



CNCI NEWS BULLETIN

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A CNCI team meets Industry Minister

CNCI chairman along with a team of management committee members had a very successful meeting with

Hon Wimal Weerawansa, Minister of Industries at the ministry on 21st February 2022.

Page 01 →

Power and forex crisis- Number of closed entities may rise - CNCI Chief

Page 02 →

Merchandise exports increase by 13% to US\$ 1,062.63 mn in January

Recovery with IMF assistance: Address basic issues

Page 03 →

Page 09 →

Around 7% of salaried employees lost jobs during first COVID-19 wave - Survey

Page 03 →

Trade Deficit Widens Notably

Page 04 →

Inflation increases to 14.2 % in January

Page 09 →

Cabinet nod for promoting cottage industries

Page 03 →

Local investment drive to manage forex concerns

Page 08 →

EU urges SL to lift import restrictions

Page 05 →

CB Chief moots new measures to boost new forex earnings, save existing reserves

Page 07 →

UPCOMING WEBINAR BY CNCI

CNCI Webinar

Sri Lanka Customs' Authorized Economic Operator (AEO) Programme

Date : 16th March 2022 | 9.30 am - 12.30 pm | Online : Zoom

CNCI Workshop

MS Excel for Data Analysis & Logical Problem-solving

Date : 24th March 2022 | 9.35 am - 12.45 pm | Online : Zoom



EXCHANGE RATES AS AT 28th FEBRUARY 2022 AND SRI LANKA ECONOMY SNAPSHOT

Page 12 →

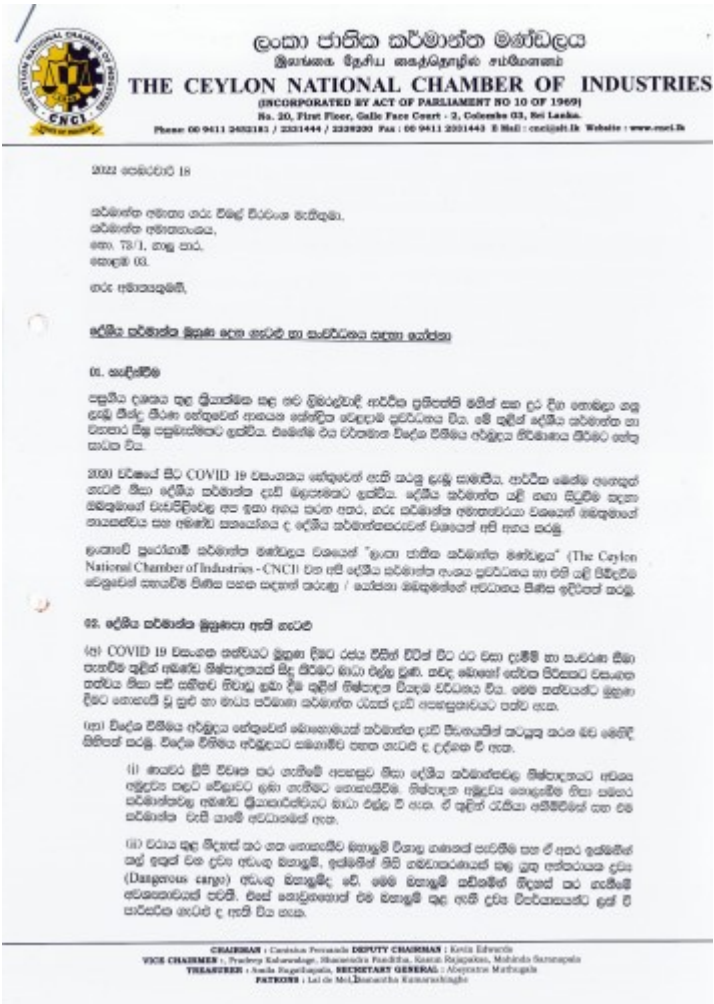


A CNCI team meets Industry Minister

CNCI chairman along with a team of management committee members had a very successful meeting with Hon Wimal Weerawansa, Minister of Industries at the ministry on 21st February 2022.

The purpose of the meeting was to discuss and hand over a document to Hon Ministers consisting of the issues currently faced by the industrialists. Those issues were requested by Hon Minister in writing subsequent to the verbal presentation of those issues by the Chairman in his speech at Achiever Awards Night recently held at Hotel Galadari, where Hon Minister was the Chief Guest.

Hon Minister was very positive in taking all possible steps to alleviate the problems being faced by the local industrialists and stated that the demurrage payment by material importers due to any delays in getting bank documents over Dollar issue had already been taken up at the Cabinet and a decision had been taken not to charge port demurrage by SLPA for such cases with effect from 31st January 2022. The document handed over to the Hon Minister is illustrated bellow.



- Power and forex crisis Number of closed entities may rise - CNCI Chief

BY LALIN FERNANDOPULLE



Canisius Fernando

Around 20 percent of the mainly small and medium sector enterprises which are members of the Ceylon National Chamber of Industries (CNCI) have shut down operations since the last quarter of 2021 and this number is expected to rise if the power and forex crisis which is causing port clearance delays and high demurrage costs persists, a top official of the industrial chamber told the Sunday Observer Business on Friday.

