



# CNCI NEWS BULLETIN

ISSUE 88  
April 2022

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## Local industries under 'close down' threat

Chairman of the Ceylon National Chamber of Industries (CNCI), Canisius Fernando states that the majority of local industries are under threat today nearing 'close down'.

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## Local industries under 'close down' threat-CNCI



*Canisius Fernando*

Chairman of the Ceylon National Chamber of Industries (CNCI), Canisius Fernando states that the majority of local industries are under threat today nearing 'close down'.

In a press release he has mentioned that the business environment has been tightly circled by an indecisive triangle of economic difficulties, political uncertainty and social unrest. All these broad issues equally hit the industries. We do understand that the Government had to take hard monetary and fiscal policy decisions in the face of dearth of foreign reserves, constant deflation of local rupee and rapid increase of inflation.

Although the situation is opportune for exports, we all know that the country's imports are always high above to that of exports. In addition to the import of essential items namely, fuel, medicines and food items; the import of materials and machines are of paramount importance to the industrial sector. Restrictions to open up letters of credit, import constraints, clearance delays, high cost of materials due to rupee deflation are on one hand and constant power cuts, difficulty in obtaining fuel, employee demands, high interest rates and increasing overheads are on the other hand to sky rocket the cost of production.

The political uncertainty barricades to take proper and timely economic policy decisions by the Government creating uncertainty among the industrial sector especially in taxation and a lot of others. Also it paves no way of taking responsibility and accountability.

For example, recently the government started discussions to initiate the China - Sri Lanka Free Trade Agreement for which we have not been invited, being the only national chamber for industries in the country, which has been incorporated by an Act of Parliament.

These discussions have not been organized either by the Ministry of Industries, Ministry of Trade or the Department of Commerce. We do have serious concerns about the particular FTA and we would like to make it a point to urge the Government to invite the Ceylon National Chamber of Industries for any future discussions related to the industrial sector. Such instability also aggravates uncertainties and struggles, as many other parties trying to gain benefits.

Today it is a clear fact that there is a huge social unrest for their struggle in meeting ends in the face of dearth of daily essentials and high cost of living creating room for uncertainty about their future, education, health and survival. As the people struggle today for a change, the employees of both public and private sectors will soon struggle for higher salaries.

This situation will, in turn, be worse when the sustainability of the industries is in question thereby losing their employment. It will be another significant socio-economic blow to the Government. Many of the industries in the SME sector have already either been closed or paralyzed for issues of material shortage, power and fuel issues, high interest rates, increasing cost of inputs etc. Majority of the companies do not have power generators, but they use power driven machines. Even if the generators are used, feeding them with fuel is another problem. Many SMEs and company employees are spending hours and days in queues to purchase fuel. Many employees often ask for leave to get their bikes and vehicles fueled. Unexpected and high increases of recent fuel prices have become another big issue not only to increase the overheads but also to a substantial number of employees who travel in motor bikes and cars. If the situation prevails so long, many of such skilled employees will opt to leave the organizations in seeking opportunities overseas, paralyzing the organizational functions.

Companies are in impasse to create even a short-term plan today with the futuristic uncertainty. They resort to day to day strategies for survival. Running without a proper corporate plan hampers operational efficiency. Letting along the FDI attraction, driving strong local industries is the timely need to keep the economic healthiness even at this level. As a nation, for the country to move forward, the local industries should run uninterruptedly. We are not supposed to extend any political advice to implement a change, but our earnest wish is for the government to take the best solutions, always keeping the country and the nation first in order to create an environment for the industries to operate without hindrance, CNCI Chairman further added.

Source: Daily News - 27th April 2022

# Joint Chambers welcome new appointees, calls for urgent appointment of Finance Minister

Joint Chambers welcome the appointment of two experienced professionals to the posts of Governor, Central Bank and Secretary, Ministry of Finance and wish both of them all success. We also extend our fullest cooperation to the new appointees in navigating the Sri Lankan economy out of its current predicament.

At the same time, the Joint Chambers believe that the immediate appointment of a Minister of Finance is critical to completing the country's economic management team to prepare for the forthcoming discussions with IMF and the commencement of the long-delayed debt restructuring process. Hence, we urge that a new appointment is finalized before the end of this week as a matter of utmost priority.



Source: Daily News – 11th April 2022

**CNCI PAYS TRIBUTE TO PAST CHAIRMAN  
SUNIL LIYANAGE**



*Former Chairman of the Ceylon National Chamber of Industries (CNCI)  
Mr. Sunil Liyanage has passed away recently and the cremation has taken place  
On 02<sup>nd</sup> May 2022.*

We are deeply saddened by the demise of Mr. Sunil Liyanage which has created a huge void in the country's Chamber movement and the Industry circle.

The initiatives founded with his visionary, unparalleled and able leadership as the Chairman of the Ceylon National Chamber of Industries (CNCI) during the period 2010 - 2011 and thereafter as an Executive Council Member, have been so strong that they could be brought forward for long years to come.  
His demise is an irreparable loss which can hardly be replaced.

