



CNCI NEWS BULLETIN

CNCI Office Bearers

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Vice Chairman

Mr. Samuditha Kumarasinghe
Vice Chairman

Mrs. Gayani Jayarathne
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Mr. Samantha Wickramasena

CONTENT

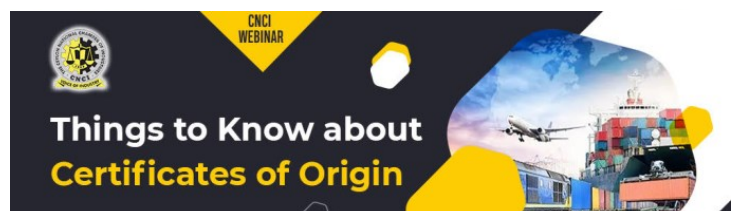
- ◆ CNCI Submits the proposal for Budget Speech 2025
- ◆ Sri Lanka Industries Minister says fighting for more protection
- ◆ Sri Lanka goods exports rise 18.22-pct in October 2024, apparels, tea, rubber, coconut up
- ◆ Ex-Pack Corrugated Cartons to expand with 1.9 Bn investment, eyes African sub continent
- ◆ Sri Lanka's Haycarb to set up activated carbon plant in the Philippines
- ◆ Tourism records highest monthly arrivals in December
- ◆ Manufacturing sector counters feed bullish trend in bourse
- ◆ CBSL announces relief measures to assist troubled SMEs



**EXCHANGE RATES AS AT 31st DECEMBER 2024
AND
SRI LANKA ECONOMY SNAPSHOT**
Page 09

UPCOMING WEBINARS BY CNCI

Disciplinary Procedure & Conducting Disciplinary Inquiries



CNCI SUBMITS THE PROPOSAL FOR BUDGET SPEECH 2025



Linking with the Government Policy of “A Thriving Nation, A Beautiful Life,” CNCI submitted the proposals for the Budget Speech 2025 to the Ministry of Industries and Entrepreneurship Development.

A meeting was held on 01st December 2024 at the Ministry of Industries and Entrepreneurship Development to determine the proposals to be included in the Budget 2025. Mr. Sunil Handunneththi, the Minister, and Mr. Chathuranga Abeysinghe, the Deputy Minister conducted the discussion. Mrs. Thilaka Jayasundara, Secretary of the Ministry of Industries and Entrepreneurship Development, and Officials of the ministry organized the meeting. The members of the Advisory Committees of the Ministry, representatives from the Chambers, and reputed Businessmen also participated.

During the meeting, many industry issues and suggestions such as “the tax policy that was changed unscientifically in 2024, the deliberate delay of the Anti-Dumping law, taxation of production inputs, failure to provide infrastructure and technology, removal of tax subsidies for research, failure to obtain the necessary clearance for foreign exports, inefficiency in obtaining the necessary certificates and permits” and the problems like “Lack of necessary resources, inefficiency in transportation, lack of low-interest capital, high energy prices and reduced competitiveness” were discussed.

CNCI believes that this was a very positive start from the government.

Sri Lanka industries minister says fighting for more protection



ECONOMYNEXT – Sri Lanka’s Industries Minister Sunil Handunetthi says he is fighting with the Finance Ministry to give more protection to local businessmen and stop cheaper imports from being available to consumers.

“Today we have had to fight with the Finance Ministry to protect local industries,”

Minister Handunetthi said in remarks broadcast over Sri Lanka’s Derana Television.

“I am telling the truth. We have fight for tax policy. We now have to fight with low costs imports (thu-tt-too decay). We have to fight with officials.”

Finance Ministry officials are today standing for agreements signed during previous administrations and gazettes issued during previous administrations, decisions taken and cabinet papers, he alledged.

“They are not stand for strengthening the national economy, not strengthen domestic industries, but stands for importers for multinational companies.

“So they are arguing and clashing with us, for old decisions they have taken.”

Sri Lanka saw a rise in protectionism under the Rajapaksa regimes which has made not only food expensive for people but other inputs for businesses also expensive as the hands of poor consumers were tied to give profits to crony domestic producers.

US President Donald Trump, who has been described by opponents as a ‘fascist’ is also pushing for higher import tariffs as the US economy is suffering from high inflation triggered by the Federal Reserve to boost employment.

