



# CNCI NEWS BULLETIN

ISSUE 94  
OCTOBER 2022

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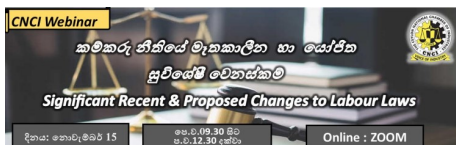
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## UPCOMING WEBINARS BY CNCI



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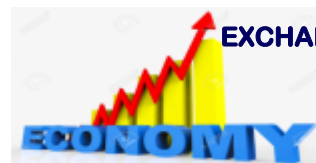
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Language  
Sinhala

Resource Person

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**EXCHANGE RATES AS AT 31th OCTOBER 2022 AND SRI LANKA**

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The Ceylon National Chamber of Industries - CNCI

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## ***CNCI plans to have the AGM on 25th of November 2022 At Hotel Taj Samudra***

The Ceylon National Chamber of Industries was established in the year 1960 at a time the Industrialists were small timers compared with some of the giants who operate today. They had to pit their wits against big trading organizations, as Industry in Sri Lanka during that era was viewed with a condescending attitude. The large traders were all members of the Ceylon Chamber of Commerce and the small Industrialists especially the Sri Lankan Nationals felt they needed a forum of their own to resolve issues in order to develop their ventures.

It was during this period of uncertainty that Mr. Cyril E. S. Perera an eminent lawyer came together with small industrialists to establish **The Ceylon National Chamber of Industries-CNCI**. The first few Chairmen of that era were men of influence in the political field.

Eminent politicians such as Sir Claude Corea and Mr. Arthur Ratnayake succeeded Mr. Cyril E. S. Perera as Chairman. It can be understood now that the small industrialists knew the importance of political affiliation, as well as the value of administrative ability.

It was during his time that the Ceylon National Chamber of Industries was incorporated by an Act of Parliament No. 10 in 1969.

From the date of establishment up to now CNCI by being the voice of industries, make immense contribution to the industry sector of the country. By passing another step stone CNCI wishes to have its 61 AGM on 25th of November 2022 at Hotel Taj Samudra. Chief Guest for the event would be the Secretary of the Ministry of Industries, Ms Thilaka Jayasundara. All the members of the CNCI will be invited for the AGM.



"CNCI Achiever Awards" is a mega event, which is annually organized by the Ceylon National Chamber of Industries (CNCI), the premier industrial chamber in the country. The main objective of the "CNCI Achiever Awards" scheme is to accord due recognition to the Sri Lankan industrialists for their magnanimous contribution paid to strengthen the national economy. The CNCI being the only national chamber to voice for industries strongly perceives it a prime duty to identify, recognize and reward the industries who excel in manufacturing and service sectors. The contest is held annually to identify those who have made significant strides in the respective fields of businesses whereby encouraging them to succeed further and even to expand their ventures beyond territorial waters.

It is encouraging to witness the confidence displayed by the industrialists of a variety of industrial areas of different sizes and sectors in applying for the awards. Entries have been promoted through the CNCI website and the closing date of application is 30th September 2022.

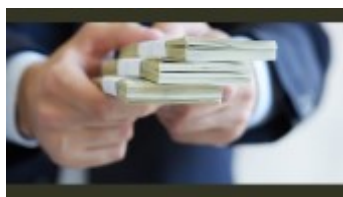


**Chairman CNCI  
Canisius Ferando**

"The CNCI has the single honour in initiating and designing an Awards scheme of this caliber for the Sri Lankan Industrial sector with the sincere intention of recognizing and honouring the best performers in the industry circle in order to encourage them to achieve further success in their operational excellence." CNCI Chairman said. The passing period records crucial experiences to the history of the Sri Lankan Industry in the face of hardly pressing social, economic and political threats. It is certainly Chairman CNCI Mr Canisius Ferando praiseworthy to place on record of the courage and confidence of our industrialists who have the assertion to contest displaying their able entrepreneurship despite an array of challenges they have been facing especially during the past couple of years. CNCI Chairman congratulates all the contestant companies for their performance excellence achieved even under trying conditions and extends them with the Best Wishes to fly for greater heights with continued success.