We pay our utmost gratitude and highest respect for his commitment, contribution and direction tirelessly dedicated to the industrial development and socio-economic well-being of our motherland. While offering our heartfelt condolences, we stand with the bereaved family members at this hour of grief.

May he attain the Supreme Bliss of Nirwana !



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*As day-to-day operations take a hit:*

## Sri Lanka's apparel industry sounds alarm bells over ongoing crisis

The Joint Apparel Association Forum (JAAF), the apex body of Sri Lanka's apparel industry, reiterated concerns over the industry's ability to continue its operations due to the prevailing fuel and power crisis.

"The fuel shortage is having a massive impact on our day-to-day production. We are unable to use our generators during power outages because of the lack of diesel. To add to this, fuel shortages are affecting our ability to transport our goods and provide staff transport for our employees", stated Secretary General of the Joint Apparel Association Forum (JAAF) Yohan Lawrence.

While order books have been full since Covid-19 restrictions were lifted, JAAF noted that fulfilling these orders on time without interruptions, particularly before the April holidays, is proving to be a challenge. Factories, including a number of SMEs, are already shutting down as they are unable to operate any longer due to the prolonged power cuts and lack of diesel.

It was earlier stated that BOI run Export Processing Zones would be exempt from the power cuts but that has not been adhered to, as in the last 24 hours, the EPZs too have been experiencing prolonged power cuts.

Sri Lanka's apparel sector contributes 6% to the country's GDP and accounts for 40% of all exports. The sector provides direct employment to 350,000 workers and an additional 700,000 who receive livelihood opportunities as part of the greater supply chain.

"This crisis, if not resolved immediately, will place the entire industry at risk. Sri Lanka has always maintained a high level of confidence among our buyers," Lawrence reiterated. "If our buyers start losing confidence in us and move to other competing markets, getting them back will be extremely challenging."

Source: -Daily News - 01st April ,2022

## CNCI concerned over attacks on civilians, property



The Ceylon National Chamber of Industries (CNCI) thoroughly condemns the attacks on peaceful and unarmed protesters and other innocent civilians of any sort as well as the property.

The government should ensure the right to peaceful protest and the security

forces are responsible for taking timely action against public disorder, promptly investigating and appropriately prosecuting acts of violence. The curfew has been imposed island-wide for the third consecutive day which is a huge economic blow which will add further burden to our dying economy.

CNCI is of the view that taking several hundreds of people to Colombo who are said to be supporters of the former Prime Minister was not a wise decision if the ground situation prevailed in the city were correctly identified. It was the beginning of the episode and the attack on peaceful protesters did spark a dangerous escalation, increasing

the risk of further deadly violence and other abuses throughout the country.

It is high time we understood the reality and the authorities should be sensible to show the world that the Sri Lankan government respects human rights and fundamental freedoms in a manner that friendly international governments and other institutions such as IMF and the World Bank encourage to assist us at this needy hour to rise as one nation.

We as industrialists do have thousands of issues which have been further worsened with the curfew imposed hampering all the processes starting from material clearance to order delivery. We reiterate to all the parties of political and social circles that acts of violence are not the solution to the crises we are facing now as it drags the country from bad to worse.

We as the only National Chamber for Industries urge all the political party leaders to act more responsibly, placing the country before self-gain. Further we request government forces/police to restore law & order and peace in our motherland.

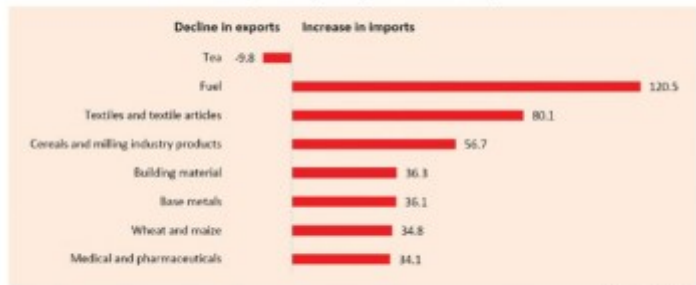
Source: -Daily News - 12th May ,2022





## 'Import expenditure expands, trade account deficit widens to USD 859 mn

Major Contributory Factors for the Y-o-Y Increase in the Trade Deficit during January 2022 (Values in US\$ mn)



Sources: SLI, CBSL

Import expenditure continued to expand, in spite of high earnings from exports exceeding US dollars 1.0 billion for the eighth consecutive month, thereby widening the deficit in the trade account in January 2022, compared to January 2021 to US dollars 859 million in January 2022, compared to the deficit of US dollars 655 million recorded in January 2021, with higher increase in imports.

Meanwhile, Sri Lanka successfully settled the International Sovereign Bond (ISB) of US dollars 500 million in January 2022.

The financial account of the balance of payments strengthened during the month with the receipt of the SAARCFINANCE swap facility from the Reserve Bank of India.

