Chairman expressed his deep gratitude to the DFCC Bank on behalf of the Industry Chamber for their magnanimous gesture in being the Principal Sponsor and Official Banking Partner for the CNCI Achiever Awards scheme continuously for the past three years and he was hopeful in this year as well. He also thankfully placed on record of the sponsorships given by the Bank of Ceylon for the past 16 years and Ceylinco General Insurance Limited for the past 14 years while they both have come up as Co-sponsors in the last year too. Commercial Bank and HNB had been the event sponsors for CNCI Achiever Awards 2020 while Associated Newspapers of Ceylon Limited - ANCL (Lake House) and Independent Television Network (ITN) were the Media Sponsor for CNCI Achiever Awards event in the last year.

The CNCI Achiever Awards applications are subjected to a stringent evaluation procedure. Initially the applications received are scrutinized by an external Audit team to verify the accuracy of the information given, especially the financial data. Next is an internal panel of judges consisting of professionals such as Chartered Accountants, Engineers etc. Finally it is the external panel of judges consisting of the representatives of government and private sector institutions related to the industries.

Canisius Fernando further said that we couldn't witness a noticeable growth in the industrial sector in the country during the recent past, especially since April 2019. The Covid-19 pandemic effect had been a major threat which brought industry operations and economic activities of the country to a standstill for a considerable period of time. Even today the majority of industries are not in a position to employ their resources in full capacities. However, he proudly added that the Sri Lankan industrialists have the courage to face all the challenges in keeping their businesses rolling amidst all the constraints while assuring job security of their employees. He congratulated the industrialists for their courage and able leadership not only for winning their challenges but also for contesting to become the “CNCI Achiever” of the year with their performance excellence.

Achiever Awards applications are available at the CNCI Chamber Secretariat, Galle Face Court 2, Colombo 3 and all Regional Chambers or they can be downloaded from their website www.cnci.lk. Applications closing date will be 10th September 2021.



LAKE
HOUSE

Daily News

EDB Chief calls on export-oriented global firms to set up base in SL



Export Development Board Chairman Suresh de Mel addresses the virtual Sri Lanka Investment Forum

Export Development Board (EDB) Chairman Suresh de Mel yesterday presented six focused sectors that provide a plethora of opportunities for export-oriented global firms to set up bases in Sri Lanka.

“The Government has put in the right ecosystem to support investments, growth and innovation. We have also taken a number of new initiatives while also fine-tuning existing endeavours to develop and boost exports,” he said on Day 2 of the virtually-held Sri Lanka Investment Forum.

The EDB Chief’s six focused sectors for innovation and investment were: IT/BMP, electrical and electronic components, boat building, nautical tourism and related industries, processed food and beverages, spices and concentrates and essential oils and wellness tourism. He also elaborated on each focused sector, emphasising on the plethora of opportunities for export oriented firms to invest in Sri Lanka.

De Mel told global companies attending SLIF that Sri Lanka’s strategic location as a central hub to trade routes, duty-free

access to 7,200 products with the European Union (EU) GSP+ concession and the United Kingdom (UK) GSP+ concession, Free Trade Agreement (FTA) market access to India and Pakistan with 4,000 products and several other FTAs with the regional counties were key factors to make Sri Lanka a great destination to setup globally-recognised, export-oriented manufacturing plants.

“We are there to support exporters and investors to set up investment in Sri Lanka,” the EDB Chief said.

In addition to merchandise exports, he highlighted that Sri Lanka was also known for its services exports which include logistics, maritime and offshore engineering, light engineering, construction, education, BPM/BPO, lapidary and tourism.

“EDB’s knowledge of global and local market places and the characteristics of multiple industries helps Sri Lankan exporters to expand their exports into global markets,” de Mel said.

According to him, the EDB works with 20 advisory committees to gain industry knowledge, which comprises over 100 private sector members, in addition to the foreign missions to get market intelligence support required to boost exports.

The EDB Chief also said the resilience of the export community was quite evident with the \$ 14 billion export earnings recorded last year despite the supply chain and market access constraints due to the COVID-19 pandemic. This year, the EDB has a target of \$ 16 billion despite the continued local and international shocks amidst the pandemic.

Sri Lanka’s top 10 export markets include the United States, the UK, India, Germany, Italy, Belgium, Netherlands, China, Canada and Turkey. Last year Sri Lanka’s merchandise exports amounted to \$ 10 billion and the Government has set a target of \$ 12 billion in 2021 of which \$ 3.6 billion has been achieved by April.

“EDB has gone beyond its original responsibilities as a trade promotion organisation to multiple layers of the country’s role of a mentor and a facilitator in reaching new markets and identifying markets and industry trends,” de Mel said.

Source: Daily News – 09th June 2021

Concessions for businesses, individuals hit by third wave



Considering the difficulties faced by the borrowers of Licensed Finance Companies and Specialised Leasing Companies (Non-Banking Financial Institutions - NBFIs), due to the third wave of the Covid-19 pandemic, the Central Bank of Sri Lanka (CBSL) issued circular No. 6 of 2021 on concessions for affected businesses and individuals, requesting NBFIs to provide concessions to affected borrowers as follows:

1. Concessions granted for performing credit facilities

(a) With respect to credit facilities that are in the performing category as at 15 May 2021, to defer recovery of capital, interest, or both, on case-by-case basis, during the period up to 31 August 2021, considering the financial difficulties (such as loss of job, loss or reduction of income/salaries or sales, closure of business) of the eligible borrowers.

