



CNCI NEWS BULLETIN

ISSUE 102

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THE IMPACT AND BENEFITS FOR YOUR
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ARTIFICIAL INTELLIGENCE
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The Ceylon National Chamber of Industries - CNCI

No.20, 1st Floor, Galle Face Court 2, Colombo 03, Sri Lanka
Tel: +94 11 2452181 | 2339200 | 2331444 : Fax : +94 11 2331443
Email : cncl@sl.lk Web: www.cncl.lk



www.facebook.com/thecncl

CNCI Conducts Awareness Program on Achiever Awards 2023



The Ceylon National Chamber of Industries (CNCI) is now in the process of issuing applications to the applicants of both service and manufacturing sectors to compete at the “CNCI Achievers’ Awards – 2023”. Since the Applications for the Achiever Awards competition have been collected by a large number of enthusiastic applicants by now, the Chamber CNCI has decided to conduct few Awareness programs for the benefit of all prospected applicants who wish to apply for the competition. The CNCI conducted the said Awareness Program on 29th April 2023 with the participation of a large number of interested participants from 9.00 am to 12.00 Noon at the CNCI Auditorium.

It is a fact that many organizations of industrial sector in the country have passed a critical period during the past few years in the face of varied issues known to all of us. One significant feature what we observe in our entrepreneurs is that they do not make it a reason to get themselves discouraged or reluctant to participate at this golden opportunity. Instead, they seem to have perceived that the time is opportune to apply for the CNCI Achiever Awards 2023, exposure of which will result in increasing customer and employee confidence to accelerate their move towards the desired goals.

The Achiever Award application covers 12 operational areas to be filled with data, which will

be the selection criteria for any award. Anyone who applies for the award will thoroughly understand about these operational areas and the standards to be maintained for success of their business. Whether you win an Award or otherwise, what is more important is for you to participate at the competition which certainly guides you to enter into the correct track to reach the business excellence. The participants for the seminar will understand the importance of applying for the Award.

The general objectives of organizing these Awareness programs are to advise the Prospective applicants how to fill the relevant applications, to explain the methods of calculations, definitions of the technical terms, the required supporting documents to be attached, evaluation procedure, layout, preparation and submission of the reports etc. We believe that the awareness Program will be of immense importance to all the applicants.

Upcoming Training Programmes by CNCI

CNCI Training

THE IMPACT AND BENEFITS FOR YOUR INDUSTRY BY CONTEMPORARY MARKETING AND ARTIFICIAL INTELLIGENCE



Date : 22nd Aug 2023

9.00 am - 4.00 pm
(Registration starts at 8.30 am)

📍 Hotel Taj Samudra

SEMINAR

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3. Branding and Managing Brands in a Digital World
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6. AI Applications in Marketing (E.g. Chatbots)
7. Social Media Marketing (Applications and Risks)
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9. Digital Marketing and Digital Marketing Mix
10. Sri Lanka's Emerging Digital Marketing Landscape
11. Q & A

Resource Person



Mr. Prasanna Perera
MBA (PIM - SJP), FCIM, FSLIM
Marketing and Management
Consultant, Senior Lecturer,
Corporate Trainer
Fellow member (CIM, SLIM)
Executive Director - Visvaka
Marketing

Investment

For Members : Rs. 12,500/-
For Non Members : Rs. 13,500/-

Language

Sinhala & English (Notes in English)

For Directors, Managers, Executives, Supervisors, all others involved in
Marketing, Digital Media Marketing, Social Media Marketing

For Registration

Please fill and submit the Google form or email your dully filled registration form to :
cncihrd.training@gmail.com | cnciprograms@gmail.com | cnci@slt.lk



Organized by :
THE CEYLON NATIONAL CHAMBER OF INDUSTRIES - CNCI
No. 20, First Floor,
Galle Face Court - 2, Colombo 03

For more Details,
Contact : Sumudu / Gagani
011 2339200 / 0112452181 / 0771777115



World Bank Country Director lists five things Sri Lanka must do on its path to recovery



Towards Sri Lanka's recovery: Green, resilient and inclusive development

Sri Lanka's recovery is being discussed, with the World Bank supporting its green, resilient, and inclusive development journey. The country faced its worst economic crisis in decades, with a 7.8% contraction in 2022 and 11.5% in Q1 2023. The crisis in Sri Lanka has significantly impacted living standards, doubling poverty from 13.1 to 25% between 2021 and 2022, and is expected to increase by 2.4% in 2023. The increase in poverty and vulnerability has wiped out human capital gains, leading to a learning crisis. The country requires deep economic reforms and bold action to protect the poor and vulnerable. Despite challenges, the people of Sri Lanka have shown remarkable resilience, such as supporting each other during food, medicine, and cooking gas shortages.