Earnings from the exports of industrial goods increased by 21.6 % in January with broad-based increase were reported in almost all subcategories of Industrial goods, mainly in garments and petroleum products.

Export of garments to all major markets improved, except for the United Kingdom (UK).

Total earnings from the exports of agricultural goods in January 2022 increased by 2.3% compared to January 2021, primarily due to the increase in export earnings from coconut (mainly desiccated coconut, fibres and coconut oil), seafood (mainly fresh and frozen tuna) and minor agricultural products (mainly areca nuts).

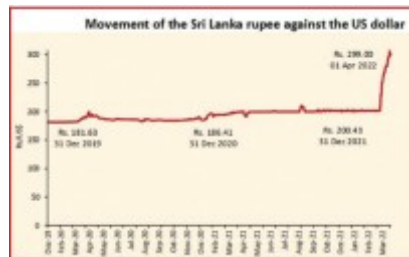
Rupee depreciates by 33 %

As the Central Bank allowed greater flexibility in the exchange rate, a notable upward adjustment in the exchange rate was observed from March 2022.

In the first two months of 2022, the Sri Lankan rupee was kept broadly stable, but it depreciated substantially thereafter, as a result of the Central Bank decision to allow greater flexibility in the determination of the exchange rate in the first week of March 2022. Accordingly, during the year up to April 1, the rupee recorded a depreciation of 33 % against the US dollar.

Meanwhile, reflecting cross-currency movements, the Sri Lanka rupee depreciated against the euro, the pound sterling, the Japanese yen, the Australian dollar and, the Indian rupee during the year up to April.

Source: -Daily News - 04th April ,2022



However, trade deficit in January 2022 narrowed compared to the defi-

## Renewable energy will help overcome energy crisis -

By : Dharmasri Abeyratne

Source: -Daily News - 01st April ,2022

The only remedy to the present power crisis is to depend on renewable energy, Solar Power, Wind and Hydro Power Generation Projects Development State Minister Duminda Dissanayake said.

He said that if the country uses renewable energy for power generation, the increase in global fuel prices of will not have any drastic impact on the economy.

“On the vision of the President, plans are

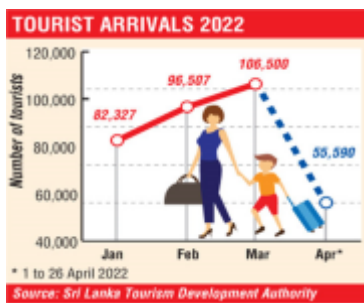
underway to reach the renewable energy target of 70 per cent by 2030,” he said. “Accordingly roof-top solar units are being installed on 100,000 roofs. Besides an investor has been working for generating 4,000 MW with an offshore wind power plant installed in the Hambantota sea. Of the total generation, an amount of 3,000 MW will be exported marking a significant milestone in the country’s power sector,” State Minister Dissanayake said.

“The export of Power will help generate foreign exchange than most other sectors with the novel trends adopted in the world,” he said. The State Minister invited entrepreneurs to invest in the renewable energy sector in order to overcome the energy crisis. Many new players are invited to invest in the renewable energy sector which is expanding in a big way.

## April tourist arrivals plunge by 50%

By Charumini de Silva

- First 26 days of month attract only 55,600 tourists as opposed to record 106,500 in March
- Year to date arrivals at 340,924
- Daily average arrivals fall to 2,000 levels from over 3,600
- UK tops tourist arrivals with 10,326, followed by India 7,900 and Germany 5,756
- Crises spur over 50% holiday booking cancellations
- THASL President M. Shanthikumar fears a nosedive in number as airlines reduce frequencies



Largely due to the current economic and social unrest, tourist arrivals have plunged by 50% in April so far in comparison to March shattering industry hopes for a post-pandemic upturn. Provisional data released by the Tourism Ministry, shows arrivals fell by 48% to 55,590 in the first 26 days of April. In contrast March attracted a record 106,500. Industry experts pointed out that the plunge

was due to the Government declaring a State of emergency following the protest in Mirihana, which thereafter drew public to the street countrywide, demanding the administration to step down amidst worsening economic conditions post-independence.

With latest data, year to date tourist arrivals amounted to 340,924 a development thanks to the relatively peaceful period of January to March. Already the industry has seen the surpassing of 2021 full year arrivals of 194,500 and expectations were for a quick rebound in 2022. However, it is notable that the daily average arrivals have dropped significantly from over 3,600 to 2,148 as of 26 April, which is much lower than the second week midpoint figure of 2,535 tourists. Last month, Sri Lanka's monthly tourist arrivals crossed the 100,000 mark for the first time in two years, giving hope for the industry stakeholders that there would be a pandemic revival. "Our industry is starting to suffer the fallout of economic and political crises at a time when we all hoped it began to recover from the post-pandemic. Although the bookings and cancellations were taking place at a very low pace at the beginning of the month, it has now escalated up to over 50%," The Hotels Association of Sri Lanka (THASL) President M. Shanthikumar told the Daily FT. He said the uncertainty prompted cancellations by both business and leisure visitors. "All members tried to hold on to the reservations made by being very flexible with