## CBSL's Rs.25 mn loan scheme for SMEs now operational

By: Indunil Hewage



**The Central Bank in collaboration with its Regional Development Department has introduced**

**measures to support small, medium scale entrepreneurs across the country by way of facilitating loans up to an amount of Rs. 25 million with lower interest rates, under the 'Saubhagya' loan scheme.**

Accordingly, small and medium scale entrepreneurs, engaged in the field of Agriculture, Animal husbandry, Fisheries and many other sectors are eligible to apply for a loan up to an amount of Rs. 25 million under the Saubhagya loan scheme from any registered bank in the country at an annual interest rate of 9 per cent for a tenure of 5 years.

In addition to providing loan facilities, the Central Bank has come up with various initiatives by organizing tech-

nical assistance and capacity development programmes for the SME sector, as well as creating much needed business links with prospective overseas buyers.

The Regional Development Department in collaboration with regional branches of the Central Bank has introduced the 'Green Village Concept' to promote green societies and sustainable economic activities. Under the said concept, the Central Bank also intends to encourage citizens to move toward alternative capital raising strategies rather than depending on traditional to obtain loans.

With the implementation of these measures, the Central Bank intends to encourage the general public to conduct their business activities via an organized financial system. To this end, in addition to facilitating loans, the Central Bank conducts both physical and virtual workshops for small and medium scale entrepreneurs on financial literacy, digital financing, customer protection etc

Source: Daily News - 14th October, 2022

## Tourist arrivals up to 526,232 in first 9 months

Tourist arrivals kept on increasing with 526,232 arrivals reported from January to September 30, 2022. This is more than double the number of total arrivals reported in the entire 2021 which was 194,495 showing positive sentiments of the revival of the industry.

Total number of arrivals in September was 29,802 and this was 13,547 in the corresponding period in 2021. The best month for arrivals for 2022 was March where 106,500 tourists visited Sri Lanka. In February 96,507 was reported.

Once again the biggest market for Sri Lanka in September was India with 6,493. The newly formed private airline of Sri Lanka FITS Air which launched international flights to Male and Dubai also announced three frequencies to Indian cities and this will further boost Indian arrivals.

The second largest market for Sri Lanka was the United Kingdom (2,872) followed by Australia (2,309) Germany (2,149) and Russian Federation (1,553).

The leading Russian airline Aeroflot has once again added Colombo to their radar and with their thrice weekly flight after pulling out of Colombo due to one of their flights being 'detained' in Colombo due to a legal issue.

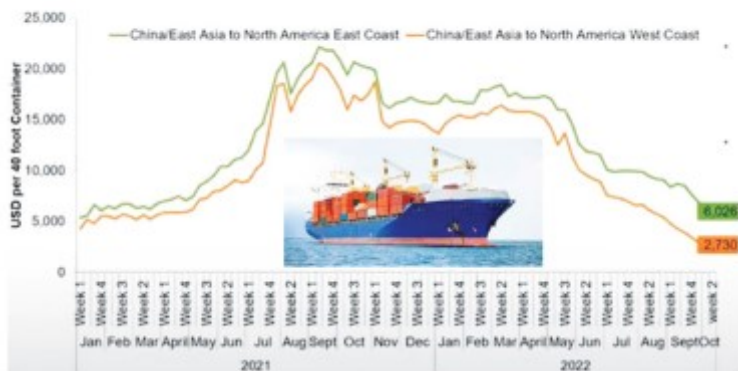
Azus Air also from Russia has added Colombo and too will further boost arrivals.

Sri Lanka will also be participating in the World Tourism market in London in November and this will have a positive impact to improve UK tourists to Sri Lanka. (SS)



# Drop in global consumption declines freight rates

## OCEAN RATES DECLINE AMID LOW CONSUMER DEMAND AND RECESSION FEARS



An anticipated global downturn in consumption has resulted in a slowdown in demand for freight resulting in a decline in freight rates states research by Capital Trust Research.