If I could leave you with five things Sri Lanka must do on its path to recovery, it would be these:

- 1. Shifting to a more productive and outward-looking economy***
- 2. Transforming economic governance to prevent another crisis***
- 3. Addressing competitiveness constraints and governance issues posed by SOEs***
- 4. Continue to strengthen the country's social protection system to improve coverage and enhanced protection of the poor and vulnerable, including from future shocks.***
- 5. Prioritizing investments in human capital***

As journalists, media, and experts, it is crucial to support critical reforms in Sri Lanka to help the country recover from the crisis. Working together, including development partners, is essential to ensure the government stays on track and rebuild the country.

~ World Bank Country Director for Maldives, Nepal and Sri Lanka Faris Hadad-Zervos

Source: Daily Mirror – 21 July 2023



Sri Lanka entangled in DDO with tough DSA

Sri Lanka is implementing domestic debt restructuring under a well-designed plan to attract creditors' attention. To avoid harming the country's debt crisis, it should be part of a broader policy package that addresses fundamental problems and debt vulnerabilities. The government is persuading creditors for a moratorium on debt repayments to manage public debt rollover risks. A fair and transparent process is crucial to garner broad creditor participation and reduce litigation risks. The IMF may suggest amendments to Sri Lanka's Debt Sustainability Analysis (DSA) targets due to slow progress in achieving economic reform program commitments. Official sources warn that deviating from the current plan could lead to domestic debt optimization, default, and bankruptcy. The government faces challenges in reducing debt stock, reducing GFN targets, and reducing FX debt service targets. Managing public debt rollover risks is crucial to tackle the debt crisis.

Restructuring domestic debt is crucial for Sri Lanka's fiscal and economic stress, and the IMF is flexible to accommodate proposals. The government is embarking on a balanced fiscal consolidation path to restore macroeconomic stability and debt sustainability. However, domestic debt often holds mainly domestic creditors, potentially adding to the economic malaise. The new path mitigates economic impact, safeguards financial sector stability, and strengthens governance and growth potential by passing the previous modern monetary system. This pathway will generate additional international financial assistance. The Government's fiscal reforms aim to direct public finances on a sustainable path, reducing unnecessary expenditure and improving its debt trajectory. However, Sri Lanka's external and domestic debt restructuring strategy is insufficient to meet all DSA targets, according to Dr. R.H.S. Samaratunga. Opposition parties and economic experts are highlighting the negative effects of the domestic debt optimization strategy, making it a pressing issue. Debt restructuring involves addressing official bilateral debts and addressing the ill effects of the domestic debt optimization strategy.

Sri Lankan domestic debt as of May 2023 includes T-Bonds, T-Bills, and SLDBs, with Central Bank's T-Bills holdings and Provisional Advances converted into longer-term T-Bonds, focusing on optimisation of domestic credit.

Source: Daily News – 29th July 2023

Inflation expected to reduce to 7 percent level in July

Sri Lanka's Central Bank Governor Dr. Nandalal Weerasinghe predicts inflation to return to a single-digit level in July 2023, a year after a high spike. Core inflation for June was reported at 9.8%, below 10%, supported by food and energy inflation. The central bank's policy review meeting highlights the need for further decline and stabilization. Sri Lanka's core, food, and non-food inflation reached 69.8% in September 2022, falling to 12.0% in June 2023. Disinflation has increased faster than initially expected, mainly due to falling food and energy prices. Inflation is expected to return to mid-single-digit levels in the medium term, supported by tight monetary and fiscal policies, softening energy and food prices, exchange rate appreciation, and statistical base effects. Central Bank to take regulatory action if banks fail to pass on interest rate reductions benefits to the public.

Source: The Island, 07th of July 2023

Bank lending rates to be slashed



Dr. P. Nandalal Weerasinghe

Central Bank Governor Dr. Nandalal Weerasinghe announced that banks and other financial institutions will face action if they fail to reduce interest rates in line with policy interest rate reductions. The Central Bank will closely monitor financial institutions to ensure customers benefit from reduced interest rates. The Sri Lankan economy is expected to recover soon, closing the negative output gap and reaching potential economic growth over the medium-term. Inflation is expected to decrease to 7% in July 2023, easing price

pressures across various categories. Earnings from tourism and workers' remittances are expected to continue, and the exchange rate is expected to improve. Interest rates have also come down, easing trade deficit pressures. The Monetary Board of the Central Bank of Sri Lanka has decided to reduce the Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) by 200 basis points to 11% and 12.0%, respectively. The Board expects market interest rates, particularly lending rates, to adjust downwards adequately and swiftly, promoting economic development.

Source: -Daily Mirror - 7th July 2023

Trade deficit widens in May 2023

The cumulative trade deficit in May 2023 widened for the first time since February 2022, with a widened deficit in May 2023. Workers' remittances were higher than in April 2023, and earnings from tourism showed robust growth. The exchange rate appreciated by 8.8%, and foreign investments in the government securities market recorded a net inflow. The gross official reserve level (GOR) increased to 3.5 billion by end May, compared to 2.8 billion in April 2023. The merchandise trade balance deficit reached \$447 million in May 2023, a year-on-year expansion since February 2022. The performance of merchandise exports declined by 2.7% in May 2023,

while overall export earnings increased notably compared to April 2023. Industrial exports declined due to lower garment exports to major markets, while agricultural exports saw an increase in earnings. Mineral exports declined due to the decline in ores, slag, and ash. Overall, merchandise imports increased marginally to \$1,466 million in May 2023, marking the first year-on-year increase since February 2022.