multiple options because every dollar counts — not just for the industry, but as a country," he added. As of 26 April, the UK topped the tourist traffic to Sri Lanka with 10,327, followed by India with 7,900, and Germany with 5,756. In addition, tourists were also received from France, Australia, Russia, Canada, US, Switzerland and Netherlands. India stands strong as the top tourist source market for Sri Lanka with cumulative number of arrivals at 55,611, followed by UK 41,319, Russia with 40,883, Germany 28,436, France 18,661, Ukraine 13,595, Poland 12,023, Australia 10,072, Canada 8,405 and US 8,384.

Shanthikumar also feared that the numbers would take a nosedive with several airlines having decided to reduce the frequencies they operate into Colombo.

"It is natural for the number of tourist footfalls to drop with fewer airlines flying, but the worry is that it affects our industry and economy at this critical juncture," he explained.

He reiterated that the drop in arrivals triggered the worsening economic situation with power cuts, shortage of fuel, essential commodities, medicines, political instability, adverse publicity and travel advisory, discontinuation of certain air connectivities into key source markets and now the reduction in airline frequencies.

Source: Daily FT – 29th April, 2022

## Food, Packaging and Agriculture Expo to be held in August

Pro Food, Pro Pack & Ag-biz 2022, Sri Lanka's only comprehensive food, agriculture and packaging exhibition will open its doors to the general public and trade visitors from August 5-7, 2022 for the 19th consecutive year at the BMICH Exhibition Centre in Colombo. The exhibition is organized by the Sri Lanka Food Processors Association together with Lanka Exhibition and Conference Services (Pvt) Ltd (LECS). The exhibition is supported and endorsed by the Ministry of Industries. The event was launched with much fanfare and glamour to the many prospective clients who have been associated with this event for almost its entirety since its inception. More than 200 stalls have been allocated for the local and foreign exhibitors, Pro Food, Pro Pack & Ag-biz 2022 is the biggest event in the

country in relation to the food, beverage, packaging and agriculture sector.

The event which has witnessed an evolutionary increase over the decades will be held under the theme "farm to the fork" denoting the entire chain of the food industry. Which includes the revolve around farms, to the processing, packaging, transport and finally, consumption.

The Expo could not be held for the past two years due to the global pandemic. The organisers this year have taken a decision to organise the Expo under strict health regulations and conditions. No one will be allowed to enter the premises without a mask and temperature check.

Page Source : Daily News : 02nd April 2022

# Are we heading for a banking crash?

By: Dinesh Weerakkody

Several people on many of my social media platforms contacted me, asking for advice about the stability of the commercial banks in the country, given that I had been the chairman of the two of the largest private banks in the country.

Their concerns were further amplified when former Prime Minister Ranil Wickremesinghe said publicly that some banks in the country are in danger of collapsing. The leader of the UNP made these comments while addressing a gathering of bankers last week.

He said: "The economy cannot survive without banks. We need a safety net to protect the banks. The combination of the forex crisis and the collapse of the banks is not something to be taken lightly." He asserted, "Some of our banks are on the brink of collapsing and some of them will have to be rebuilt."

All licensed commercial banks in the country are certainly facing a huge crunch in foreign exchange; this is despite the controversial floating of the LKR by the Central Bank where worker remittances now can be converted to Sri Lanka rupees at a much higher rate after the Central Bank of Sri Lanka floated the Sri Lanka rupee in March 2022. There still is no clarity as to whether the floating was done by the monetary board or unilaterally by the then Governor with the concurrence of the then Treasury Secretary and Finance Minister.

The outcome of that action has created mayhem in the local financial markets. A lot more blood will have to be spilt before there is some order in our financial markets. The worst hit from this excess is the Sri Lankan middle class and the daily wage earners. As forex liquidity dries up across the banking sector, and with investors pulling out money from risky markets, the Sri Lankan recovery will become even murkier and difficult.

### IMF and Indian support

The real challenge for banks is that they are starved of forex flows and the forex inflows projected for the country looks very precarious. So even if we assume rollovers which may be the smart thing now, even in forward derivatives and swaps, what the banks need more than anything, is ready access to forex liquidity and infusion of that is critical, though looking at our existing forex reserves, the Central Bank doesn't have usable reserves to do it right now and that is why the short-term bridging financing is so important. So while we were expecting up to \$ 2 billion from India as bridging finance once the IMF deal was put on track, however now this may be released in

tranches. First of that was a \$ 500 million approved for fuel. The Chinese \$ 2 billion is still unknown, apart from the fact that \$ 1 billion is for debt rollo-

Sri Lanka International Sovereign Bonds-Bank Exposure	
Name of the Bank	31-Dec-21 USD
1. HNB	563,327,740
2. SAMPATH	97,463,795
3. BOC	248,117,060
4. SEYLAN	39,100,000
5. NTB	22,895,725
6. NDB	140,915,680
7. COMBANK	485,640,295
8. DFCC	28,236,680

ver.