He said it has come to a stage that even large scale companies cannot go on with power outages, scarcity of fuel, raw material for manufacture due to the acute shortage of foreign exchange which has led to port clearance delays and issues in opening LCs for imports.

The number of entities that will call it a day will rise if a solution to the crisis is not sought urgently, said CNCI Chairman Canisius Fernando.

According to importers and exporters, shipping costs had risen by 300 percent since the end of October last year which has aggravated the situation for the sector. Disruptions to global supply chains too have worsened the plight for merchandise trade which has slumped sharply since the outbreak of the global pandemic.

The chamber has proposed measures to the Ministry of Industries to ease the burden of importers and exporters foremost in overcoming the domestic power crisis which has taken a hit mainly on small and medium sector enterprises whose revenue is below Rs. 500 million and do not enjoy the luxury of installing

generators, Fernando said. The chamber has requested the ministry to either grant concessions for either raw materials or for value added exports.

Local manufacturers are dollar earners too as they add value to raw material without which the country will have to import spending the much needed foreign exchange, Fernando said adding that the policy makers should recognise the role and contribution of importers and exporters who help save and bring in foreign exchange to the country.

Companies that import raw material under dangerous cargo (DC) category are in hot water as they are unable to clear the consignments from Port due to the delay in endorsing shipping documents in time by banks.

The import-export sector has been battered since the Easter Sunday attacks followed by the global pandemic which forced them to restrict operations.

Businesses have not come anywhere near the pre pandemic level either in operations or revenue earning. Most of our members are incurring huge losses while many are even unable to make break even due to the domestic and global crises triggered by the pandemic, Fernando said.

This section reported last week the sad state of industries which are struggling to keep their nose above water with no adequate support from lawmakers who have taken cover under the pandemic and have made it an excuse to come up with viable solutions to the burning issues of the business community.

According to the Sri Lanka Footwear and Leather Products Manufacturers Association the sector is in a precarious state owing to the absence of raw material and components for manufacture.

The sector accounts for over 300,000 direct and indirect employment in the country.

The Joint Apparel Association Forum of Sri Lanka (JAAF), the apex body for the apparel sector has called for intensive dialogue and greater stakeholder collaboration to resolve the current forex crisis, as well as legislative reforms towards a more sustainable medium-long-term trajectory for Sri Lankan apparel.

Source: Sunday Observer - 06th February 2022

Cabinet nod for promoting cottage industries

By: Ishara Mudugamuwa

The Cabinet of Ministers approved the proposal made by Industries Minister Wimal Weerawansa to implement several traditional and rural industries promotion projects with the intention of uplifting the country's traditional industries, Co-Cabinet Spokesman Plantations Minister Dr. Ramesh Pathirana said.

Accordingly, Cabinet approval has been granted to implement projects which are already being implemented under the State Ministry of Rattan, Brass, Pottery, Furniture and Rural Industrial Promotion which was inaugurated in 2021.

An allocation of Rs. 1,000 million from Budget proposals 2022 and Rs. 150 million estimates have been made to the State Ministry of Rattan, Brass, Pottery, Furniture and Rural Industrial Promotion for the improvement of traditional domestic industries such as rattan, clay, brass, lacquer, masks, coconut shells, gold, stone carvings, jute and Dumbara mats.

Accordingly, the Cabinet of Ministers approved the

proposal furnished by the Industries Minister to implement the following projects:

- Programme to cultivate raw materials required for rural industries.
- Project to establish the National Raw Materials Bank.
- Project to 'present one entrepreneur for one village'.
- Project to establish a fashion and process modification centre related to timber products.
- Local and overseas market promotion programme for rural industries.
- Rural and traditional industry villages consolidated development programme.
- National lacquer industries development programme.

Source: -Daily News - 02nd February ,2022

Around 7% of salaried employees lost jobs during first COVID-19 wave - Survey

By: Subashini Senanayake

During the first wave of COVID-19 in 2020 around 7 percent of salaried employees in Sri Lanka had lost their jobs completely, according to the latest survey released by the Department of Census and Statistics, According to the report, 64.3 percent of the self-employed in the agricultural sector were able to engage in their economic activities normally while 14.6 percent had reported that they had difficulties in selling their products.



Meanwhile, the report states that 92.9 percent of non-agricultural self-employed persons have their incomes declining or completely stagnating.

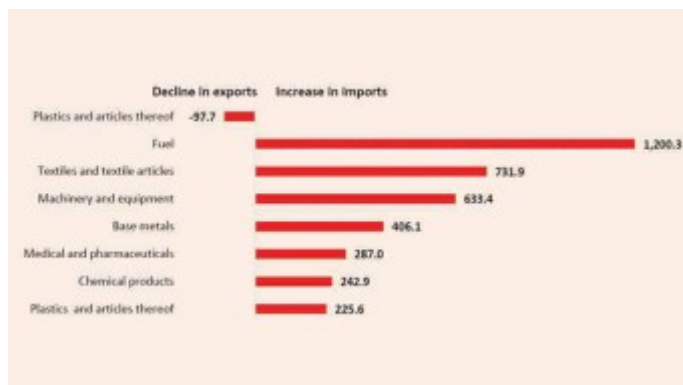
Meanwhile, 26.5 percent of employees had reported for work less than the average number of hours after March 20, 2020. Also during the lockdown period of the first COVID-19 wave, 45 percent of the total salaried employees had not reported to work although they had received their salaries. Meanwhile, around 12 percent had lost their jobs temporarily.