(b) NBFIs may charge an interest rate not exceeding the 364-days Treasury Bills auction rate as at 19 May 2021 plus 5.5 per cent per annum (i.e. 10.68% per annum) only on the deferred amount and for the deferred period.

(c) Alternatively, NBFIs may restructure the existing credit facilities over a longer period, considering the repayment capacity of the borrower and an acceptable revival plan submitted by such borrowers.

2. Concessions granted for non-performing credit facilities

(a) Reschedule the credit facilities in the non-performing category as at 15 May 2021, over a longer period considering the repayment capacity of the borrower and an accepta-

ble revival plan.

(b) NBFIs shall suspend all types of recovery actions against credit facilities of eligible borrowers that have been classified as non-performing on or after 01 April 2020, until 31 August 2021.

3. Other concessions

(a) NBFIs shall discontinue late payment fee on credit cards and other credit facilities during the period up to 30 June 2021, for those who are demonstrably affected. (b) Consider any request from affected borrowers to delay the loan repayments by a few days (maximum 10 working days) due to the ongoing travel restrictions, without charging any additional interest or other charges for such delay.

(c) NBFIs shall not charge any early settlement fee from eligible borrowers, in the case where a borrower has expressed his willingness to settle his or her existing credit facilities on or before August 31, instead of opting for the deferment or restructuring of the existing credit facility.

(d) NBFIs shall not decline loan applications from eligible borrowers under this Scheme solely based on an adverse CRIB record. Department of Supervision of Non-Bank Financial Institutions 11.06.2021.

Eligible borrowers who wish to apply for the concessionary scheme, need to make a request to the respective branch of NBFIs on or before July 15,, in writing or through electronic means. The detailed Circular No. 06 of 2021 issued to NBFIs in this regard is published in the CBSL website cbsl.gov.lk/en/laws/directions-circulars-guidelines-for-non-banks.

Source: -Daily ft - 20th June 2021

GDP growth in 1Q - 4.3%

GDP growth for the first quarter this year has been estimated as 4.3 percent positive growth rate compared to the 1.8 percent growth notched in the corresponding quarter last year, a communiqué released by the Department of Census and Statistics stated on Friday. The GDP for the first quarter this year at a constant price had increased to Rs. 2,393,922 million from

Rs. 2,295,432 million recorded the first quarter of last year. The GDP for the first quarter of this year at current price had increased to Rs. 4,173,783 million from Rs. 3,844,079 million recorded in the corresponding quarter of last year, registering a 8.6 percent change in the current price GDP.

Source: -Daily ft - 11th July ,2021



Six thinking roles for HR professionals



Decision making is a delicate part of a managerial career. This is true for people professionals as well. In the midst of a planetary pandemic, the right decision at the right time in the right direction is more crucial than ever before.

Thinking is the central theme when it comes to decisions. Today's column is all about how People Professionals can play six thinking roles, based on six thinking hats developed by Dr. Edward de Bono (1933-2021), in the early eighties. It is in fact a tribute to Dr Bono who passed away on June 9, 2021 at the age of 88.

Dr. de Bono in his book, 'Six Thinking Hats', discusses an important and powerful technique that is used to look at decisions from a number of important perspectives. This forces us to move outside our habitual thinking style, and helps to get a more rounded view of a situation.

As we discussed in a previous column, an HR Professional or a People Professional can be viewed as a senior person engaged in Human Resources activities as an occupation. In other words, a manager with experience and qualifications, handling the responsibilities associated with the Human Resources function of an organisation. HR professionals are responsible for attracting, engaging, developing, rewarding, and retaining the most precious resource of any organisation, i.e., human resource. In this endeavour, they need to demonstrate thinking in a big way. Let us draw parallels to the roles they should play in line with six thinking hats of Edward de Bono.

In a nutshell, I would call them six Ps, viz., prober, partner, preventer, provider, proposer, and a planner.

HR Professional as a Prober

When he/she wears the white hat, the role in focus is what I would like to call

prober. According to de Bono, the white hat pertains to facts and information. It covers facts, figures, information needs and gaps. "I think we need some white hat thinking at this point." means "let's drop the arguments and proposals, and look at the data collected."

Rather than jumping into conclusions, HR professionals need to gather needed facts and make decisions based on facts. Sources and uses of information should be very clear in the mind of an HR professional. Take recruitment for an example. Assessing the prospective candidates involve a fair deal of information such as educational qualification, working experience, previous career highlights etc. Probing helps him/her to dig deeper before making a decision.

HR professional as a Partner

When the HR professional wears the red hat, the role in focus can be viewed as a partner. Here, I use the term partner, to identify the feelings and emotions associated. As someone near and dear, he/she uses the gut instincts more than the logic.

This covers intuition, feelings and emotions. The red hat allows the thinker to put forward an intuition without any need to justify it. "Putting on my red hat, I think this is a terrible proposal." Usually feelings and intuition can only be introduced into a discussion if they are supported by logic. The feeling is genuine but the logic can be spurious. The red hat gives full permission to a thinker to put forward his or her feelings on the subject at the moment.

Let's take the earlier example of recruiting a manager. He or she may have ended up short listing two candidates who are equally qualified and experienced. Where the head stops, the heart may begin. Feelings and emotions of the HR professional, truly showing his or her partnering, might

HR professional as a Preventer

As much as an HR professional has to be a thinker and doer, he/she has to be a preventer as well. It has a connection of what Edward de Bono termed as a Black hat thinker.

It essentially involves being cautious, in looking at the worst case scenarios, in truly playing the role of "devil's advocate", in preventing a disaster.