“Surging energy prices, rising inflation and increase in Global Interest Rates too have led to this slowdown in consumption,” said Divya Casie Chetty.

Industry Experts state that the pandemic led to the increase in freight rates have peaked and the current rates may continue until Global Interest Rates start easing possibly in CY2023.

However, Ocean Rates for Asia -US West Coast are at their lowest since 2020.

She said that similar to shipping freight the air freight charges have dipped.

Source: -Daily News – 17th October ,2022

# Economically active population reaches 8.5 Mn



The estimated economically active population is about 8.5 million in the fourth quarter 2021 of which 64.8 % are males and 35.2 % are females.

The economically inactive population is about 8.7 million. Out of the economically inactive population 26.9 percent are males and 73.1% are females, according to the Sri Lanka Labour Force Survey Quarterly Report, compiled by the Department of Census and Statistics.

The report highlights that male participation in the labour force is always higher than that of females.

The highest participation rate for male is reported from age group 35-39 years (97.4%), while that for females is reported from 45 - 49 age group (47.7%).

During the fourth quarter of 2021, the total number of employed persons in Sri Lanka is estimated as 8.1 million. Of which, about 46.9 % engaged in the service sector, 27.0 % in the industry sector and 26.1 % in the agriculture sector. In the fourth quarter of 2021, there is an increase in employed persons in industry and service sectors compared to the fourth quarter of 2020.

Majority of the workforce are private sector employees followed by their own account workers. Non-agriculture sector covers 73.9 % of the employed population in Sri Lanka, employees and own account workers are highly constrained in that sector.

As per the percentage distribution of male and female employed population by main industry sectors, Highest employment share is in the service sector and this is true for both male & female, while the lowest shares are for agriculture sector. Among employed females, 27.0% are in the agriculture sector while this share is 25.7 % for males.

The number of unemployed persons is estimated as 391,509 during the fourth quarter 2021. The unemployment rate for the fourth quarter 2021 is 4.6%.

Overall unemployment rate reported for female is 7.0% and it is 3.3% for male. Youth unemployment rate (age 15 – 24 years) corresponding to the Third quarter 2021 is 28.1% and that is the highest reported unemployment rate among all age groups. Further the unemployment rates for males and females are 19.1 and 31.8 percent respectively for age group 15 - 24.

The survey results further reveal that the unemployment among females is higher than that of males, in all age groups. Youth and female unemployment contribute more to the overall unemployment of the country.

The highest unemployment rate is reported from the G.C.E. (A/L) and above group which is 7.6 %. Corresponding percentages are 5.5% and 9.6% for males and females respectively. Female unemployment rates are higher than those of males in all levels of education.

Source: -Daily News – 23th October ,2022



## ‘SL could serve as alternate location for BPO and IT operations’



Sri Lanka has the ability to derive significant opportunities from IT and BPO sector from an investment point of view since major markets in the BPO space such as India and Philippines are quite saturated hence Sri Lanka could clearly serve as an alternate location for BPO and IT related training center, Chennai based Boston Consulting Group, Managing Director and Partner -Natarajan Sankar said.

From India point of view, Sankar stated that the majority of tier one metro cities are exhausted or else there is growth in tier 2 cities across India. “Technology giants are looking at potential offshore locations for their backend operations or IT companies and investors are open to look at India plus one strategy to grow, Sankar told a virtual seminar on ‘How Can Sri Lanka Compete for Investment Amid the Ongoing Turbulence; Growth Vs Fiscal’.

Noting that There is immense opportunity in information technology, professional services, digital education, financial services and maritime subjects in Sri

Lanka, Sankar stated that availability of quality workforce, better infrastructure, robust connectivity, geopolitical stability, incentives, and the ease of doing business would be critical elements for the development of the IT sector in Sri Lanka.

Furthermore, Sankar highlighted the need to fast track visa processes to bring in foreign employees to Sri Lanka and provide adequate residential space for them to achieve the sector specific growth targets.

To attract more FDIs into the country he stressed the need for the government to create a compelling value proposition to get early wins and secure anchor investors.