During the first COVID wave after March 20, 2020, 59.2 percent of those engaged in non-agricultural self-employment had to discontinue their non-agricultural economic activities.

Source: -Daily News - 07th February ,2022



Trade deficit widens notably



Major Contributory Factors for the Y-o-Y Increase in the Trade Deficit in 2021 (Values in US\$ mn)

The deficit in the trade account widened in December 2021 compared to a year earlier, mainly due to excessive surge in imports recording the highest ever monthly import expenditure, despite persistently high earnings from exports that exceeded USD 1 billion for the seventh consecutive month.

During the year 2021, the trade deficit widened notably, driven by considerable increase in imports that outpaced the growth in exports. Tourist arrivals continued the growth momentum in December.

Meanwhile, workers' remittances recorded a month-on-month growth in December 2021, mainly reflecting the response to incentive schemes introduced for remittances and the sea-

sonal increase.

Meanwhile, workers' remittances in 2021 amounted to US dollars 5,491 million, in comparison to US dollars 7,104 million in 2020, recording a decline of 22.7%.

The weighted average spot exchange rate in the interbank market continued to hover around Rs. 201 per US Dollar during the month.

The deficit in the trade account widened to highest ever monthly value of US dollars 1,085 million in December 2021, compared to the deficit of US dollars 562 million recorded in December 2020. The cumulative deficit in the trade account in 2021 also widened to US dollars 8,136 million from US dollars 6,008 million recorded in 2020.

Earnings from merchandise exports in December 2021 grew by 19.9% over December 2020 to reach US dollars 1,156 million. Increases in earnings were observed across all main categories, while industrial exports mainly contributed to the expansion.

Meanwhile, cumulative export earnings in 2021 increased by 24.4% to US dollars 12,502 million compared to US dollars 10,047 million recorded during 2020.

Expenditure on merchandise imports increased substantially by 46.8 per cent to US dollars 2,241 million in December 2021, compared to US dollars 1,527 million recorded in December 2020, recording the highest ever monthly expenditure on imports.

The 36.1 per cent increase in expenditure on the importation of investment goods in December 2021, compared to the same month in 2020, was the result of increases in all three types of investment goods, namely, machinery and equipment, building material and transport equipment.

Expenditure on the importation of intermediate goods increased by 58.2% (y-o-y) in December 2021, driven mainly by fuel, base metals, textiles and textile articles, plastics and articles thereof, rubber and articles and fertiliser.

Expenditure on fuel increased by 88.2% in December 2021, due to the increases of import volume and prices of refined petroleum by 43.3% and 45.6 per cent (y-o-y), respectively.

Expenditure on crude oil and coal also increased driven by import prices. Average import price of crude oil recorded US dollars 85.38 per barrel in December 2021 compared to US dollars 51.89 per barrel recorded in December 2020.

Source: -Daily News - 14th February ,2022

SL - EU identify areas for close collaboration



EU Commissioner for International Partnerships Jutta Urpilainen (left) in discussion with Foreign Affairs Minister Prof. G.L. Peiris

Foreign Affairs Minister Prof. G.L. Peiris met with the European Union Commissioner for International Partnerships Jutta Urpilainen, on the sidelines of the Ministeri-

al Forum for Cooperation in the Indo-Pacific, held at the French Foreign Ministry in Paris.

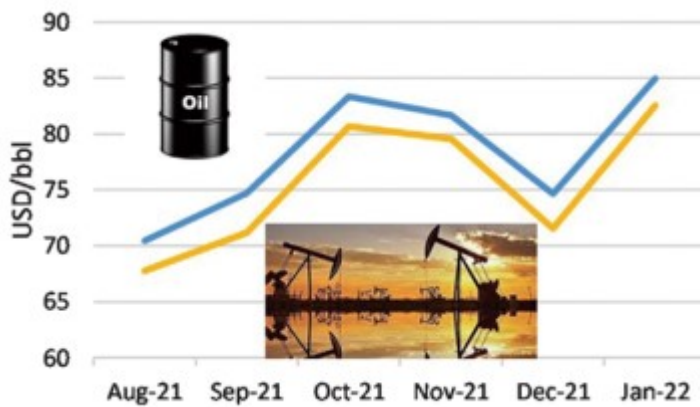
Minister Prof. Peiris discussed with EU Commissioner Urpilainen the strengthening of partnerships between Sri Lanka and the EU with regards to value added exports such as garments, flavoured teas, spices including cinnamon and pepper, fisheries products, gems and jewellery, as well as partnerships in respect of investments in priority sectors like the hospitality sector, ICT, food processing, power and energy, and the produc-

tion of pharmaceuticals.

The discussion also focused on health policy cooperation, connectivity among ports and harbours in the region, vocational training, digitalisation and other aspects of people to people contact. European Commissioner Urpilainen told Minister Prof. Peiris that the EU is increasingly outward looking in reaching out to countries around the Indian Ocean and the Pacific, adding that there are clear synergies in the areas of activity identified by the Foreign Minister of Sri Lanka.

Source: -Daily FT - 26th February ,2022

Ukraine crisis to further impact Lanka's current account - ICRA



The Ukraine crisis will have a major bearing on the prices of energy in the global markets and rising oil prices which is already hurting the current account of the country will further be impacted with this crisis, says the January monthly report of ICRA Lanka. Global oil prices rose sharply in January, reaching a seven year high.

