



CNCI

NEWS BULLETIN

ISSUE 107
December
2023

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Mr. Pradeep Kahawalage
Deputy Chairman

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Vice Chairman

Mr. Mahinda Saranapala
Vice Chairman

Mr. Amila Sugathapala
Vice Chairman

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Vice Chairman

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Kumarasinghe
Treasurer

Secretary General
Mr. Samantha Wickramasena

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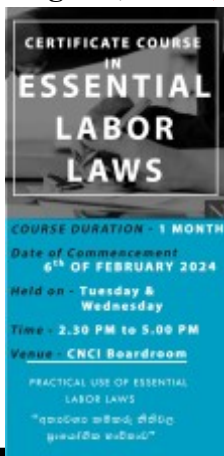
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@theCNCI

CNCI Chairman wishes all members a Wonderful Holiday Season and a Happy New Year 2024!



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இலங்கை தேசிய கைத்தொழில் சம்மேளனம்
THE CEYLON NATIONAL CHAMBER OF INDUSTRIES

(INCORPORATED BY ACT OF PARLIAMENT NO 10 OF 1969)

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

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Dear all members of CNCI,

NEW YEAR GREETINGS

As we bid farewell to another year and look forward to a New Year, with opportunities and a business conducive environment. I extend my sincere to each one of you and your families. May this New Year bring forth prosperity, success, and fulfillment in both your personal and professional endeavors.

The Ceylon National Chamber of Industries has consistently thrived on the collective efforts and dedication of its esteemed members, and I am confident that together we will continue to achieve new heights in the coming year. Let us embrace the challenges that lie ahead with resilience and determination, knowing that our collaborative spirit will guide us toward success. The CNCI has been able to be a guiding path to many of the Sri Lankan industrialists during the year 2023 and pave a clear path to thrive with excellence. The CNCI Achiever Awards for Industrial Excellence is one of the many attempts of the CNCI to strengthen our industrialists with recognition and appreciation for their overall business performance. The number of proposals submitted to the Ministry of Industries on behalf of the Sri Lankan industries and their concerns stands strong to the motto of our Chamber; 'the Voice of Industry'. Further, the skill development training programs that have been organized throughout the year have been armoring the industries and their employees with quality skill upliftment needed for their career advancement. As we reflect on the accomplishments of the past year, let us also look forward to the countless possibilities that the future holds. May 2024 be a year of innovation, growth, and shared achievements for our chamber and its members.

I express my sincere gratitude for your ongoing commitment and contribution to our collective success. May the year 2024 be filled with prosperity, good health, and joy for you and your loved ones.

Wishing you a Happy New Year!

Yours faithfully,
The Ceylon National Chamber of Industries

Kevin Edwards
Chairman

CHAIRMAN : Kevin Edwards DEPUTY CHAIRMAN : Pradeep Kahawalage
VICE CHAIRMEN : Kasun Rajapaksha, Mahinda Saranapala, Amila Sugathapala, Ravi Rupasinghe
TREASURER : Samuditha Kumarasinghe SECRETARY GENERAL : Samantha Wickramasena
PATRONS : Chaminda Pathiraja, Ruwan Edirisinghe



Govt. optimistic of over \$ 4 b gross official reserves with receipt of \$ 780 m so far in December

The Sri Lankan government has received \$780 million in foreign exchange inflows so far in December, indicating confidence in boosting gross official reserves to over \$4 billion by the end of 2023. The government received the second tranche of \$337 million under the 48-month Extended Fund Facility (EFF) of the International Monetary Fund (IMF) on 14 December 2023. Multilateral development banks, including the Asian Development Bank (ADB) and the World Bank, have also disbursed tranches earmarked for various program financing channels. The Finance Ministry said these inflows will strengthen budget support and cushion the government's gross financing needs in the future. The gross official reserves are expected to surpass \$4 billion by the end of 2023, a level higher than anticipated earlier. The government remains committed to achieving sustainable economic recovery and ensuring public debt sustainability, which will accrue benefits to the people in the coming period.