“In the context of Sri Lanka, the port city has been envisioned as an important enabler for achieving Sri Lanka’s growth aspirations and the idea is to develop a holistic urban center, attract FDIs ,and generate employment at a large scale.”

At Sri Lanka’s level, he said the opportunity is much beyond economic clusters alone, however he noted that clusters provide a clear opportunity to be a force multiplier and essentially accelerate investment attraction.

Source : Daily News - 06th October 2022

## Showing resilience and growth despite strong headwinds

### Export revenue of BOI enterprises up to Sept. 2022 surpass US\$ 6 Bn



The Board of Investment (BOI) takes pride to announce the remarkable resilience shown by its enterprises, in the face of recent economic challenges and unprecedented

sequences of events with the merchandise exports of the enterprises amounting to US\$ 6.6 Bn during the period from January to September 2022.

This is a 16% growth compared to the corresponding period of 2021.

The 15 key performing sectors, which have shown over 19% of average growth in exports during the said period, include wearing apparel, rubber products, textiles & fabrics, electronic and electrical goods, fabricated metal products, marine/ fishing gear & accessories, footwear, leather products, PVC products, transport equipment, wood products, coir products, jewelry & lapidary and printed materials.

“The BOI has always been the forerunner of Sri Lanka’s export industry contributing over 65% to the country’s overall export earnings and 85% to the national industrial export earnings,” said BOI Chairman Raji Edirisuriya.

“The enterprises should be congratulated as they have braved a series of challenges posed by post-COVID-19 conditions and economic setbacks. Moreover, the BOI is currently focusing on both short-term as well as long-term

strategic measures, which will result in increased FDI inflows to the country. As a short-term strategy to attract much-needed FDI, attracting and facilitating re-investments by existing companies while re-positioning Sri Lanka as a high-tech FDI destination based on Industry 4.0, developing new zones dedicated to priority sectors,” the BOI Chief said.

BOI DG Renuka M Weerakone said, “The BOI as always has held its nerves and proved its excellence once again, notwithstanding a spate of hardships. This becomes evident with the significant growth shown by our respective enterprises. We expect the crisis to ease off soon rather than later. Thus, the BOI is optimistic about reaching our investment targets this year,” she articulated.

“Further, the BOI also looks forward to carrying on its service with the support of all relevant stakeholders in pursuit of ensuring that Sri Lanka becomes the preferred investment destination in the region amid challenges while contributing to the national economy at large,” Weerakone added.

With all the positive initiatives planned and implemented by the BOI to ensure seamless services, such as the establishment of the Investment Facilitation Centre (IFC), digitization of BOI functions including Customs documentation, promoting re-investments, the introduction of a partnership finder database, five-year resident visa program, etc., the BOI expects that Sri Lanka’s investment environment will be more conducive to attract much-needed FDI to the country.

## PAYE tax upper threshold to hit 36%

The upper threshold of the PAYE tax is to hit 36%. According to informed sources, the tax free threshold shall be Rs 100,000 a month with any figure above that being taxed at incremental slabs of 6% for every Rs .5 million earned annually. This would be Sri Lanka’s tax code further in line with developed countries.

Source: Daily News – 03th October, 2022



LAKE  
HOUSE

Daily News



## IMF predicts Sri Lanka's GDP growth of 3.1 percent in 2027

By Lahiru Fernando



**Sri Lanka is expected to have a growth of 3.1 percent in real Gross Domestic Product (GDP) by 2027, the latest World Economic Outlook report of the IMF issued on Tuesday (11) says.**

According to the report, the country's real GDP will contract by 3

percent next year while it expects to grow by 1.5 percent in 2024.

Certain projections relating to Sri Lanka for 2023 – 2027 periods have been excluded from this publication by the IMF owing to ongoing discussions on sovereign debt restructuring, following the recently reached staff-level agreement on an IMF-supported program.

Issuing this report named 'Countering the Cost of Living Crisis' in Washington D.C. on Tuesday, the IMF said it has downgrad-

ed its forecast for the year 2023.