“Rapid rise in oil prices may further burden the economy. In this setting the main challenge for the central bank is how aggressive it can be against inflation without upsetting the

for January. This included the settlement of a USD 500 million sovereign bond, which was repaid in January 18. Gold prices grew strongly during the first three weeks of January as US inflation figures hit a new high of 7.5%. CBSL exploited the strong rebound in gold and sold about USD 83 million and by the end of the month total reserves stood at around USD 2.3 billion.

Commenting on the Stock market ICRA Lanka said, “The market saw strong gains at the start of the year, despite the Rs 229 billion relief package announced by the government.”

general functioning of the economy.”

The report said that inflation continued to rise during January (Y/Y) as headline inflation increased to 14.2%. Sri Lanka had over USD 1.1 billion forex obligations pending

The strong gains that were evident in the stock market at the start of the year were short lived as foreign investors began exiting the market following the rating downgrade by S&P. Tourism generated about USD 10 million in the month showcasing consistent recovery.

The private sector credit increased by Rs 60.5 billion (M/M) in November, a faster rate than the two earlier months, as businesses were heading for the festive season. Reserve money expansion in January was relatively strong.

Tea prices at the Colombo auction increased in January as a result of higher overall demand following the festive season. Supply also improved due to favorable weather conditions. Prices too remained strong at international auctions in January.

Global rubber prices remained robust after declining in the previous month, as global industrial activity along with demand for rubber is unlikely to pick up anytime soon.

Source: Daily News – 18th February 2022

EU urges SL to lift import restrictions

The European Union (EU) strongly urged Sri Lanka to lift forthwith import restrictions preventing many European products from entering its market during the EU and the Democratic Socialist Republic of Sri Lanka 24 meeting of the Joint Commission on 8 February 2022 in Brussels.

The meeting, which was held in a friendly and open atmosphere, reviewed bilateral relations and entailed an exchange of views and updates on a wide range of topics of bilateral interest – ranging from governance, reconciliation and human rights, to trade, development cooperation, climate change and environment, sectoral cooperation, security and counter-terrorism, and cooperation in multilateral fora.

The Joint Commission took stock of the conclusions of the Working Group on Trade and Economic Cooperation held virtually on 26 January 2022. The EU and Sri Lanka noted the significance of bilateral trade relations. Sri Lanka clarified that it has imposed temporary import restrictions on non-essential items, strictly as an interim

measure, due to a foreign exchange shortfall resulting from the impact of the global pandemic. Sri Lanka noted that these measures are subject to continuous and progressive review.

Sri Lanka appreciated the valued contribution of the GSP+ regime to the country's sustainable development. The EU acknowledged the constructive engagement by Sri Lankan stakeholders during the GSP+ monitoring mission in September 2021.

The two sides reviewed Sri Lanka's compliance with 27 International Conventions related to human rights, labour rights, protection of the environment and good governance covered by the GSP+ scheme.

Sri Lanka reiterated its commitment to effective implementation of the 27 conventions, and noted its adherence to the principle of non-discrimination, and the removal of any further impediments in the exercise of labour rights and fundamental freedoms. The EU invited Sri Lanka to provide further updates on progress. (IH)

Page Source : Daily Mirror : 10th February 2022

Recovery with IMF assistance: Address basic issues

Guest Column



By Tudor Wijenayake

The country is facing a severe financial crisis, each passing day a challenge. The foreign exchange level is at the lowest in history, around \$ 1.5 billion. The country is expected to settle \$ 6.4 billion in liabilities during the current year, also until 2025 the Government's annual external debt repayments are around \$ 4 to 5 billion each year. The worst is every month the import costs exceed FE earnings by around \$ 1 billion.

Basic causes of the issue

The country's downward trend started with conversion of administration and teaching to Sinhala in 1956, dividing the country among ethnic lines. Subsequent politicians bribed the public with numerous gifts for their votes. Meanwhile politicians enriched themselves. The climax was the duty-free vehicles to MPs and Government staff, extending to motor cycles to lower grades. Meanwhile, political leaders robbed the country of billions of dollars. Now, the country is called upon to pay-back the debts, the question is how?

The Government's dreams

Central Bank Governor Ajith Nivard Cabraal is confident that the situation is under control and all dues would be settled, as in the past. Finance Minister Basil Rajapaksa is going along with the Governor, but is less confident. Energy Minister Udaya Gammanpila claimed the majority of Cabinet Ministers wish to seek IMF assistance to overcome the crisis, but are they aware of the consequences?

Current Government was unfortunate to face the COVID pandemic, underwent heavy expenses in procuring vaccinations and tourism income dropped. The country was locked down, productions stopped, meanwhile Government employees got their full salaries, while most countries reduced employee salaries. During early stages locals employed abroad sent Dollars home. But the Government held down the exchange rate, others offered higher and official FE receipts came down, worsening the situation.

The Government is dreaming that friendly countries such as India, China and Japan would come to the rescue and settlement of dues amounting to \$ 6.4 billion during 2022 could be met.