Source: - The Island - 1st July, 2023

Source: - The Island, July

Dipped Products PLC shines at the National Business Excellence Awards 2023



Dipped Products PLC, a leading manufacturer of hand protection solutions, has secured two prestigious awards at the National Business Excellence Awards 2023 (NBEA). The awards ceremony, organized by the National Chamber of Commerce, was attended by government officials, diplomatic community members, and business leaders. The NBEA, a renowned corporate awards competition in Sri Lanka since 2004, recognizes excellence in business practices and emphasizes environmental, social, and governance (ESG)

considerations. DPL emerged as the winner in the Export Sector and received the Joint Merit Award in the Extra-large category. DPL, a global leader in providing innovative and sustainable hand protection solutions since 1976, has manufacturing facilities in Sri Lanka and Thailand and marketing arms in Italy, Poland, France, and the Middle East. These accolades further strengthen DPL's position as a leader in Sri Lanka and the global market.

July tourist arrivals hit 126,000 historic high

Sri Lanka recorded the highest number of arrivals per month for 2023 when July tourist arrivals touched the 126,000-mark yesterday.

From July 1 to 27, 2023 Sri Lanka had received 123,503 arrivals and this is expected to pass Lanka's best arrivals month of 125,495 recorded in March 2023, an official from Sri Lanka Tourism Development Authority said. In 2022 Sri Lanka attracted 47,293 arrivals for July and 106,500 for March.

Sri Lanka has also passed the total number of tourist arrivals recorded in 2022 which was 719,978 by mid-July 30, 2023 when the country attracted 748,377 arrivals.

He said that with the Sri Lankan economy recovering and more international flights and cruise liners patronizing Sri Lanka they are now confident that Sri Lanka would be able to touch the 2 million arrival target for 2023. "This is an enhanced target."

He also said that world leaders like French President Emmanuel Macron visiting Sri Lanka also gives a huge boost to tourism as it gives a positive message that Sri Lanka is a safe destination to travel.

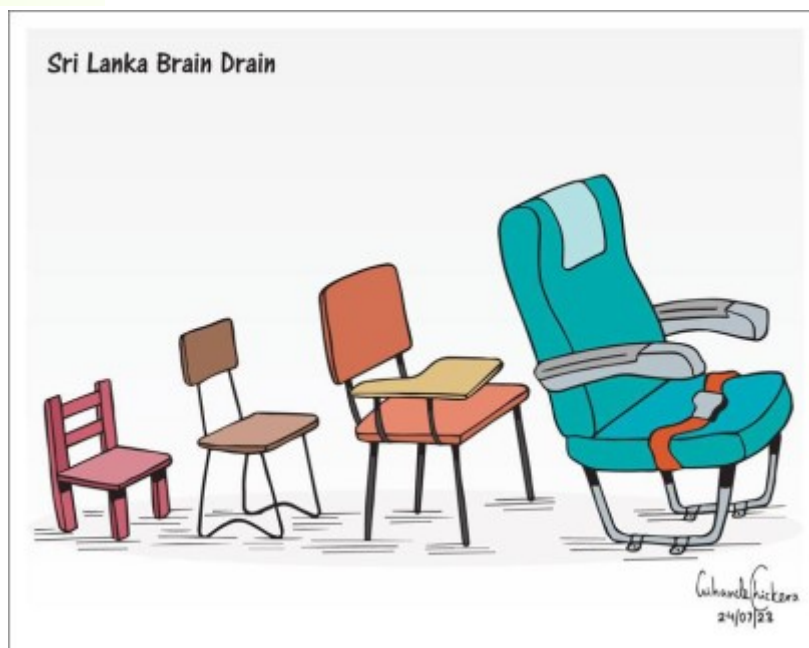
For the fourth month in succession, India was the top source destination for Sri Lanka accounting for nearly 18% (21,000 Plus) of the total arrivals while the United Kingdom with 15,500 (12%) and China (7%) Germany (7,000)

Russian Federation (6,500) followed. (SS)



Source: Daily News : 31st July 2023

Cartoons



Source:cartoon- Daily Mirror - 24-07-2023

EXCHANGE RATES AS AT 31ST JULY 2023

Date	Buy Rate (LKR)	Sell Rate (LKR)
Australian Dollar	213.7650	225.6458
Canadian Dollar	242.1985	254.5921
Swiss Franc	367.6018	387.9203
Renminbi	44.3718	47.5088
Euro	354.1359	370.9848
British Pound	413.7911	432.2632
Yen	2.2707	2.3786
Singapore Dollar	241.0963	253.2017
United States Dollar	322.9613	335.4036

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>