"The global economy continues to face steep challenges. Shaped by three powerful forces, the Russian – Ukraine war, the cost of living crisis caused by persistent and broadening inflation pressures and the slowdown in China," IMF's Chief Economist Pierre-Olivier Gourinchas said at a news conference launching the report.

Source: Daily News : 14th September 2022

## Cartoons

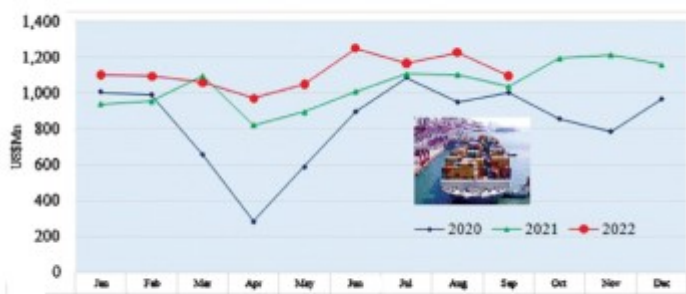


Source:cartoon– Daily Mirror – 01-11-2022



Source: cartoon - Daily Mirror 20-10-2022

## Lankan merchandise exports record USD 10 Bn for 9 months of 2022'



### Monthly merchandise export performance from 2020 - September to 2022 in US\$ millions

Earnings from the merchandise exports increased by 5.75 % y-o-y to US\$ 1,093.98 million in September 2022 as per the data released by the Sri Lanka Customs. This was mainly due to the increase in export earnings from Apparel and Textiles, Tea, Gems and Jewellery, Electrical and Electronic Components and Spices and Essential Oils.

Major product sectors except Coconut based Products; Apparel and Textiles, Tea, Electrical & Electronic components, Spices & Concentrates Diamonds, Gems and Jewellery, Food and Beverages, Ornamental fish and Other export crops as shown in the table 1 below, recorded increased exports in September 2022.

Exports of Apparel and Textiles increased by 5 % y-o-y to US\$ 479.88 million in September 2022. Export earnings from tea in September 2022, which made up 11% of merchandise exports, increased by 11.63% y-o-y to US\$ 117.82 million.

This was mainly due to the higher Export of bulk tea (11.95%) and tea packets (6.98%). Export earnings from Rubber and Rubber Finished products have decreased by 16.91% y-o-y to US\$ 82.19 million in September 2022.

Export earnings from the Electrical and Electronics Components increased by 42.13% y-o-y to US\$ 57.27Mn in September 2022 with strong performance in exports of Insulated Wires & Cables (42.13%) and Other Electrical & Electronic Products (45.56%).

Export earnings from Seafood decreased by 25% to US\$ 16.95 Mn in September 2022 compared to September 2021. Except for shrimp & lobsters, export earnings from frozen fish and Crabs increased by

2.68% and 94.03% respectively in September 2022.

However, export earnings from Ornamental fish increased by 37.6% to US\$ 1.72Mn in September 2022 compared to September 2021. In addition, export earnings from Spices and Essential Oils increased by 9.29% to US\$ 40.84Mn in the month of September 2022. For the period of January to September 2022, merchandise exports increased by 11.83% to US\$ 9,996.19 million compared to the corresponding period of 2021. Apparel and Textile exports increased by 17.61% to US\$ 4,562.67 million during the period. Export earnings from Rubber and Rubber finished products decreased by 2.18% to US\$ 787.87 million in January – September 2022.

Meanwhile, earnings from export of Electrical and Electronic Components (EEC) increased by 16.08% to US\$ 488.67 million. Export earnings from Seafood increased by 9.17% to US\$ 205.31Mn in the period. In addition, earnings from export of ornamental fish increased by 12.27% to US\$ 15.55 million. during this period.

For the period of January to September 2022, export earnings from Coconut & Coconut based products expanded by 4.9 % to US\$ 638.58 million. However, export earnings from Tea decreased by 5.27% to US\$ 937.14 million during the period.

Export earnings from Spices and Essential Oils decreased by 14.21% to US\$ 275.24 million in the period of January to September 2022.