Crashing of agriculture sector

The President's election manifesto indicated moving over to organic fertiliser over 10 years. But in April 2021 the President suddenly announced moving over to organic, possibly to overcome FE shortage. But the program lacked preparation, failed to enlighten farmers on organic usage, and collapsed without proper fertiliser. Plenty of rain during the period would have given a bumper harvest, but the farmers were unprepared. Also, Opposition politicians manipulated the situation, with multiple farmer protests shown on TV news further discouraging the farmers.

With banned imported chemical fertiliser, a Chinese shipload of organic fertiliser was rejected, when a state laboratory found unsuitable materials. The supplier's request for independent testing was refused, finally the country had to pay.

Tourism sector

Tourism was the third highest foreign exchange earner for the country. In 2019

even after the Easter terror attacks, the country recorded 1.9 million tourist arrivals bringing in \$ 3.5 billion, a 21% drop from the previous year. The country received 82,327 tourists in January 2022 compared to 1,682 in January 2021. The Tourism Ministry expects \$ 2.12 billion inflow for 2022. But most arrivals are low-level who travel to Ella by train and have meals in local eateries. The Government also expects a large number of Indian tourists. The arrival of high-end tourists would depend on the settlement of the COVID-19 pandemic in Western countries and the reflection of Sri Lanka in their eyes.

Remittances from abroad

The country depends heavily on remittances from workers abroad, but amid global and domestic lockdowns receipts fell to \$ 375 million in April 2020, but recovered to \$ 446 million in August, but fell when informal sectors offer higher rates for Dollar, resulting in the country's forex reserves hitting \$ 1.6 billion in November. The situation will continue until the Dollar is floated.

Electricity crisis

The country is facing electricity power cuts, with more expected in coming months. Last year's heavy rains resulted in the majority power generated through hydro, but two months without rain, water levels in reservoirs are down to 50%. Water levels cannot be expected to rise again till June. But how about electricity generation until then?

Thermal power plants using imported oils are facing shortages, generators stopping production. But Chairman, Public Utilities Commission of Sri Lanka informed the public that there will be no power cuts over the next three months, provided no major breakdowns in generating plants, also oil being delivered on time.



LAKE
HOUSE

Daily News

CB Chief moots new measures to boost new forex earnings, save existing reserves

Central Bank Governor Ajith Nivard Cabraal has mooted new measures to boost foreign exchange earnings whilst saving scarce reserves and awaiting a positive response from the Government.

One key measure is higher duties to be imposed on about 700 items of imports which are considered non-essential. "This will curtail demand for those imports and corresponding saving of forex as well as lead to higher revenue for the Government," Cabraal told the Daily FT. A new scheme of voluntary Flexi working hours and Work-from-home measures for offices is another.

"This will lead to substantial savings in energy consumption leading to savings in forex outlay for fuel for electricity generation and transport," he added.

Previously Cabraal had suggested fuel-pump prices to be increased on the basis that such a move will ensure liquidity for the State banks, reduction of

losses of CPC and general reduction of oil demand which will lead to lower forex outlay for fuel imports.

Cabraal also said solar and wind energy projects need to be fast-tracked as it will lead to lower imports of fuel in the generation of electricity while also leading to new foreign direct investments and employment.

CBSL Governor had also mooted import of vehicles to be allowed, where those are financed via inward remittances for that particular purpose, and where the import duty and other charges are also paid via new inward forex inflows. "This will lead to substantial inflows of forex into the country, while also reducing the price of motor vehicles which has risen very sharply," he added.

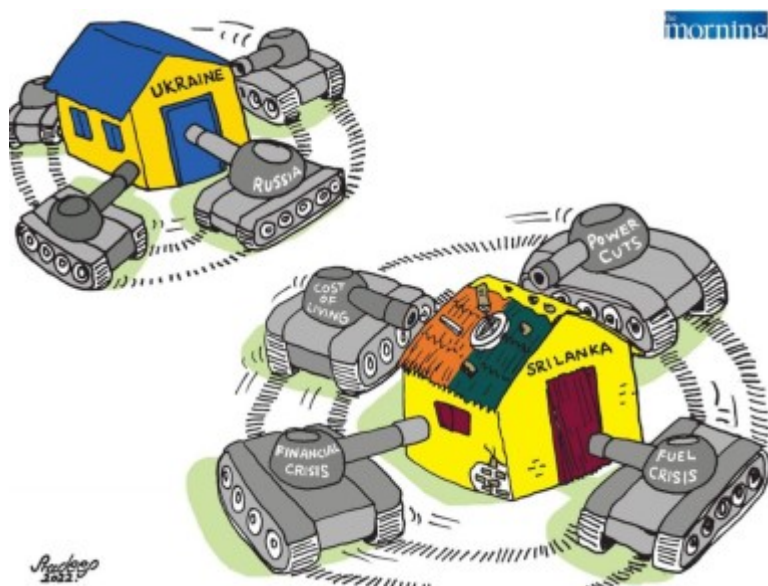
The CBSL Chief said the EPF scheme should be extended to attract new savings into the country via forex for which a special incentive is to be add-

ed upfront. "This will make it attractive for expatriate workers to qualify for a pension and/or lump sum payment at time of retirement, while also leading to substantial non-debt creating forex inflows," he explained.