Source: Daily FT – 21 December 2023

First half of December pushes tourist arrivals to over 100,000



Over 100,000 tourists arrived in Sri Lanka in the first 17 days of December, bringing the year-to-date (YTD) tally to an outstanding 1.37 million. This strong achievement takes the total number of tourist visitors to 1.37 million (1,377,701), representing an impressive 88% of the initial target of 1.55 million for 2023. However, Tourism Minister Harin Fernando predicted that Sri Lanka will finish the year slightly behind the target. “We might end the year at around 1,465,000,” he told the Daily Telegraph. Despite the potential shortage, Minister Fernando expressed delight and praised the industry for its perseverance and adaptation in the face of obstacles that no other location had faced. Sri Lanka aims to attract 242,135 arrivals in December, the highest monthly goal for the year. As of 17 December, 58% of this target has been achieved, according to provisional data by the Sri Lanka Tourism Development Authority (SLTDA). The initial target was 1.55 million tourists and \$3 million in earnings, but the figures were later adjusted back to 1.55 million and earnings expectations to \$2.7 billion. The Central Bank's latest data shows a 78.3% year-on-year increase in tourism earnings, reaching \$1.79 billion in the first 11 months of 2023. India, Russia, the UK, Germany, and China emerged as the top five contributing markets, with average daily arrivals reaching 5,882 in the first 17 days of December. The resumption of charter flights and regular cruise liners has played a significant role in boosting arrivals, signaling a strong rebound for Sri Lanka's tourism sector.

Source: Daily FT – 19 December 2023



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Inflation as per Colombo Consumer Price Index gains for second month

The Colombo Central Bank (CBSL) reported a slight increase in headline inflation to 1.5% in October 2023, in line with its projections. This is the second consecutive month of inflation acceleration, with the current levels being moderated compared to a year ago. Food deflation remained unchanged at 5.2% in October 2023, while non-food inflation increased to 4.9%. The monthly change in the Colombo Consumer Price Index (CCPI) recorded a -0.22% decrease in October 2023 due to price decreases in the food category and increases in

the non-food category. Core inflation, reflecting underlying inflation in the economy, decreased to 1.2% in October 2023 from 1.9% in September 2023. The Central Bank expects inflation to stabilize around the targeted 5% level over the medium term, supported by appropriate policy measures and well-anchored inflation expectations. However, a transitory increase in inflation beyond the target is probable in the short term if there are any upward increases to administratively determined prices, tariffs, or taxes by the Government.

Source: Daily FT – 2 December 2023

SLSC and SLPA unite to make trade progressive

The Sri Lanka Shippers' Council (SLSC) and the Sri Lanka Ports Authority (SLPA) have partnered to address critical issues in the shipping industry. The meeting, attended by SLSC Chairman Sean Van Dort and SLPA Chairman Keith D. Bernard, focused on digitalization, single window systems, and the Ports Community System (PCS). The SLSC proposed resuming monthly meetings to facilitate direct issue resolution and foster continuous dialogue. The SLSC also highlighted the need for improved digital infrastructure and the Ports Community System. The high logistics costs in Sri Lanka were also discussed. The meeting emphasized the importance of mutual understanding between the private sector and government agencies in propelling the nation forward. This partnership is a significant step forward in strengthening Sri Lanka's trade sector, aiming to thrive in a competitive global market. The joint effort reflects a shared vision of progress, ensuring the shipping industry remains resilient in the face of evolving demands.

Source: - The Island – 4 December 2023

Share market proves susceptible to IMF observations on rate cut risks

The IMF report revealed that Sri Lanka's last rate cut has raised inflation risks and there is limited room for further 'loosening' in the short-term. An additional policy rate cut of 100 bps in November to 10% has also raised inflation risks. The monetary policy stance needs to be carefully calibrated to strike the right balance between maintaining a credible inflation path close to the target and supporting economic stabilization. The All-Share Price Index went down by 29.68 points, while the S and P SL20 declined by 14.98 points.