Strong Export Growth recorded for top 15 export markets in the period of January to September 2022.

The single largest export destination of the United States of America recorded US\$ 2,582.91 million worth of exports in the period of January to September 2022 a significant year on year increase of 18.73 % in comparison to US\$ 2,175.46 million recorded in 2021.

Exports to the United Kingdom as the second largest trading partner recorded an increase of 11.68 % to US\$ 758.93 million.

**Export of services increases by 3% to 1.4 Bn.**  
The estimated value of services exports for the period of January – September 2022 was 1,455.75 million dollars, increasing 3.8 % over the corresponding period of 2021. The services exports estimated by EDB consist of ICT/BPM, Construction, Financial services and Transport & Logistics.

## Tea production dips in September

Sri Lanka tea production in September 2022 totalled 20.96 M/Kgs, showing a decrease of 1.79 M/Kgs vis-à-vis 22.75 M/Kgs of September 2021. High Growns have shown an increase, whilst Medium and Low Growns have shown a decline over the corresponding month of 2021.

Meanwhile January to September 2022 cumulative tea production to-

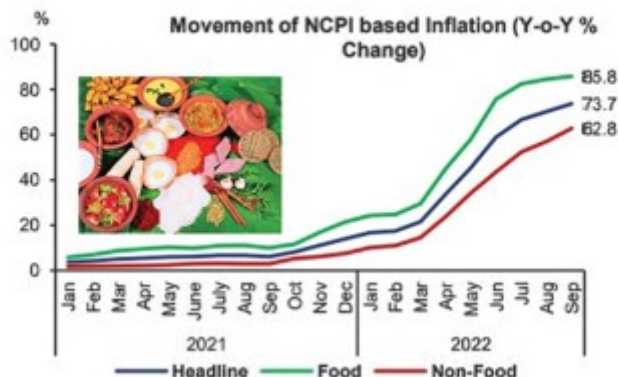
totalled 192.37 M/Kgs, recording a significant decrease of 42.35 M/Kgs vis-à-vis 234.72 M/Kgs of January-September 2021.

This is the lowest recorded for the period under review since 1996 where it recorded 188.40 M/Kgs for the corresponding period. On a cumulative basis, all elevations have shown a decline over the corre-

sponding period of 2021. When compared to 201.43 M/Kgs of Covid-19 impacted January-September 2020, cumulative production of January-September 2022 shows a decrease of 9.06 M/Kgs. On a cumulative basis, all elevations show a decline over the corresponding period of 2020.



## Inflation to 70.2% in Sept.



Headline inflation, as measured by the year-on-year (Y-o-Y) change in the National Consumer Price Index (NCPI, 2013=100)<sup>1</sup> increased to 73.7% in September 2022 from 70.2% in August 2022.

This increase in Y-o-Y inflation was driven by the monthly increases of both Food and Non-Food categories. Accordingly, Food inflation (Y-o-Y) increased to 85.8% in September 2022 from 84.6% in August 2022, while Non-Food inflation (Y-o-Y) increased to 62.8% in September 2022 from 57.1% in August 2022.

It is noteworthy that the moderation observed in month on month inflation recently continued in September 2022. Accordingly, monthly change of NCPI recorded at 2.34% in September 2022 due to price increases observed in items of both Non-Food and Food categories, which were 1.96% and 0.38%, respectively.

Within the Non-Food category, increases were observed in prices of Housing, Water, Electricity, Gas and Other Fuels (Electricity bill, Kerosene oil and Water bill) and Miscellaneous Goods and Services sub-categories during the month. Further, within the Food category, increases were observed in prices of Fruits, Wheat Flour and Chicken. However, prices of Rice, Sugar and Dhal decreased during the month.

Meanwhile, annual average inflation rose to 36.9% in September 2022 from 31.3% in August 2022. The core inflation (Y-o-Y), which reflects the underlying inflation in the economy increased to 64.1% in September 2022 from 60.5% in August 2022, while annual average core inflation increased to 31.0% in September 2022 from 26.0% in August 2022.