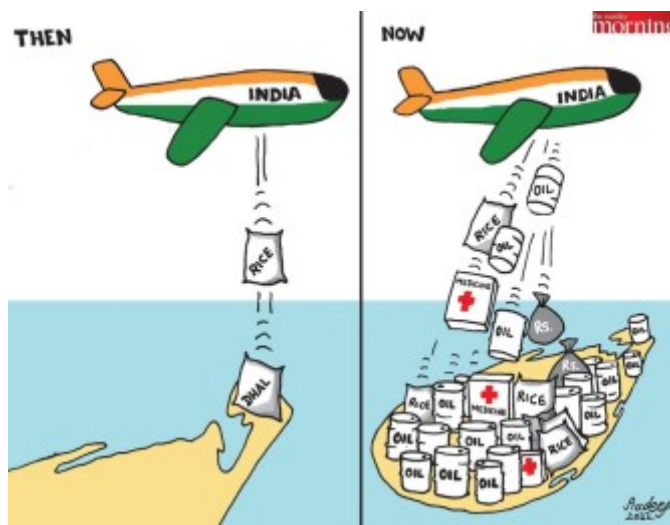
It was also stressed that certain non-strategic and underutilised State assets be monetised. This will lead to greater economic activity as well as new non-debt forex inflows, Cabraal said, adding that these measures are in addition to many others recently introduced by the Central Bank to attract new forex inflows and retain the existing forex resources within the country

Source: Daily FT : 28th February, 2022

Cartoons



Source:cartoon-themorning.lk- 23-02-2022



Source:cartoon-themorning.lk-19-02-2022

Surcharge Tax Bill gazette in House

By: Ishara Mudugamuwa



The Budget 2022 proposes to impose a one-off 25 per cent surcharge tax on individuals or companies earning taxable income more than Rs.2,000 million for the assessment year 2020/2021. The Attorney General's clearance has been received for the Surcharge Tax Bill prepared accordingly by the Legal Draftsman.

The Cabinet of Ministers granted their consent to the proposal forwarded by Finance Minister Basil Rajapaksa to publish the Surcharge Tax Bill in the Government Gazette and thereafter submit it to Parliament, Co-Cabinet Spokesman Plantation Minister Dr. Ramesh Pathirana said.

Source: Daily News – 02nd February 2022

Local investment drive to manage forex concerns

President Gotabaya Rajapaksa yesterday invited local entrepreneurs to invest in local industries and join in the process of nation building.

The President made these remarks at a discussion held with large scale entrepreneurs in various fields at the Presidential Secretariat.

The discussion was convened with the objective of obtaining the assistance of the private sector in the development process. There were discussions on a number of areas including foreign exchange generation, State fiscal policy, foreign employment promotion, investment incentives, increasing exports, renewable energy, agricultural products, adequate supply of fertilizers and tourism promotion.

The President said that large-scale investments in a number of sectors, including renewable energy, green agriculture, technology parks and greenhouses, would open up great opportunities to control foreign exchange.

Appreciating the support of local entrepreneurs to build the country, the President said that the business community has the ability to rectify the misconceptions that some are spread-

ing to achieve their narrow goals, in an environment where the Government is trying to rebuild the economy in the face of a global epidemic.

Finance Minister Basil Rajapaksa pointed out that the shortage of cement has arisen due to the increase in demand for cement with the revival in the construction sector during the past two years and said that the Government is focusing on manufacturing more cement locally.

Pointing out that there is no shortage of essential commodities in the market, the Minister urged the traders not to take undue advantage of the decision taken to remove some of the price controls except for medicinal drugs.

Central Bank of Sri Lanka Governor Ajith Nivard Cabraal said the Government would maintain fuel reserves in a manner that would not harm development and industries, despite the challenge of obtaining fuel on cash. The Governor said the country is losing foreign investment opportunities due to false propaganda about the country's economy, and added that the Government has the ability to repay all foreign loans and will take

steps to attract investments. The entrepreneurs who praised the Government's COVID-19 control programme said that their businesses were safeguarded due to the success of this programme. They pointed out that Sri Lanka received a large number of merchandise orders due to the failure of some countries to effectively control the COVID-19 pandemic. The country is witnessing a large revival in the tourism sector in the post-COVID-19 period. The entrepreneurs noted the need to enhance facilities to promote tourism. The entrepreneurs also requested the President to take measures to prevent students from leaving the country to pursue higher education abroad and to set up a mechanism to create such educational opportunities within the country itself. Secretary to the President Gamini Senarath, Principal Advisor to the President Lalith Weeratunga, Finance Ministry Secretary S.R. Attygalle and many entrepreneurs from various fields were present.

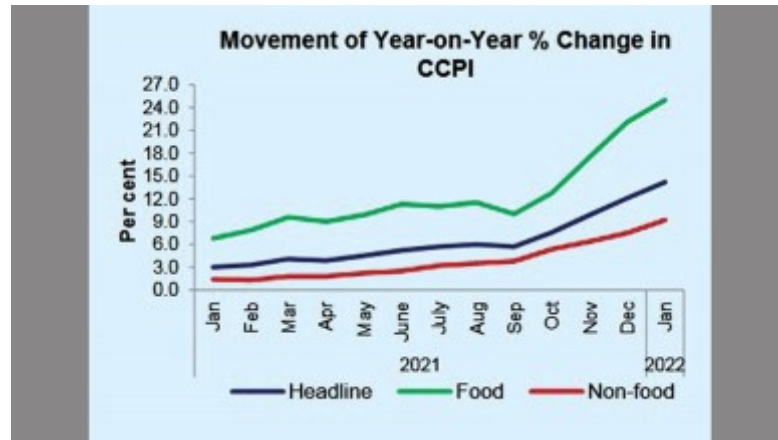
Source: Daily News – 22nd February 2022

Inflation increases to 14.2 % in January

Headline inflation, as measured by the year-on-year (Y-o-Y) change in the Colombo Consumer Price Index (CCPI, 2013=100)¹, increased to 14.2 % in January 2022 from 12.1 % in December 2021. Meanwhile, on an annual average basis, the CCPI increased to 6.9 % in January 2022 from 6% in December 2021.