This is the hat of judgment and caution. It is not in any sense an inferior or negative hat. The black hat is used to point out why a suggestion does not fit the facts, the available experience, the system in use, or the policy that is being followed. The black hat must always be logical.

The need here is to identify barriers, hazards, risks and other negative connotations. The overall spirit should be to see that the final decision is error free or not just emotionally –laden one without value. The challenge is not to overdo it by becoming a stumbling block for success, or not to undermine it by merely ignoring obvious risks. This is a delicate challenge for HR professionals. They are supposed to project a positive image oozing with optimism. Yet, becoming cautious, in clearly identifying the risks involved in a decision is the pragmatic way forward. Let's take an example from industrial relations. An HR professional has to deal with a tricky labour union, which is opportunistic in changing their stance to suit ongoing political trends. As much as the HR professional demonstrates care and cooperation, he or she needs to be cautious in looking at a variety of possible scenarios so that the organisation is not vulnerable in future.

HR professional as a Provider

This is the most demanded role, linking with Edward de Bono's yellow hat. It is all about being positive and optimistic. Some authors have called it a logical positive, in answering why something will work and why it will offer benefits. It can be used in looking forward to the results of some proposed action, but can also be used to find something of value in what has already happened.

As a provider of constructive ideas on benefits of a particular course of action, the HR professional can influence a team decision making. Such an approach might have a potential conflict with the black hat thinking. Eventually, what would come out is a balanced decision not tilting to any of the sides.

There are situations where the context is bleak and participants are depressed resulting in an inefficient process of decision making. HR professionals can be cheerleaders in getting everyone engaged to reach a meaningful decision

BANK OF CEYLON



Bankers to the Nation

HR professional as a Provider

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HR professional as a Proposer

This can be regarded as the role of our times. As a proposer, an HR professional would wear a green hat, in generating new ideas. It involves identifying new possibilities.

It is the hat of creativity, alternatives, proposals, what is interesting, provocations and changes. Unleashing of creativity is an absolute must with regard to

complex decisions that do not have textbook solutions. As the competition intensifies, human creativity increasingly emerges as the cutting edge, resulting in innovative products and services.

It is also the hat of novel thoughts. It is based around the idea of provocation and thinking for the sake of identifying new possibilities. Things are said for the sake of seeing what they might mean, rather than to form a judgment.

This is often carried out on black hat statements in order to identify how to get past the barriers or failings identified there (green on black thinking). Green hat thinking covers the full spectrum of creativity and it can take many forms.

The HR professional has to propose a variety of options, related to different scenarios, with clarity in mind on the promises and pitfalls of each of such options. Take a case of talent hunt for an example. You have to find novel ways of filling your existing vacancies with competent people. Allowing potential employees to use social computing tools such as facebook or linked-in to get familiar with the organisation is one such example.

HR professional as a Planner

This occurs when an HR professional wears the blue hat. It is all about looking at the big picture. This is the overview or

process control hat. It looks not at the subject itself but at the 'thinking' about the subject. "Putting on my blue hat, I feel we should do some more green hat thinking at this point." This can be a possible comment of a participant.

It helps the HR professional to get connected to the 'broader canvass'. If he/she is leading a decision making discussion, it is an opportunity to be the process-controller as well, in truly demonstrating the essence of planning. He or she may invite the other participants to wear the other caps so that the discussion is an enriching and insightful one, leading to a decision with higher accuracy.

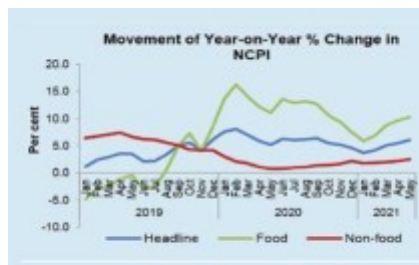
From six Ps to one big P

Having discussed the six Ps for People Professionals in becoming better thinkers, the big P cannot be ignored. It is all about performance, ranging from institutional level to an individual level.

HR professionals should use the six thinking hats in playing the corresponding roles in order to attain a higher level of organisational performance. This is in fact should be their most significant strategic contribution. In the midst of a continuing contagion, they need to demonstrate decisive action with dedication as committed performers.

Source: Daily News – 20th June 2021

Inflation up 6.1% in May



Headline inflation, as measured by the year-on-year (Y-o-Y) change in the National Consumer Price Index (NCPI, 2013=100)¹, increased to 6.1 per cent in May 2021 from 5.5 per cent in April 2021. This was mainly driven by the monthly increases in prices of items in

both food and non-food categories.

Meanwhile, food inflation (Y-o-Y) increased to 10.3 per cent in May 2021 from 9.7 per cent in April 2021 and Non-Food inflation (Y-o-Y) increased to 2.5 per cent in May 2021 from 2.2 per cent in April 2021. The NCPI, measured on an annual average basis, increased marginally to 5.4 per cent in May 2021 from 5.3 per cent in April 2021.

Monthly change of NCPI recorded at 0.95 percent in May 2021 due to increases observed in prices of items in both food and non-food categories. Accordingly,

within the Food category, increases were observed mainly in the prices of coconut oil, rice and fresh fish. Moreover, prices of items in the non-food category recorded an increase during the month due to price increases observed in the health (payments to medical laboratory tests and private hospital room charges), housing, water, electricity, gas and other fuels (lp gas), and furnishing, household equipment and routine household maintenance sub-categories.