According to sources the initial IMF talks have not gone according to plan where Sri Lanka was expecting IMF to agree to a Rapid Financing Instrument (RFI) up to our eligibility of \$ 1 billion. IMF according to sources while understanding our inability to provide a detailed account of making our debt sustainable until advisors get into action.

The IMF, apparently, has asked for a fiscal plan (tax, rightsizing and expenditure cuts) in the interim to at least consider the RFI. So the RFI which was expected to be released by the IMF around mid-May as bridging finance until the full deal was finalised, now could get pushed back a further four weeks. This will have serious ramifications on the credit lines expected from India. Sources say India is awaiting at least an RFI positive signal from the IMF as a proxy that the IMF program is now on track in order for them to release the bridging funding of approximately \$ 2 billion. This money is a must to get over the next two-three months. Fortunately the World Bank over the next four months is to give \$ 300 million to \$ 600 million to buy medicine and other essential items, this must certainly be subject to a transparent procurement process.

### The future for banks

The situation for the banks is tough, especially for the State banks, as the Treasury has used the State banks as their punching bags for decades. The truth is all the commercial banks in the country are facing a huge crunch in foreign exchange inflows, and this is despite the inward remittances can now be converted to Sri Lanka rupees at a much higher rate; in addition, the tourism moratoriums need resolution and Sri Lankans are looking for alternative

investments outside the banking system. The massive increase in rates by the CBSL was not required and should have happened gradually. The implications of this decision will be seen in the next few months mainly for SMEs.

The other issue is: it's a race against a deadline to get concurrence from the interest coupon holders not paid on 18/4 prior to 18/5. If this is not obtained it's a hard default which will make life really difficult for the Government. The banks as a result will be forced to take a capital haircut on the ISBs (and possibly the TB holdings) and forex impairments on the USD loan books. Banks also are the main investors in SLDBs. Capital augmentation would be a challenge at best in today's environment. Bank customers need to be shielded from the excesses of the banks' management and incompetent boards.

Legislation along the line of the Dodd-Frank Act with a inbuilt proxy of a Volker Rule needs to be introduced to ring fence banks customers' hard earned savings in banks that engage in off-stream banking by engaging in debt and equity markets in bond and equity trading, taking positions on debt and forex, M&A, Swaps and derivatives, IPOs, custodial services and even margin trading, etc. Banks will require boards with deep understanding of banking to manage the crisis on hand. A system overhaul is required to strengthen the banks.

### Conclusion

Unfortunately for most banks the two years of the pandemic did not help them enter this manmade crisis period from a position of strategic and financial strength. The banks' ratings will continue to be constrained by the sovereign credit profile. The forex liquidity crisis and the ongoing moratoriums will hurt all banks. The next one-three years for the banks are crucial times for them. Boards therefore must lead with confidence and provide oversight rather than manage, but they must have the experience to gauge the creeping impact on their bank.

The private sector banks despite these challenges must/can overcome this if the regulator and the Government gives them the space to do what is best for their depositors (85-90% of the funds deployed). Also, bureaucrats sitting in the treasury and presidential secretariat must stop using the banks as their punching bags and those responsible (including their cronies) for creating this economic crisis must be held accountable in the future to ensure a sustainable future for the banks and their depositors.

Page Source : Daily FT : 28th April 2022



## BOI signs 33 projects worth US\$ 1,412 mn in first quarter



**tors in Energy projects including fuel and Renewable sources (Solar and Wind), heavy industry, logistics and IT infrastructure sectors as well as investments into 11 project expansions.**

agreements worth of US\$ 765 mn with several leading investors doubling the number of agreements signed for new investments during the first quarters of 2021.

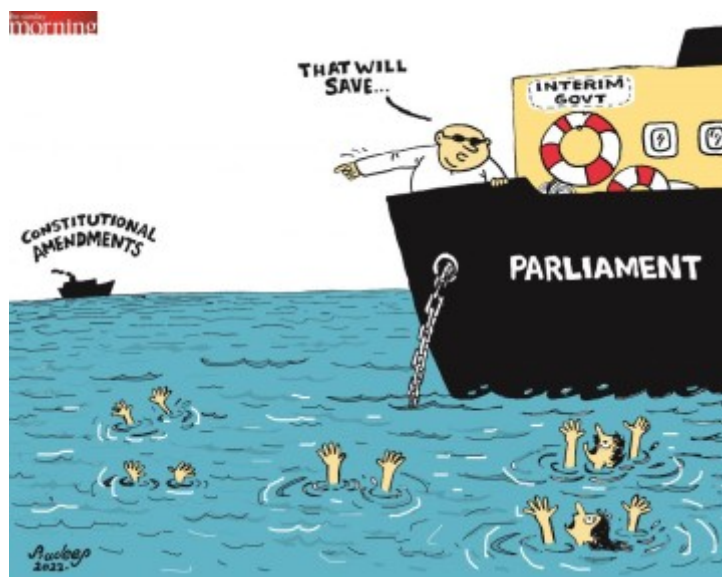
**The Board of Investment (BoI) said it had received 33 investment proposals worth US\$ 1,412 million in the first quarter of this year. This value includes investments of 22 new projects in diverse sec-**

The number of new investment proposals received in the first quarter 2022 has shown an 80% increase over the corresponding period of 2021.