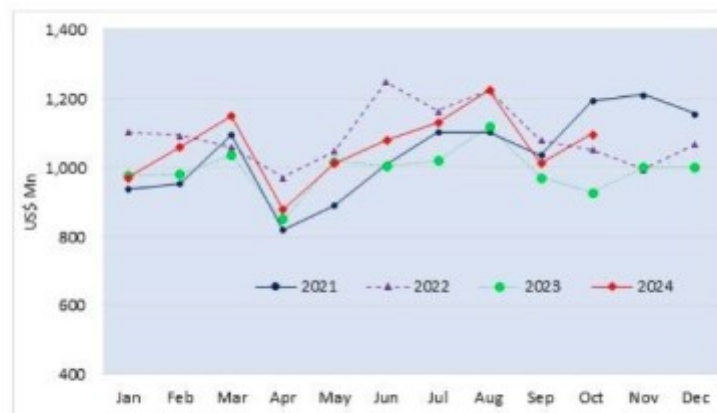
Higher import tariffs under the Smoot-Hawley Act in 1930 has been blamed for a extending the Great Depression which was triggered by Federal Reserve open market operations.

Unless a company is inside an industrial zone and have access to duty free inputs, no other firm or SME is export competitive under a protectionist regime.

Economists point out that ‘a tax on imports is a tax on exports’ and such countries cannot build a broad-based export industry as has been shown in Sri Lanka, especially after the rise in protectionism under Rajapaksa regimes.

Sri Lanka goods exports rise 18.22-pct in October 2024, apparels, tea, rubber, coconut up

Figure 1: Monthly Merchandise Export Performance 2021-October 2024



Sources: CBSL, Sri Lanka Customs

and UK increased 23.28 percent and 23.26 percent respectively from last October, Sri Lanka's Export Development Board said.

During the ten months to October exports rose 7.04 percent to 10.6 billion dollars.

In the month of October, tea grew 32.6 percent to 126.81 million dollars, rubber products grew 6.26 percent to 84.69 million, and coconut products grew 29.27 to 77.16 million.

Export earnings from seafood decreased by 16.46 percent to 19.95 million dollars, with poor performance in frozen fish and shrimps.

Export earnings from diamonds, gems and jewellery, ornamental fish, other export crops, and electrical and electronics components, also decreased.

Exports to Sri Lanka's top 10 export markets, USA, UK, India, Germany, Netherlands and Canada markets showed positive growth in October 2024, compared to October 2023.

The United States of America, Sri Lanka's single largest export destination, which absorbs 23 percent of merchandise exports, increased by 19.62 percent to 247.33 million dollars in October 2024 compared to October 2023.

Exports to the United Kingdom increased by 26.92 percent to 82.79 million dollars in October 2024 compared to October 2023.

ECONOMYNEXT – Sri Lanka's goods exports grew 18.22 percent from a year ago to 1.09 billion dollars in October 2024, the island's export promotion office said, helped by a spike in exports of apparel and textiles, tea, rubber based products, coconut based products, and spices and concentrates.

Apparel and textiles rose 21.77 percent from last year to 430.21 million dollars in October 2024. Exports to the USA

Ex-Pack Corrugated Cartons to expand with 1.9 Bn investment, eyes African sub continent

The NCE Export Awards 2024 conducted by the National Chamber of Exports will be held in Shangri La today. Over 100 exporters will receive awards at the event. The Associated Newspapers of Ceylon Ltd (Lake House) is the official Print Media sponsor of the 32nd NCE Export Awards – 24 event.

Deepal Perera, Head of Sales Ex-Pack Corrugated who are the main sponsor of the event speaking to Daily News Business said, a listed company in CSE, Ex-Pack Corrugated Cartons Plc, a fully owned subsidiary of Aberdeen Holdings (Pvt) Ltd, is to expand with a Rs 1.9 billion investment which will increase its current production capacity by volume from 2,750 MT per month to 4,000 MT from early January 2025. The trial runs have commenced, he said.

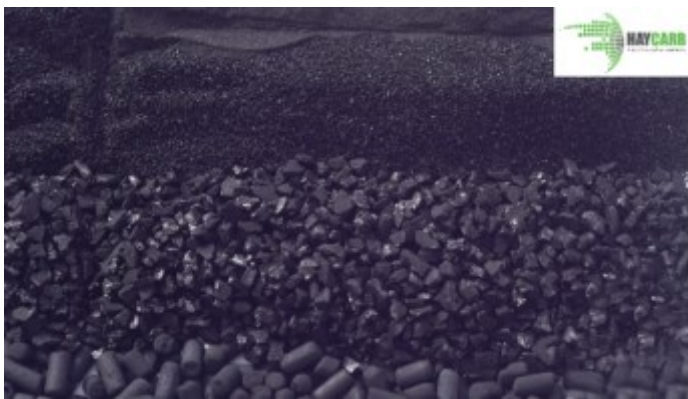
Perera said currently they were number one in the Sri Lankan market with 18-20% market share and from their current capacity 15-20% was direct exports to Maldives and the Middle East and 50-55% were supplied to Sri Lankan exporters as an indirect exporter. Perera said their monthly turnover dollar wise is over USD 800,000. He said with the expansion they hope to infuse state of the art latest packaging technology to their plant from China which will increase manufacturing efficiency and enable them to cater to wider markets. He said the Sri Lanka market is maximum 16,000 17,000 MT per month with this machinery they would not be disturbing the local market to a greater extent but their main aim was export destinations.