Page Source : Daily News : 23rd June 2021

Creativity in entrepreneurship



Creativity at any stage of a business allows an entrepreneur to detach from the accustomed norms and move into uncharted and unexplored territories in the market. Hence developing creative skills in every aspect of a business has to be widened by entrepreneurs, both start-ups and experienced. Innovation is produced by creativity and by bringing unconventional ideas to the table, the entrepreneur can bring assured business success.

Several salient factors make creativity in the entrepreneurial process leading to the success of an organization. First among them is the creation of subjective innovative ideas of the entrepreneur. The process of entrepreneurship revolved around the exploration of new ideas of an individual that can make the business stay ahead of the competition.

Creativity in business simply is the capacity of imagination of the individual. The intention, imagination, and ingenuity are factors associated with creativity that produces different businesses or products from what is already available. Imagination should cross all limitations and boundaries that go beyond the box. The creative thinker always fearlessly thinks outside the frame to replace what is traditional with a new idea.

In today's fiercely competitive markets, the products and services can be accessed with ease. The businessman entering into the competition must be aware of the

basic factors such as the precise needs of the consumer, competition he has to confront, the marketable price, costs involved in other aspects of the company, and so forth.

Lucrative results

The answers to all above exist in a creative mind. Creativity helps the entrepreneur to improve business practices and produce more lucrative results. Regardless of the prevailing customer preference of a product, it can be improved further in different angles if a person thinks imaginatively. Rehearsed thinking can come up with unthinkable ideas and bring innovation to any business or brand.

However, the creative mind of the entrepreneur alone is not sufficient to succeed. He or she should also possess or learn business skills such as how to establish a new venture and manage it. The business model should be designed with strategies to support and execute in the first place. When the administrative aspects are in place properly, the execution of created innovative ideas is more successful.

An entrepreneur should also adhere to rules and principles when they add creative value to the business in order to attract more customers. They should act on any idea, irrespective of the foreseen effectiveness; carefully and initially practice such an idea with caution. They should experiment first, learning from the experience, before actually applying the idea into practice. A salient fact to remember is that any creative new business idea has a certain risk of failure. Analysing such risk to find alternatives is also included in entrepreneurship creativity.

The entrepreneur must not be afraid of a failure of a new and ground-breaking idea. They only have to assess the ratio of success or failure before executing the

idea. Believing in oneself implicitly is the key to success in business. Hence, initiating action on a new business scheme, new improvement to an existing product, a new method of marketing is totally acceptable.

Diversification

Innovative diversification is another area of creative thinking in business. Many entrepreneurs in Sri Lanka have become tremendously successful by diverting their businesses into alien territories. For example, historical business brands in Sri Lanka such as Maliban, Nawaloka, Munchee, DSI, and many other ventures became successful due to the creative minds and fearless decision-making on diversifications by their respective founders. The admirable fact is that most of these Sri Lankan business greats were not highly educated individuals but almost everyone possessed brilliant and creative mindsets.

Diversification of a business is not always about infusing more capital but mere imaginative thinking. Resourceful entrepreneurs find new markets and new opportunities or even create new niches simply through their out-of-the-box thinking. Inventive thinkers can successfully create new products for existing services or new services for existing products.

Being alert about everything that takes place around you and learning different things, regardless of whether they are related to the business line or not, can make an individual reach business success. Good businessmen learn from others and seek improvements rather than concentrating on their own perfection. They learn to become flexible and accept success or failure on equal terms. Those who fear failure will not take risks on a new idea and probably fail to spot opportunities throughout their careers.



Success

Creativity and entrepreneurship skills form a perfect combination for the success of an organization. In today's advanced environment, creativity and imagination have become integral components of business acumen. In any organization, proprietary interest and resourcefulness is compulsory and the lack of these two aspects can drag a business to a stagnant mode.

The common notion that people need only intelligence and courage to achieve everything they need is obsolete now and has become a misconception. Along with many other aspects, creativity and innovativeness are essential traits in entrepreneurial success.

However, regrettably, most of the learning institutions teach more on methods and intelligence than innovative thinking, perhaps because of the immeasurability in creativeness. Nevertheless, business leaders now realise that creative thinkers in their teams can be game-changers in their respective businesses and they set forth an important reason for overall success. Exploiting employee potential to the optimum capacity is essential in an organisation. By encouraging and inspiring the workforce creativity is also part of entrepreneur imagination and skill.

Innovative and explosive ideas can be harnessed through the individual workers in a company for long-term success if the leader approaches them fittingly. By stimulating the team members of an organization, amazing results can be achieved.

Day-to-day activity

Creativity can be of immense help in problem-solving in business. Solving an omnipresent simple critical problem and making a decision on the best available alternative is a day-to-day activity in any business entity. A creative way of thinking and analyzing the problem and finding the most suitable decision is imperative to an entrepreneur.

A problem can be solved either by taking a common mediocre action or creatively inventing a solution that can give more appropriate solutions. There are several types of characteristics in creativity in entrepreneurship.

An individual who is always purposeful and carrying a huge amount of knowledge possesses deliberate and cognitive creativity.

They use their knowledge, abilities, and skills to achieve a predetermined goal. This type of entrepreneur is particularly good at analyzing situations, experimenting, and solving problems in

any business situation. They develop creativity by their superior knowledge about the subject obtained by studying it for a long period.

Others become creative by being sensitive in nature. They become creative deliberately and emotionally and require a longer time to make decisions in business. Nevertheless, usually, their decisions often are more rational and logical.

People with spontaneous creativity find successful solutions by reacting to a situation promptly. Such decisions can go wrong at times, yet this type of entrepreneur is a bold risk-taker and they do not fear failure or disappointment.