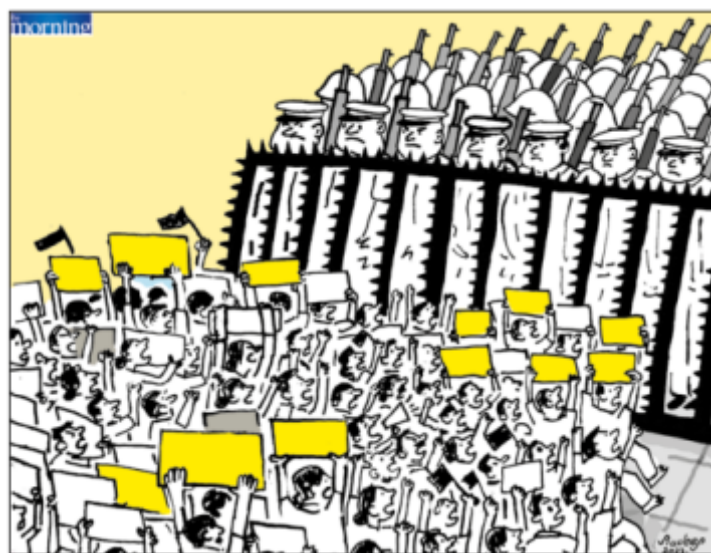
In addition, during the first three months of 2022, BOI has signed

Source: Daily News : 07th April, 2022

## Cartoons



Source:cartoon-themorning.lk- 23-04-2022



Source:cartoon-themorning.lk-24-04-2022



## Ukraine war shocks to drag on Asian economies: World Bank



**THAILAND:** Disruptions to supplies of commodities, financial strains and higher prices are among the impacts of the war in Ukraine that will slow economies in Asia in coming months, the World Bank says in a report released Tuesday.

Russia's invasion of Ukraine has helped drive up prices for oil, gas and other commodities, eating into household purchasing power and burdening businesses and governments that already are contending with unusually high levels of debt due to the pandemic, the report said.

The development lending institution urged governments to lift restrictions on trade and services to take advantage of more opportunities for trade and to end fossil fuel subsidies to encourage adoption of more green energy technologies.

"The succession of shocks means that the growing economic pain of the people will have to face the shrinking financial capacity of their governments," said the World Bank's East Asia and Pacific Chief Economist Aaditya Mattoo.

"A combination of fiscal, financial and trade reforms could mitigate risks, revive growth and reduce poverty." - PTI

The report forecasts slower growth and rising poverty in the Asia-Pacific region this year as "multiple shocks" compound troubles for people and for businesses.

Growth for the region is estimated at 5%, down from the original forecast of 5.4%. The "low case" scenario foresees growth dipping to 4%, it said. The region saw a rebound to 7.2% growth in 2021 after many economies experienced downturns with the onset of the pandemic.

The World Bank anticipates that China, the region's largest economy, will expand at a 5% annual pace, much slower than the 8.1% growth of 2021.

Source: Daily News - 07th April 2022

### Larger than Mustafa Complex:

## South Asia's first Downtown Duty-Free Mall to open in August at Port City

By : Shirajiv Sirimane



the region's first to be operated by two of the world's leading DF operators, positioning the Colombo Port City as a regional shopping destination, the Commission stated. Colombo Port City Economic Commission, set up in June 2021 by President Gotabaya Rajapaksa is now looking at the possibility to offer a revised, enhanced Duty-Free allowance from Sri Lanka passport holders who return back to the country.

In addition the Downtown Duty Free the International Financial Centre (CIFIC) too would come up along with several other investments. Browns Investments, (investment arm of the LOLC Group,) and China Harbour Engineering Company Ltd. (CHEC) are the investors of the CIFIC project. The project shall consist of two residential complexes, a corporate complex, and a service apartment complex.

"Other projects planned within the Colombo Port City include a hotel development project, yacht marina, and an apartment complex." When completed about 80,000 people are expected to live in the new city, which will offer tax holidays for those who invest and do business there.

Creating a historic economic landmark, South Asia's first Downtown Duty-Free (DF) Mall, now being constructed at the Colombo Port City will be opened in August this year.