Turnover stood at Rs 674 million with three crossings. The top seven companies contributing to the turnover were JKH, Chevron Lubricants, Lanka Milk Food, Hayleys Fabrics, Pan Asian Bank, Melstacope, and Expolanka Holdings. During the day, 39.4 million share volumes changed hands in 6000 transactions. Cargills Bank's Initial Public Offering (IPO) had been oversubscribed, with 62.5 million shares issued for a share value of Rs 8; out of which Rs 500 million was raised in compliance with Central Bank certain regulations. High net worth and institutional investor participation were noted in Melstacorp, HNB, and JKH, mixed interest was observed in Expolanka Holdings, Sampath Bank, and Commercial Bank, while retail interest was noted in Industrial Asphalts, SMB Leasing, and Browns Investments.

The Food, Beverage, and tobacco sector was one of the top contributors to the market turnover, while the Banking sector was one of the highest contributors.



Source: The Island – 15 December 2023

Nestlé Lanka wins Presidential Export Award for Best Exporter in Coconut Kernel Product Sector

Nestlé Lanka has been awarded Best Exporter in the Coconut Kernel Sector for the financial years 2021/2022 and 2022/2023, under the patronage of President Ranil Wickremasinghe. The awards, organized by the Sri Lanka Export Development Board (EDB), recognize companies' outstanding contributions to the country's export sector. Nestlé Lanka has supported over 6,000 Sri Lankan farmers since 1986, boosting their well-being. In 2022/23, the company contributed Rs. 10.72 billion in export revenue to the Sri Lankan economy. Nestlé Lanka also supports 4,500 rural families through the Nestlé Coconut Plan, offering them free hybrid coconut plantlets, technical guidance, and comprehensive training and development programs. The company's commitment to strengthening national exports and supporting the local coconut industry is a testament to its unwavering commitment and determination. Nestlé Lanka's Maggi Coconut Milk Powder has been introduced in 1986 and has contributed to the country's FOREX reserves through foreign exchange.



Nestle team: This prestigious award was presented in recognition of the company's outstanding contribution to the country's export sector

Source: - The Island – 11 December 2023



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Revenue from tourism increases

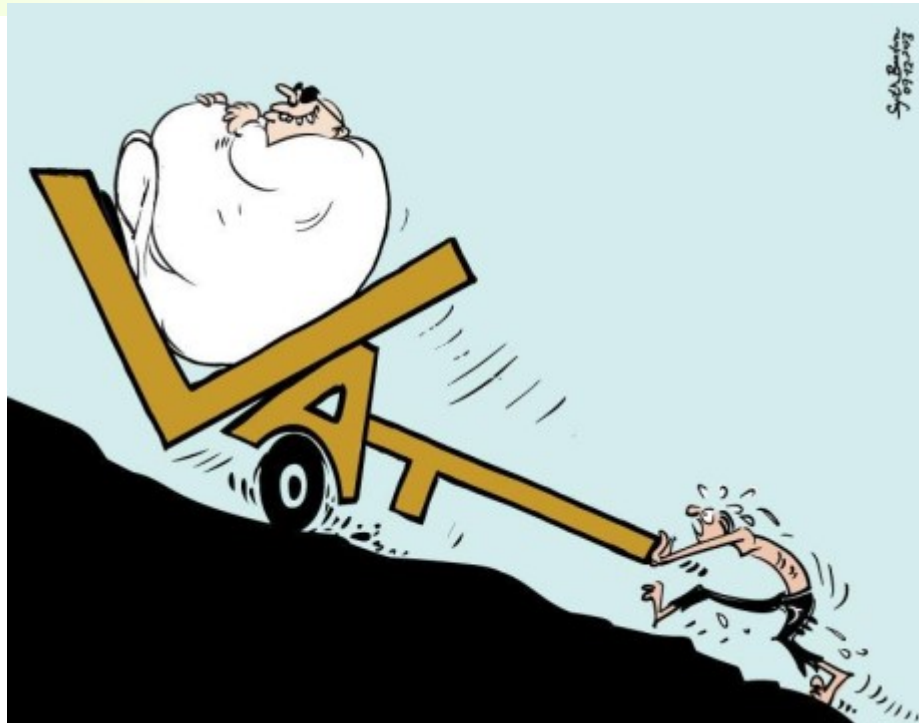
Sri Lanka's tourism sector generated 205.3 million US dollars in November 2023, a significant increase from the 81 million US dollars in November 2022. The revenue from tourism from January to November was 1.8 billion dollars, a 78.3% increase from the same period in 2022. Minister of Foreign Affairs Ali Sabry predicted an increase in tourist arrivals in 2024 due to more airlines. In November, Sri Lanka welcomed 151,496 international tourists, the highest monthly number in 2023. The total tourist arrivals in the first 11 months of the year were 1.27 million.