Creative entrepreneurs bring unconventional and daring ideas to the business world. They most often do away with traditional and regular thinking and challenge the standard systems. Created by Steve Jobs who is recognized as the pioneer of the personal computer, 'Apple' has changed the mental image and the concept of a phone forever by creating the iPhone. Creative entrepreneurs constantly attempt to think differently and create something different and non-existent.

They show that they are different from the competition by standing out in the market.

Source: Daily News : 20th June, 2021

Cartoons



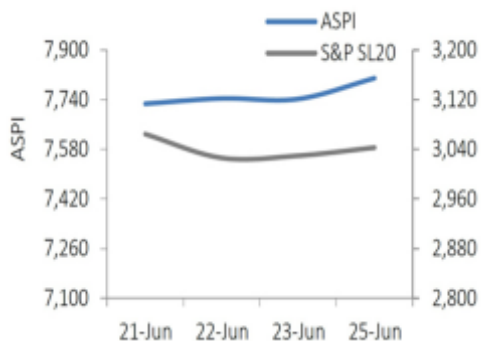
Source:cartoon-themorning.lk-02-07-2021



Source:cartoon-themorning.lk-05-07-2021



Market rises following easing on lockdown – Acuity Stockbrokers



The Bourse ended the week on a mixed note this week with ASPI increasing by 93.69 points (or 1.21%) to close at 7,809.15 points, while the S&P SL20 Index decreased by 40.75 points (or 1.32%) to close at 3,042.63 points.

Turnover & Market Capitalization

Expolanka was the highest contributor to the week's turnover value, contributing LKR 0.53Bn or 8.01% of total turnover value. L O L C Holdings followed suit, accounting for 7.10% of turnover (value of LKR 0.47Bn) while Browns Invstmnts contributed LKR 0.34Bn to account for 5.10% of the week's turnover. Total turnover value amounted to LKR 6.66 Bn (cf. last week's value of LKR 12.11 Bn), while daily average turnover value amounted to LKR 1.66Bn (-31.26% W-o-W) compared to last week's average of LKR 2.42Bn.

Liquidity (Value & Volume)

Food Beverage & Tobacco Industry Group was the highest contributor to the week's total turnover value, accounting for 21.97% (or LKR 1.46Bn) of market turnover. Industry Group's turnover was driven primarily by Browns Investments, Bukit

Darah and Nestle which accounted for 60.62% of the sector's total turnover. Diversified Financials

Industry Group meanwhile accounted for 18.94% of the total turnover value while Banks Industry Group contributed 14.49% to the weekly turnover.

The Food Beverage & Tobacco Industry Group dominated the market in terms of share volume, accounting for 26.58% (or 64.45 Mn shares) of total volume, with a value contribution of LKR 1.46Bn. The Diversified Financials Industry Group followed suit, adding 16.42% to total volume (39.81 Mn shares) while Materials

Industry Group contributed 12.07% (29.26 Mn shares) to the weekly share volume.

Dividend Announcements

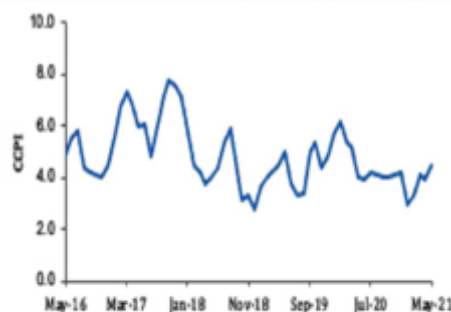
Company, DPS(Rs.), Dividend Type, Date (XD); CITIZENS DEVELOPMENT BUSINESS FINANCE PLC (VOTING), 7.5, Final dividend, 2/8/2021; CITIZENS DEVELOPMENT BUSINESS FINANCE PLC (NON-VOTING), 7.5, Final dividend, 2/8/2021; EXPOLANKA HOLDINGS PLC, 1.17, Interim dividend, 1/7/2021; TOKYO CEMENT COMPANY (LANKA) PLC (VOTING), 1.25, First interim, 2/7/2021; TOKYO CEMENT COMPANY (LANKA) PLC (NON-VOTING), 1.25, First interim, 2/7/2021; C.W.MACKIE PLC, 7, First and Final dividend, 19/08/2021; AGSTAR PLC (VOTING), 0.2, Final dividend, 16/07/2021; AGSTAR PLC (NON-VOTING), 0.2, Final dividend, 16/07/2021.

Company, Proportion, Dividend Type, No. of Shares; COLOMBO INVESTMENT TRUST PLC, 02:44.2, Scrip Dividend, 65,693; COLOMBO FORT INVESTMENTS PLC, 02:03.1, Scrip Dividend, 109,538. Key Economic Indicators May; Prime Lending Rate 5.69%, Ave. Wtd. Deposit Rates 4.97%, Ave. Wtd. Fixed Dep. Rates 5.94%, CCPI Inflation Y-o-Y % 4.5%.

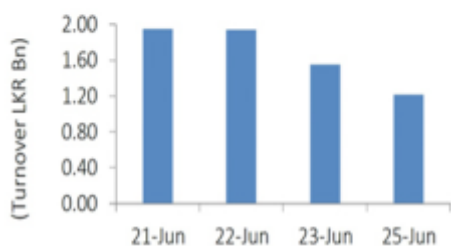
Net Foreign Position

Foreign investors were net sellers this week with a total net outflow amounting to LKR 0.25 Bn relative to last week's total net inflow of LKR 0.36 Bn (-171.1% W-o-W). Total foreign purchases decreased by 53.90% W-o-W to LKR 0.53Bn from last week's value of LKR 1.16Bn, while total foreign sales amounted to LKR 0.79Bn relative to LKR 0.80Bn recorded last week (-1.7% W-o-W).