The Downtown Duty-Free will offer duty free shopping to tourists as well as Sri Lankans and expatriates returning from overseas giving them more choices of shopping. The venue will also elevate Sri Lanka as an even better shopping destination for tourists. Downtown Duty-Free is also expected to attract a huge clientele from neighboring countries especially India as the huge mall will be

even bigger than the Mustafa Complex in Singapore which is a preferred destination for Indian tourists.

Indian travelers currently need to have a Singapore Visa prior to their arrival and if they are travelling to Sri Lanka an online visa system is available and this would be an advantage to woo Indian shoppers to the Downtown Duty-Free," an official from the Colombo Port City said. Two leading Duty Free Operators have already consented to open shops at this venue along with several other foreign and local players. The Commission also oversees the construction of

Source: Daily News - 08th April 2022

## Sri Lanka hit by record inflation

Sri Lanka's inflation hit a record high for the sixth consecutive month, official data showed on Friday (Apr 22) as the government asked the IMF for an urgent bailout.

The broad-based National Consumer Price Index (NCPI) rose 21.5% year-on-year in March, more than four times the 5.1 per cent inflation of a year earlier.

Food inflation in March stood at 29.5 per cent, according to the latest data from the Department of Census and Statistics.

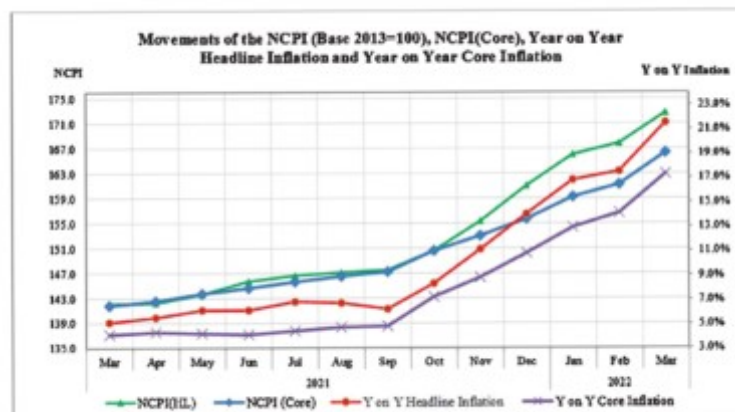
The figures are likely to rise further: The state-run oil company has subsequently raised the price of diesel, commonly used in public transport, by 64.2 per cent.

The worsening economic crisis has led to clashes at nationwide demonstrations calling on President Gotabaya Rajapaksa to step down over mismanagement and corruption.

The government has announced a default on its foreign debt and said precious foreign exchange will be reserved to finance essential food and medicines.

The country's foreign exchange shortage has led to a slowing down of imports, including essentials.

([www.channelnewsasia.com](http://www.channelnewsasia.com))



Source: Daily News - 25th April 2022

## Three more countries assure assistance in several sectors



During meetings held at the Presidential Secretariat on Thursday (31), the United Kingdom, South Korea

and Egypt assured that they will assist Sri Lanka in the promotion of several sectors including energy, tourism, foreign employment and technology.

Lord Michael Naseby, Member of the House of Lords of the UK Parliament, called on President Gotabaya Rajapaksa and praised the Government's interest in renewable energy generation.

Lord Naseby said that he would facilitate in getting the support of the UK in generating power from solar and other renewable energy sources. Presenting the book "Paradise Lost: Paradise Regained" authored by him to the President, Lord Naseby recalled his close relationship with Sri Lanka since the time he was a youth.

The President commended Lord Naseby for raising his voice on behalf of Sri Lanka in the UK Parliament.

Meanwhile, South Korea's Minister for Government Policy Coordination Koo Yun-cheol informed the Pres-

ident that his government is focused on providing more employment opportunities to Sri Lankans in South Korea. Minister Koo said that he would do his utmost to encourage South Korean entrepreneurs to invest in Sri Lanka and to introduce the latest technology from South Korea to Sri Lanka.

President Rajapaksa thanked the Minister for the development assistance and other assistance received from South Korea and pointed out the opportunities available for value-added products using Sri Lankan raw materials.

Korean Ambassador to Sri Lanka Jeong Woonjin and Deputy Minister of Political Affairs of Korea Ryoo Dae-Young were also present. Egyptian Ambassador to Sri Lanka Maged Mosleh called on President Gotabaya Rajapaksa and said that Sri Lanka can attract the attention of Egyptian tourists by establishing special tourist zones. Recalling 65 years of diplomatic relations between the two countries, the Ambassador assured full support to Sri Lanka at international fora.

Secretary to the President Gamini Senarath and Principal Advisor to the President Lalith Weeratunga were also present during these meetings.