Source: Daily News - 24th October 2022

Source: Daily News - 24th October 2022

## Company registration fees revised

By: Shiromi Abeyasinghe and Jayasiri



The fees<sup>10</sup> for the registration of an unlimited company as Rs.17,250 and for the registration of a company limited by Guarantee as Rs.34,500.

In addition, the fee for the approval of a name of a company has been amended as Rs.2,300, for the inspection of a file kept by the Registrar General of companies as Rs.1,150, for the registration of individuals as company secretaries as Rs.5,750, for the registration of amount to be credited to a bank to defray the expenses of an off-shore company for the purpose of its office in Sri Lanka as USD 100,000, for the registration of an off-shore Company as Rs.172,500, for the registration of a place of business in Sri Lanka by an Overseas Company as Rs.69,000 and for the renewal of registration of an Off-Shore Company for its continuation as Rs.172,500.

mesinghe in his capacity as Finance, Economic Stabilization and National Policies Minister through a gazette extraordinary on Tuesday.

Accordingly, the fee for the registration of a Private Limited Company has been amended as Rs.4,600, for the registration of a Public Limited Company as Rs.23,000, for the reg-

Source: Daily News - 28th October 2022

# A Long-Term Perspective of Sri Lanka's Economic Recovery

Sheran Fernando

This article is the first of a series that will focus on how Sri Lanka can achieve her economic potential. The purpose of this article is to suggest elements of a framework required to achieve this. One element is the need for a set of integrated policy measures to be implemented concurrently. The other element is a structure of collaboration between the various elements of society that can support the required restructuring of the nation's economy.

## Integrated Strategies and Long-Term Policies

The idea of integrated policy is adapted from Professor Ramon Casadesus-Masanell, who defined strategy as 'a set of integrated choices that position a country to achieve strong growth in the long run'.

Sri Lanka has not had the opportunity of a set of long-term policies. Policies have changed from one political regime to another. Institutions that were privatized by one regime was overturned by another. There has not been political consensus on broad macro-economic policy. Trade Chambers, and lobby groups have not succeeded in negotiating policy consistency.

A long-term economic plan must be developed, and a system of policies must support the implementation of this plan. The issues listed below must all be resolved through sound economic policy, and these linked policies must be implemented concurrently. Safeguards need to be set in place to ensure that the implemented long-term policies are followed through.

## Resolving decades of Twin Deficits

Sri Lanka's has run 'Twin Deficits' for many decades, borrowing money to bridge the shortfall.

## Fiscal Deficit (FD) driven by Govt. Expenditure

During the years of the war, the nation had to deal with high military expenditure. And we have carried this expenditure on. Government employment became a ploy of politicians to ensure their popularity, and this resulted in a bloated government sector. The financial viability of Government investment has been questioned.

## Reduced Govt. Expenditure

The appointment of prominent business leaders to drive the initiative of SOE reform and PPP's underlines their commitment to structural reform of the Government sector that will lead to an improvement of the FD.

Greater transparency on Government expenditure is required as it is the other component driving the country's fiscal deficit.

## Taxation

The Government's increase of personal and corporate taxes shows their commitment towards addressing the fiscal deficit by enhancing their revenue. However, will the Government be successful at increasing revenue through exorbitant taxation?

Currently, it is reported that the nation has 1.1 million taxpayers. The President declared that every Sri Lankan Citizen over 18 years of age must open a tax file. The implementation of this strategy, with the digital identification system that is also pending implementation, can widen the tax net and help the Government collect more tax revenue.

With the widening of the tax net, more tax revenue can be collected with a lower tax burden on the individual taxpayer.

## Balance of Payments (BOP) Deficit

On the BOP account, our imports have always been higher than our exports, and our trade balance has been running at around US\$ 10 billion. Our imports are dominated by oil and have been climbing. The import of luxury goods and consumer goods have been increasing, suggesting that we have been living beyond our means. Our exports, as a percentage of GDP, have been declining. Our diversity of exports has been lacking. Our export value addition has been insufficient to fund our level of imports.