Inflation (CCPI-N) YoY%



Source: Central Bank



Source: Daily News – 28th June 2021

Parliament passes amendment to Fiscal Management (Responsibility) Act

Parliament yesterday approved an amendment to the Fiscal Management (Responsibility) Act No. 3 of 2003 which will increase the guaranteed limit specified in the Act from 10 to 15%.

The Bill also allows for the established debt to gross domestic product target to be moved to 1 January 2030 from 1 January 2020.

The Government Fiscal Management

(Responsibility) Act No.3 of 2003 was passed with a view to introducing Government Fiscal Targets as a guide to be followed to ensure more responsible Government fiscal management.

Source: Daily News – 09th June 2021

SIERRA CABLES records highest PAT of Rs. 314 mn

SIERRA CABLES Plc, one of the largest cable manufacturers in Sri Lanka with an international presence, recorded a 6.9% annual revenue growth which is Rs 5,265,169 during the 2020/2021 financial year compared to previous financial year (2019/2020). SIERRA CABLES points out this as the highest ever top line revenue recorded in the history of the company.

The group yielded the highest ever profit after tax (PAT) of Rs 314 million during the period which is a 37.4% growth compared to last year. The financial performance underscores the group's ability to maintain a healthy Gross

profit margin (GP) of 15.6% and Net profit margin (NP) of 5.7%. This is a commendable performance considering the prevailing pandemic and turbulence environment that the company had to operate in.

Revision to the company's National long-term rating to AA- (Ika) proved as an encouraging aspect which won the stakeholder confidence and enhanced the credit worthiness of the company. Company's net finance cost reduced by 31.2% over the year due to the prudent financial planning and mitigation strategies company adopted throughout the pandemic period.

CEO of SIERRA CABLES Harsha Jayatunga, said, "despite production cost escalation triggered by the gradual rise in the world copper, aluminium and other key raw material prices, the company was able to reduce general overheads by adopting prudent cost rationalizing strategies".

"We saw an improvement in the group's major key performance indicators that are of importance to our stakeholders". Financials of the company shows Earnings per share (EPS) increased from 0.49 to 0.59. Net Assets per share from 3.74 to 4.99. Net margin from 4.11% to 5.71%".

Source: Daily News - 01st July 2021

Sri Lanka will be a debt-free country - CB Governor



Prof. W.D. Lakshman

The focus of the Government and the Central Bank is to make Sri Lanka a debt-free economy in the future by managing domestic and foreign debt well, Central Bank Governor Prof. W.D. Lakshman told the media on the Monetary Policy stance of the

Bank on Thursday.

However, he said that does not mean the country would be a debt-zero economy.

"The focus will be on enhancing the performance of the real sectors of the economy such as promoting exports and developing the agriculture, services and industrial sectors," he said.

Statistics, however, reveal that the trade deficit had widened with an increase in imports in relation to exports this year.

In spite of the resilience shown by merchandise exports, the trade deficit widened from January to May this year over the corresponding period last year.

Speculation of a program with the International Monetary Fund (IMF) were refuted by the governor.

Sri Lanka will receive around USD 800 million under Special Drawing Rights provided to member states by the Fund. As of end June the gross official reserves stood US dollars 4.0 billion (equivalent to 2.7 months of imports) which does not include the bilateral currency swap facility with the People's Bank of China (PBoC) of CNY 10 billion (equivalent to approximately US \$ 1.5 billion).

However, the regulator expects growth in the first quarter this year to be higher than the initial forecast and overall GDP growth this year to be around five percent due to the vaccination drive and the recovery in economic activities. The Central Bank notes that the economy is likely to have recorded a higher than expected growth rate in the first quarter of 2021 although GDP estimates for the first quarter this year have not been released by the Department of Census and Statistics.

The bank noted that indicators for several key sectors of the economy point towards a stronger than expected recovery during the

quarter.

"We could expect a higher growth rate in the first quarter this year due to the all time high performance in the industrial sector," Director, Economic Research Central Bank, Dr. Chandranath Amarasekera said.

Disturbances to domestic economic activity due to the third wave of the pandemic and related preventive measures weakened the recovery somewhat, in the second quarter of 2021.

Nevertheless, the ongoing vaccination drive throughout the country and the likely removal of mobility restrictions are expected to ease the impact of the current wave of Covid-19 on overall economic activity, thereby facilitating a sustained economic recovery towards achieving a GDP growth rate of around 5 per cent in 2021.

Along with the expected recovery in the global economy and the improvements on the domestic front, the upward momentum of economic activity is envisaged to sustain over the medium term. The external sector is expected to gradually recover in the period ahead

Challenges emanating from multiple waves of Covid-19 globally and domestically continued to stifle the recovery of the tourism industry.

On the other hand, the notable improvement in workers' remittances continued to provide support for the external current account.

While the measures introduced to address challenges in the external sector have helped ease the domestic foreign exchange market conditions to some extent, speculative behaviour and frontloading of imports have caused undue pressures in the market.

The exchange rate has recorded a depreciation of 6.7 percent against the US dollar thus far during the year.

Although the level of foreign reserves could experience some variations in the period ahead, such developments are expected to be temporary, with the adequate financing strategies lined up to maintain reserves at sufficient levels and to meet all maturing debt servicing obligations of the Government on time.