Source: Daily News - 02nd April 2022



# Upcoming Training Programmes by CNCI



**CNCI Webinar**

**Occupational Health and Safety**  
*- A Way Forward for Operational Efficiency  
 by Reducing Waste*

**Date : 07th June 2022**      **9.30 am—12.30 pm**  
 (Registration starts from 9.15 am)

**Online : Zoom**

## Content

- Introduction
- Workplace Safety and Hazardous Substances
- Personal and Equipment / Material Safety
- Industrial Stress and Coping Strategies with Stress
- Occupational Health and Safety as a Motivational Tool
- Overview of new ISO 45001:2018 - Occupational Health and Safety Standard and its application

## Resource Person

**Dr. Lalith N Senaweera**  
 Ph.D. (Sri Lanka), Ph.D. (Malaysia), Ph.D. (USA)  
 Retired Director General / CEO -SLSI, Former Chairman CAA

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## For

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 training@cnci.lk , cnci@slt.lk, thecnci@gmail.com



Organized by :

THE CEYLON NATIONAL CHAMBER OF INDUSTRIES - CNCI

Apt. No. 20, First Floor, Galle Face Court - 2, Colombo 03, Sri Lanka



## Industrial Development Board of Ceylon (Ministry of Industries)



### Financial Assistance Scheme for the Food Processers and / or Traders and Exporters to obtain Organic Certification

Organic processing is a lucrative business with an ever increasing demand in domestic, regional and international markets. Enhancing market competitiveness of the local food producers in the international market has been identified as a key development strategy to expand the organic agriculture in the country. Organic Certification assures the organic integrity of the food product to the client and fetches a premium price.

Industrial Development Board (IDB) invites applications from local food processers and/or traders and exporters willing to follow organic practices to obtain Organic Certification under this financial assistance scheme.

#### FOR WHOM

Companies engaged in food processing and /or trading and exporting and willing to follow organic processing practices to obtain Organic Certification in the following product categories (either fresh , processed or value added) are eligible to apply :

- Value added and processed tea, coconut based products, spices, essential oils and extracts, aromatic & medicinal herbs, tropical fruits, vegetables and tubers, cashew, oil seeds, pulses, rice, coffee, cocoa, wild harvest products, kithul treacle, jaggery, fresh milk and dairy products, fish / sea food etc.

#### WHAT IS OFFERED

Twenty five (25) selected food processing and /or trading and exporting industries are eligible for reimbursement of initial cost of organic certification including field inspection and lab testing of samples up to a maximum of Rs.250, 000/- (excluding consultancy fee, factory renovations /material / equipment costs & travel costs of the applicant industry) upon the submission of organic certificate.

#### ELIGIBILITY CRITERIA

1. Industries can apply either for "Sri Lanka Organic Certification" or for "International Organic Standards" (EU/NOP/JAS etc.) under this scheme. The organic certification should be obtained from a certification institute accredited for organic certification by the Sri Lanka Accreditation Board (SLAB).
2. The industry should have been engaged in processing and /or trading of agricultural produce for at least 02 years and successfully functioning at the time of application.
3. Industries whose annual turnover is less than 750 Mn or permanent employment is less than 300 can apply (Small & Medium scale industries: National Policy Framework for SME Development by the Ministry of Industry and Commerce).
4. Financial grant is offered to cover the initial cost of certification including field inspection and lab testing of samples (excluding consultancy fee, factory renovations /material / equipment costs & travel costs of the applicant industry).
5. The industry should not have registered in any other government institution to obtain similar assistance at the time of application.

#### APPLICATION PROCESS

Application form together with the scheme could be downloaded from the official web site of IDB: [www.idb.gov.lk](http://www.idb.gov.lk) .Duly completed applications with all relevant documents (Hard copies) as stipulated in the scheme should be submitted to the respective IDB district offices and soft copies should be sent to [tsdibd@gmail.com](mailto:tsdibd@gmail.com) on or before 31st of May, 2022.

#### SELECTION CRITERIA

Twenty five (25) promising industries will be selected by a structured interview due to be held by a selection committee appointed by the Chairman of Industrial Development Board of Ceylon and the final decision will be made by the committee.

The selected industries have to sign an agreement with the IDB, confirming the ability of completing the process before 30th of November, 2022.

Incomplete or late applications will be rejected and only selected industries will be informed

#### FOR INQUIRIES

Director,  
Technical Services Division, Industrial Development Board,  
No. 615, Galle Road, Katubedda, Moratuwa  
Tel : 011-2605278 / 011-2605326-27 Ext: 150 /197/ 167  
Fax. 011 – 2623846 / 2607002 ,  
Email – [tsdibd@gmail.com](mailto:tsdibd@gmail.com) Web - [www.idb.gov.lk](http://www.idb.gov.lk)

Chairman  
Industrial Development Board



## EXCHANGE RATES AS AT 29<sup>TH</sup> APRIL 2022

Date	Buy Rate (LKR)	Sell Rate (LKR)
Australian Dollar	247.2441	258.5167
Canadian Dollar	271.9896	283.0815
Swiss Franc	359.2017	372.9464
Renminbi	52.2331	54.5190
Euro	369.6859	381.8163
British Pound	435.7298	451.0616
Yen	2.6706	2.7770
Singapore Dollar	252.5150	261.4241
United States Dollar	347.0597	359.9987

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>