Examples of economic success stories such as Vietnam and the East Asian Tiger economies of the 90's all show that the increased FDI and export are drivers of rapid economic development. FDI requires a country to attract and retain foreign investors. This requires the addressing of our 'Ease of Doing Business'. Systems and processes need to support investors bringing business into Sri Lanka.

The impact of the recently proposed tax on exporters could inhibit the Government's ability to attract export FDI.

## Debt Sustainability

When Sri Lanka was a 'Less Developed Country' we had access to subsidized credit, which disappeared when we were classified as a 'Middle Income Country'. Hence, our BOP account had to be balanced by commercial debt, and this sent our interest expenditure spiraling to unsustainable levels.

Sri Lanka's total debt is around US\$ 100 billion, 50% of that being debt in dollar terms and the balance in LKR.

Debt sustainability needs to be ensured by bringing the two negative balances detailed above, into the black.

## Concurrent implementation of policies

Whilst listing what a nation should do in order to resolve her economic challenges is relatively straightforward, implementation of these commonsense recommendations has proved to be complex. However, the present crisis, and the hardship faced by the people of Sri Lanka show that the fundamental economic issues need to be addressed. And these issues need to be addressed concurrently and not one by one.

## Equitable distribution of Restructuring Pain

It is also important, in pursuing policies which may hit people hard, to ensure that they do not see themselves as sacrificial victims for the purpose of permitting those in power to continue to enjoy extravagant lifestyles and to accumulate assets for which the country must pay.

## Consensus on outward looking Economic Policies

If the people of Sri Lanka want the nation to be set on a path of sustained growth, then the various elements of society need to come together and support the strategies that will bring about this growth. We cannot shy away from a global economy, from foreign investment, from broad basing the ownership of assets. There must be consensus between political leaders, business leaders, social activists and religious leaders on broad economic policy.

*Sheran Fernando is a Co-Founder of Innosolve Lanka (Pvt.) Ltd, a start-up dedicated to introducing sustainable mobility solutions in Sri Lanka. He is an economist by training with wide commercial experience, including 20 years in the automotive industry. He belongs to the alumni of Harvard Business School (OPM53)*

**CNCI Webinar**



**කම්කරු නීතියේ මෑතකාලීන හා යෝජිත**

**සුවිශේෂී වෙනස්කම්**

**Significant Recent & Proposed Changes to Labour Laws**

දිනය: නොවැම්බර් 15

පෙ.ව.09.30 සිට  
ප.ව.12.30 දක්වා

Online : ZOOM

**අන්තර්ගතය**

- නව පනත්
- 1. 2021 අංක 28 දරණ සේවකයන් විශ්‍රාම යාමේ අවම වයස පනත (Minimum Retirement Age of Workers Act No. 28 of 2021)
- 2. 2021 අංක 19 දරණ කාර්මික ආරවුල් (විශේෂ විධාන) පනත (Industrial Disputes (Special Provisions) Act, No. 19 of 2022)
- ඉදිරියේදී හඳුන්වාදීමට අපේක්ෂිත නව පනත් (New Bills to be Introduced)
- ඉදිරියේදී හඳුන්වාදීමට අපේක්ෂිත පනත් සංශෝධන (Proposed Changes to Labour Laws)
- ප්‍රායෝගික ගැටළු සාකච්ඡාව (Discussion on Practical Issues)

**Language**

Sinhala

**Resource Person**

**Mr. Milanga Weerakkody**

*B.A, LL.M., Attorney-at-Law*

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## EXCHANGE RATES AS AT 31<sup>ST</sup> OCTOBER 2022

Date	Buy Rate (LKR)	Sell Rate (LKR)
Australian Dollar	229.3291	240.4136
Canadian Dollar	262.6731	274.7218
Swiss Franc	358.5562	375.3891
Renminbi	48.7147	51.7168
Euro	356.3481	371.4353
British Pound	415.9240	432.3466
Yen	2.4171	2.5201
Singapore Dollar	253.6101	264.3299
United States Dollar	360.6537	371.2103

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>