Market interest rates remain low, facilitating increased credit flows to the private sector in response to the monetary policy easing measures adopted by the Central Bank, most market deposit and lending interest rates have declined to their historic low levels.

Prevailing low interest rates and the surplus rupee liquidity in the domestic money market enabled the flow of low cost credit to the economy, thus supporting the revival of economic activity.

Credit extended to the private sector expanded notably during the period from January to May 2021, and this momentum is expected to sustain through 2021.

The Central Bank expects domestic investors to make use of the low interest rate environment to expand their productive economic activities and explore new opportunities that are being created in the economy aimed at local and international markets.

Any buildup of sustained inflationary pressures will be addressed through appropriate measures over the medium term. Inflation remains moderate, given the subdued aggregate demand conditions, although food inflation has accelerated due to supply-side disruptions. Inflation is expected to remain broadly within the desired 4-6 per cent range during the remainder of 2021.

The envisaged improvements in aggregate demand conditions stemming from the effects of the stimulus measures adopted by the Central Bank and the Government and the likely increases in global commodity prices, may generate some inflationary pressures over the medium term.

Such pressures will be mitigated through timely policy intervention by the Central Bank, thereby ensuring the maintenance of inflation in mid-single digit levels over the medium term.

The Monetary Board decided to maintain the policy interest rates, i.e., Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) of the Central Bank, at their current levels of 4.50 percent and 5.50 percent.

The Central Bank will continue to monitor domestic and global macroeconomic and financial market developments and stand ready to take appropriate measures, as and when necessary, with the aim of maintaining inflation in the targeted 4-6 per cent range under the flexible inflation targeting framework in the medium term, while supporting sustained economic recovery.



Domestic violence and the law



Although the family is the smallest unit in society, any conflict within it affects society too. When considering family conflicts, the term "Domestic Violence" is much talked about. Domestic violence can be defined as violation of peace by domestic abuse or some other maltreatment at the matrimonial home.

Domestic violence which may also affect children takes multiple forms including physical, verbal, emotional, economic, religious, reproductive, and sexual abuse

Violence often occurs from husband to wife and sometimes vice versa. Domestic violence which may also affect children takes multiple forms including physical, verbal, emotional, economic, religious, reproductive and sexual abuse.

Taking into account the situation in Sri Lanka, various laws have been introduced to prevent or at least to minimise domestic violence related incidents and to initiate legal action.

The relevant laws are set out in the Prevention of Domestic Violence Act No. 34 of 2005.

Measures to be taken

If any person is a victim of domestic violence, they can lodge a complaint with the Police and seek an application to the Magistrate's Court within the relevant jurisdiction to issue a "Protection Order" under Section Two of the Domestic Violence Act.

Through the issuance of such an order, the person who is or may be subject to domestic violence, will be protected from the defendant. Usually, the defendant would be prohibited from entering any premises where the victim permanently or temporarily resides.

In addition, they can also make an application to the court as a personal complaint through an Attorney.

When the victim is a child, the request can be made by one of the child's parents', guardian, a resident of the victim's place of residence or by a person authorised by the National Child Protection Authority (NCPA).

An affidavit of a person who is aware of the violence should be submitted in support of the application and after considering the application and when deemed necessary, the court would issue an "Interim Protection Order" to the respondent until the case is heard.

However, it is noteworthy that the court would issue an Interim Protection Order only if the court is satisfied after examining the available evidence.

In the process, the court would take into account the urgency and the need to ensure the

safety of the victim.

This may prevent domestic violence related incidents perpetrated by the respondent.

Also, in both cases that has already been mentioned (Issuance of an Interim Order and Protection Order), the court shall, in accordance with Section Four of the Domestic Violence Act, fix a date for the hearing not exceeding 14 days since the date of request.

A social worker or family counselor would be instructed to consult the parties after the issuance of an interim protection order.

At the same time, the court would direct a social worker, family counselor, probation officer, family health worker, or children's rights promotion officer to submit a report on whether the order is being implemented from the day the request is heard.

Following the issuance of Interim Protection Order to the respondent, the court would direct them to make excuses for not having done so.

Even if the respondent does not appear in court, the request should be considered in terms of Section Seven of the Domestic Violence Act.

After considering the evidence, a protection order would be issued under Section Eight of the Domestic Violence Act.

This order is immediately made available to the respondent by the fiscal or authorised officer.

A copy is given to the victim and the Officer in Charge (OIC) of the Police area where both parties reside.

In case if the respondent is unreachable, the order would be affixed in front of his/her residence and it would be considered to have been handed over in terms of Section Four of the Domestic Violence Act.

Under Section 13 of the said Act, the court has the power to issue any order with the consent of the parties, without proof of guilt or without acknowledgment of guilt.

The court also entertains the power under Section 10 of the Domestic Violence Act to give effect to the order issued in this manner for a period not exceeding 12 months.

Section 17 of the Act reserves the right to appeal to the High Court if any party is dissatisfied with the order given by the Magistrate.

Prohibitions

Section 11 of the Domestic Violence Act facilitates prohibitions that may be contained in an interim order or a protection order.

The section states that the court may additionally, by using an interim order or protection order limit the respondent from getting into a house or any detailed element thereof, shared by the aggrieved person and the respondent, coming into the aggrieved man or woman's residence, location of employment or college.

The respondent would be restricted from getting into any refuge in which the aggrieved character may be briefly accommodated, preventing the aggrieved individual who primarily lives or had lived in a shared residence from entering or last inside the shared house or a detailed part of the shared house and occupying the shared residence.