Tourism is one of Sri Lanka's top foreign revenue generators, and the government waived visa fees for nationals from China, India, Indonesia, Russia, Thailand, Malaysia, and Japan in late November to boost tourism.



Source: The Island : 11 December 2023

Cartoons



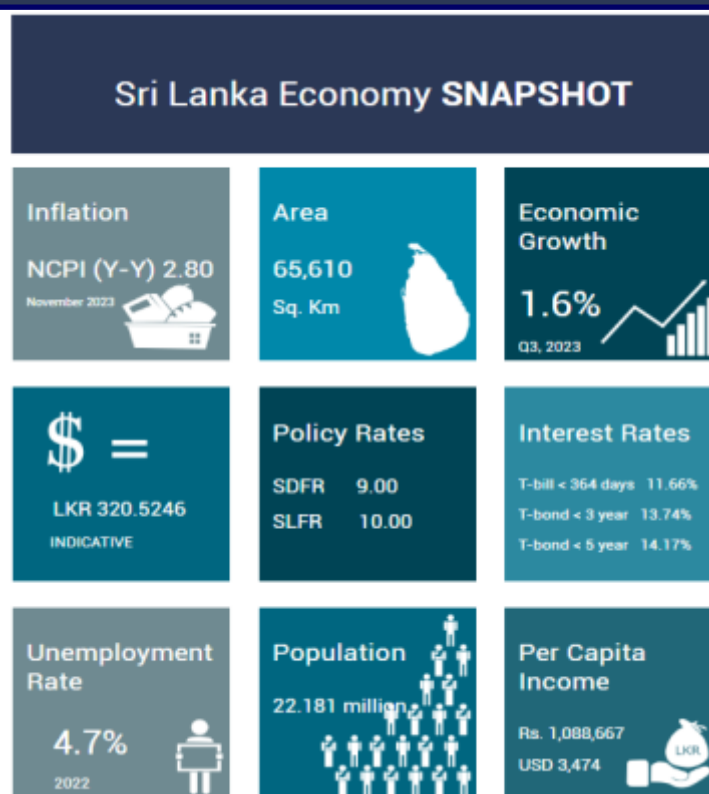
Source: Cartoon – Daily Mirror – 09 December 2023

EXCHANGE RATES AS AT 31ST DECEMBER 2023

Date	Buy Rate (LKR)	Sell Rate (LKR)
Australian Dollar	216.2501	226.6905
Canadian Dollar	239.3962	250.1433
Swiss Franc	375.4466	393.3159
Renminbi	44.1088	46.9170
Euro	351.4885	365.8211
British Pound	405.0083	420.3977
Yen	2.2471	2.3356
Singapore Dollar	240.3222	250.9264
United States Dollar	319.1762	328.7784

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>



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Upcoming Training Programs by CNCI



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TARGET AUDIENCE

Directors, CEOs, HR Executives, Management Professionals, HR Professionals, Supervisors, and all others involved in HR/ Administration/ Accounting

REGISTRATIONS ARE NOW OPEN!

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

Contact For More Details:

0112 339 200 / 0112 452 181 / 077 1777 115 (Sumudu / Gagani)



COURSE DURATION - 1 MONTH
Date of Commencement
6th OF FEBRUARY 2024
Held on - Tuesday & Wednesday
Time - 2.30 PM to 5.00 PM
Venue - CNCI Boardroom

PRACTICAL USE OF ESSENTIAL LABOR LAWS

“අත්‍යවශ්‍ය කම්කරු නීතිවල ප්‍රායෝගික භාවිතාව”

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CONDUCTED BY
MR. K.G.KUMARASINGHE
(LLB,LLM)
 ATTORNEY-AT-LAW
 LEGAL OFFICER (FORMER),
 DEPARTMENT OF LABOR



LANGUAGE
Sinhala / English

INVESTMENT
Rs. 25000/=



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