Inflation was driven by monthly increases of prices of items in both food and non-food categories. Subsequently, food inflation (Y-o-Y) increased to 25 % in January 2022 from 22.1 % in December 2021, while non-food inflation (Y-o-Y) increased to 9.2 % in January 2022 from 7.5 % in December 2021.

Monthly change of CCPI recorded at 2.43 % in January 2022 due to price increases observed in items of both food and non-food categories which were 1.15 % and 1.28% %, respectively. Accordingly, within the food category, prominent increases were observed in prices of rice, fresh fruit, milk powder, and bread. Further, prices of items in the non-food category recorded increases mainly due to price increases observed in the transport (petrol, diesel, bus fare), housing, water, electricity, gas and other fuel (housing rent, maintenance/reconstruction), education (course fees for higher edu-



cation and vocational training), and restaurant and hotels sub-categories during the month.

The core inflation (Y-o-Y), which reflects the underlying inflation in the economy, increased to 9.9 % in January 2022 from 8.3 % in December 2021. Moreover, annual average core inflation increased to 5 % in January 2022 from 4.4 % in December 2021.

Source: Daily News – 02nd February 2022

Merchandise exports increase by 13% to US\$ 1,062.63 mn in January

Sri Lanka's merchandise exports increased by 13% to US\$ 1,062.63 million in January 2022 compared to January 2021 as per the data released by the Sri Lanka Customs.

Further, it is a 5.7% increase when compared to January 2020. EDB Chairman, Suresh D de Mel said, " exports performance in January 2022 has been remarkable and the growth has been all encompassing as almost all the major sectors have exhibited encouraging trends. We are hopeful that this trend will continue, and we can see a strong recovery through the end of the year. Going forward we need to add more value to our exports and explore niche markets, and diversify our product basket and markets. Whilst appreciating that the US and the EU are the largest markets, we need to expand our market share in Asia. The proposed Bangladesh PTA will certainly help in this regard."

Export earnings from Apparel & Textile have increased by 22.1% y-o-y to \$ 514.41 million in January 2022 with strong performance in exports of Apparel (24.25%) and Woven Fabrics (50.24%).

Export earnings from tea in January 2022, which made up 12% of merchandise exports, decreased by 9.67% y-o-y to US\$ 91.22 million. Export earnings from Rubber and Rubber Finished products have increased by 3.52 % y-o-y to \$ 87.12 million in January 2022. Export earnings from the Electrical & Electronics Components increased by 12.62% y-o-y to US\$ 35.87 million in January 2022. Export earnings from Seafood increased by 42.66% to US\$ 24.11 million in January 2022 compared to January 2021 while earnings from Ornamental fish increased by 45.61% to US\$ 1.78 million .

Strong export performance was recorded for the major export markets which accounted for 65% of total merchandise exports during the period January 2022. Eight markets out of the top 10 markets recorded positive performance except Italy & China. During the month of January 2022, exports to the United States of America, Sri Lanka's single largest export destination, increased by 26.43 % to US\$ 295.25

million compared to the month of January 2021. Exports to the United Kingdom as the second largest trading partner recorded an increase of 31.99 % to US\$ 81.16 million in January 2022. (26.32%). During the month of January 2022, exports to Free Trade Agreement (FTA) partners accounted for 7.2% of total merchandise exports and increased by 28 % to US\$ 80.31 million.

Moreover, exports to India and Pakistan increased by 28.9% and 21% y-o-y to US\$ 71.72 million and US\$ 8.59 million respectively during the month of January 2022. Increased exports to India are mainly supported by increased exports of Animal Feed (11%), Pepper (17.86%), Woven fabrics (26.5%) and Apparel (65.51%) in January 2022.

Breakdown of exports to the top five EU markets which accounted for 80% of Sri Lanka's total exports to the EU were; Germany US\$ 60.2 million (increased by 12.63%), Italy US\$ 49.69 million (decreased by 6.32%), Netherlands US\$ 38.68 million (increased by 10.96 %), Belgium US\$ 24.78 million (increased by 4.56%) and France US\$ 23.51 million (increased by 12.65%).

Exports to the European Union (EU) which comprised 20% of Sri Lanka's exports during the month of January 2022 increased by 1.33 % y-o-y to US\$ 206.74 million

The estimated value of services exports for the month of January 2022 was 313.22 million dollars, increasing 42.2 % over the corresponding month of 2021. The services exports estimated by EDB consist of ICT/BPM, Construction, Financial services and Transport & Logistics.