Supplementary Orders

Also, if the Court is satisfied under Section 12 of the Domestic Violence Act, it may issue a Supplementary Order with the Protection Order; thereby ordering the Police to seize any weapons that may be in the possession of the respondent; ordering the Police to go somewhere with the victim to assist in the collection of personal property of children born to both parties, assigning the respondent and the victim to attend psychiatric clinics or other forms of rehabilitation, ordering that a social worker, a family counsellor, a probation officer, or a family health worker monitor the protection order between the two parties and submit a report to the court once every three months, ordering that when the respondent has a duty to assist a person, they should provide immediate financial assistance to such a person or ordering that the respondent should make the necessary payments and facilities to enable the aggrieved party to remain in a certain place during the period of execution of the order.

The court has to ensure that the rights of a person are not by the Maintenance Act No. 37 of 1999 when ordering the above Five and Six. If the respondent fails to make the above payment, the court may order the respondent's employer to pay the said amount or part thereof directly to the aggrieved party.

Variation or revocation of a Protection Order

According to Section 14 of the Domestic Violence Act, on the aggrieved person's or respondent's application, a Protection Order may be amended, modified, varied, extended, or cancelled, if the Court is satisfied that there has been a change of circumstances that necessitates such alteration, variation, extension, or revocation.

However, no such adjustment, modification, variation, extension, or revocation shall be done without both the aggrieved person and the respondent having being heard.

And also, the Court would not approve such an application to the aggrieved party unless the Court is satisfied that the application is brought freely and willingly.

Punishment

Section 18 emphasises that if a respondent who has been served with an Interim Order or a Protection Order fails to comply they are guilty of an offense and are liable on conviction after a summary trial before a Magistrate to a fine not exceeding Rs. 10,000 or to imprisonment of either description for a term not exceeding one year, or to both.

Section 20 of the Act states that any person who prints or publishes the name of an applicant or a respondent in an application under this Act; or any matter other than a judgment of the Supreme Court or Court of Appeal, concerning any court hearing under this Act, in any Court, shall be punished with imprisonment of either description for a term that may extend to two years or a fine of either description or both fine and imprisonment.

Upcoming Training Programmes by CNCI

CNCI Webinar



Tri-Partite Agreement & Payment of Salaries during Restricted Periods

Date : 15th July 2021 **10.00 am—12.15 pm**
(Registration starts from 9.45 am)

Online : Zoom

Content

- * Introduction
- * Laws applicable in determining "leave and holidays" in the private sector
- * Managing Employee Absenteeism during the pandemic
- * Handling the Issue of payment of salaries/wages to employees during the restricted periods due to pandemic
- * Application of National Tri-Partite Agreement to pro-rata wage

Investment

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For Non Members : Rs.4,000/-

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Ms.Yashoravi Bakmiwewa (MLRHRM) (LL B)
Attorney-at-Law
Assistant Director General (Advisory Services) / Head of Training
The Employers' Federation of Ceylon

For

Entrepreneurs, CEOs, Directors , Managers, Executives, Supervisors and all others involved in HR, Administration, Accounting and all others interested

For Registration

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



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For more Details,
Contact : Madhushika / Nilanthi
0719429269, 011 2339200 , 2452181,

CNCI Webinar



Latest Developments on Income Tax

Date : 27th July 2021 **9.30 am—12.00 pm**
(Registration starts from 9.15 am)

Online : Zoom

Content

- * Income Tax Exemptions
- * Income Tax Exclusions
- * Reliefs on Income Tax
- * Special Tax Concessions
- * Qualifying Payments & Reliefs
- * Q / A Session

Investment

For Members : Rs. 3,500/-
For Non Members : Rs.4,000/-

Resource Person

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Managing Director of Asset Advisory Partners (Pvt) Ltd
Partner : Ranaweera Associates (Chartered Accountants)

For

Directors , Managers, Executives, Supervisors and all others involved in Taxation, Accounting, Auditing & Administration

For Registration

Please email your filled registration form to :
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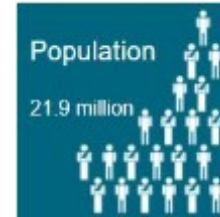
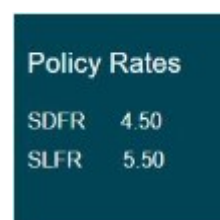
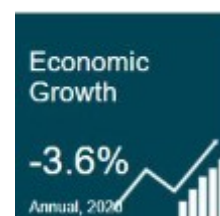
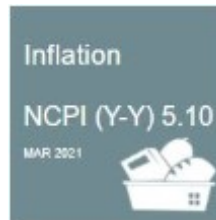
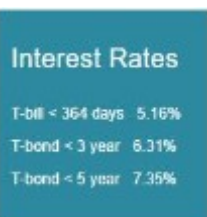
For more Details,
Contact : Madhushika / Nilanthi
0719429269, 011 2339200 , 2452181,

EXCHANGE RATES AS AT 30TH JUNE 2021

Date	Buy Rate (LKR)	Sell Rate (LKR)
Australian Dollar	148.4582	153.137
Canadian Dollar	159.2342	164.313
Swiss Franc	213.6146	220.958
Renminbi	29.829	31.608
Euro	234.1223	241.761
British Pound	273.1709	281.327
Yen	1.7867	1.8361
Singapore Dollar	146.6947	151.13
United States Dollar	197.3263	202.898

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

Sri Lanka Economy SNAPSHOT



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