In addition, better performance was recorded in Pakistan led by Desiccated Coconut, Other Articles of Stones, Woven Fabrics and Perfumes, Cosmetics, Shampoos & Makeup Preparations and Other Electrical & Electronic Products. On a region wise comparison exports to all regions increased during the month of January 2022 compared to January 2021.

Source: Daily News – 25th February 2022

Upcoming Training Programmes by CNCI

CNCI Webinar





Sri Lanka Customs' Authorized Economic Operator (AEO) Programme

Date : 16th March 2022

9.30 am—12.30 pm
(Registration starts from 9.15 am)

Online : Zoom

Content
Overview and Introduction
New Initiatives to Exports and Imports
Compliant Economic Operator (CEO)
Authorized Economic Operator (AEO)
Eligibility criteria for CEO / AEO
Benefits of CEO / AEO
AEO Web Portal Demonstration (How to Apply for CEO / AEO Status)
Q & A

Resource Persons
Mr Sudaththa Silva - Deputy Director of Customs
Mr Dinusha Hettiarachchi - Superintendent of Customs

Investment
For Members : Rs. 5,000/-
For Non Members : Rs. 5,500/-

Language
English

For
Directors, Managers, Executives, Supervises and all others involved in Imports / Exports & International Trade

For Registration
Please email your dully filled registration form to : training@cnci.lk , cnci@slt.lk, thecnci@gmail.com



Organized by :
**THE CEYLON NATIONAL CHAMBER
OF INDUSTRIES - CNCI**

For more Details,
Contact : Nilanthi / Bojaya / Sumudu
0771 777115, 0112 339200, 0112 452181

Upcoming Training Programmes by CNCI

CNCI Workshop



MS Excel for Data Analysis & Logical Problem solving

Date : 24th March 2022

9.15 am—12.45 pm

(Registration starts from 9.00 am)

Online : Zoom

Content

- Introduction to MS excel
- Basic and Advanced Filtering and Sorting
- Functions and formulas for analyzing data
- Array
- Database
- If, Count if, Count ifs
- Look up formulas
- Data analysis tool
- Goal seek
- Advanced solver Engines
- Pivot Table
- Slicer

Resource Person

Mr. Samitha Liyanage

(BSc.(Hons), MBA, PQHRM, AMCIPM, CMSLIM)

Language

English

Investment

For Members : Rs. 5,000/-

For Non Members : Rs.5,500/-

For

**Directors, CEOs, Managers, Executives, Supervisors
and all others interested**

For Registration

Please email your dully filled registration form to :

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



Organized by :

**THE CEYLON NATIONAL CHAMBER
OF INDUSTRIES—CNCI**

For more Details,

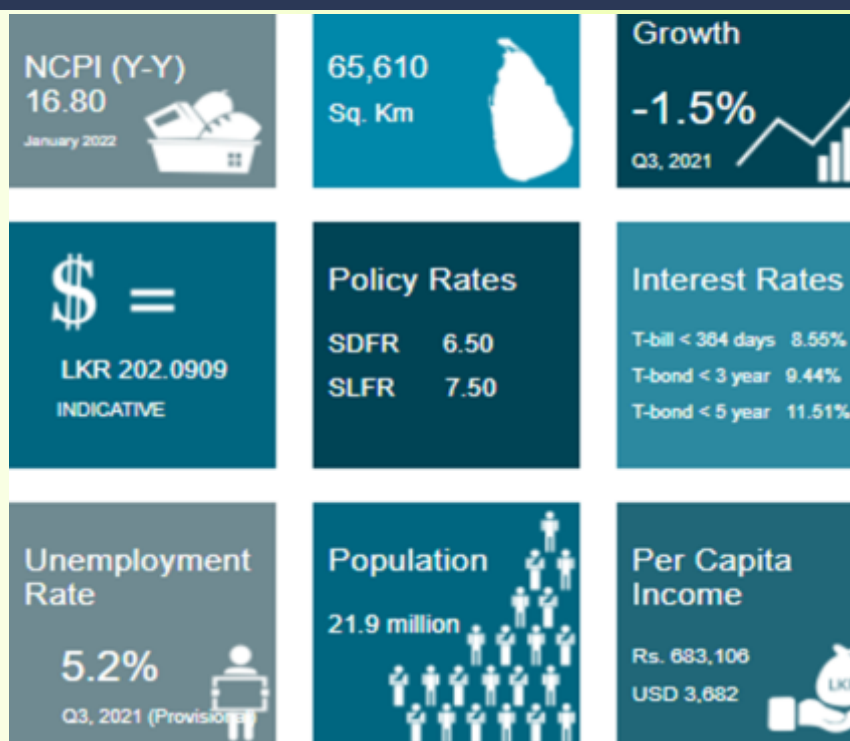
Contact : Nilanthi / Bojaya

0771 777115, 0112 339200 , 0112 452181

EXCHANGE RATES AS AT 28TH FEBRUARY 2022

Date	Buy Rate (LKR)	Sell Rate (LKR)
Australian Dollar	141.0729	147.0281
Canadian Dollar	154.2694	160.1128
Swiss Franc	212.8143	
Renminbi	31.1588	
Euro	221.5469	
British Pound	264.0185	
Yen	1.7079	1.7718
Singapore Dollar		150.3692
United States Dollar	198.5008	202.9992

daily-buy-and-sell-exchange-rates

Sri Lanka Economy SNAPSHOT

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