Perera said they were looking at export opportunities in the African sub continent with markets growing there and have established some contacts particularly in Ethiopia, Ghana and Madagascar.



Source: - Daily News – 2024/12/06

Sri Lanka's Haycarb to set up activated carbon plant in the Philippines



ECONOMYNEXT – Sri Lanka's Haycarb Group said its subsidiary Haycarb Philippines Corporation had received approval from the Philippines' Board of Investments to establish an activated carbon manufacturing facility in Cagayan de Oro.

“With plans for further expansions in the next 5 to 6 years... enabling the Company to effectively meet the increasing demand and strengthen its presence in the international market,” Haycarb said in a stock exchange filing.

The estimated investment for Phase I of the project expected to be completed by June 2026, is approximately USD 8 million.

Haycarb Plc (up at 85.00) is part of the diversified conglomerate Hayleys Plc

Source: - ECONOMYNEXT December 11, 2024

Tourism records highest monthly arrivals in December

Sri Lanka tourism ended the last month of 2024 (December 1 to 29) recording the highest monthly arrival mark of 233,087.

The best month in 2024 was in March which saw 218,350 arrivals while the previous best was recorded in 2018 December, 253,169 soon after ending hostilities with LTTE. With daily average passing 10,000 per day December is expected to notch the highest single month passing this and recording an all time best. December 2024, December 27 saw 11,232 arrivals in a single day.

Indian arrivals dominated the month of December so far with 414,798 visitors while Russian Federation (198,601) and United Kingdom (177,121) were second and third. The country for 2024 has now attracted a total of 2,037,960 from January 1, to December 29.

The top five source markets with more than 100, 000 arrivals were India (414,798) at the top while Russian Federation (198,601) United Kingdom (177,121) Germany 113,687 134,949 and China (131,289) were at second to fifth top source destinations.

“However this is a figure below the projected target,” said an official from the Ministry of Tourism. “Due to the visa issue created by the previous government with the introduction of a complicated system involving VFS and removing the simplified Mobil powered online visa system, many tourists opted to move out from Sri Lanka to other destinations.”

In addition, Western travel advisories on a violent incident targeting Israeli tourists in Arugam Bay also contributed to reducing the arrival targets. Despite this hiccup in the month of December Israeli tourists totaled over 26,000 and were the 18th best market for Sri Lanka tourism. “The elections too may have had a minor dip towards arrivals.” (SS)

Source: -Daily News - 31.12.2024

Manufacturing sector counters feed bullish trend in bourse

Manufacturing sector counters dominated the stock market yesterday, especially Dipped Products and ACL Cables. Consequently, market activities were bullish throughout the day, market analysts said.

Amid those developments both indices moved upwards. The All Share Price Index went up by 126.97 points while S and P SL20 rose by 39.3 points. Turnover stood at Rs 3.2 billion with six crossings.

Those crossings were reported in Agarapathana Plantations, where 10 million shares crossed to the tune of Rs 90 million; its shares traded at Rs 9, HNB 362,000 shares crossed for Rs 85.2 million; its shares traded at Rs 235, Keells Hotels 1.5 million shares crossed for Rs 28.5 million; its shares sold at Rs 18, Vallibel One 500,000 shares crossed for Rs 27.7 million; its shares traded at Rs 55.5, Dipped Products 605,000 shares crossed for Rs 27.5 million; its shares traded at Rs 45.50 and CIC Holdings 250,000 shares crossed to the tune of Rs 20 million; its shares traded at Rs 80.

In the retail market top six companies that mainly contributed to the turnover were; Agarapathana Plantations Rs 311 million (34.5 million shares traded), Dipped Products Rs 152 million (3.3 million shares traded), Central Finance Rs 105 million (790,000 shares traded), ACL Cables Rs 81.1 million (828,000 shares traded), HNB Rs 80.9 million (344,000 shares traded) and JKH Rs 76.3 million (3.8 million shares traded). During the day 156 million share volumes changed hands in 24000 transactions.

It is said that the Plantations sector also drove the market while the manufacturing sector was active and vibrant, especially due to Dipped Products. Further banking sectors were also active due to positive quarterly results being anticipated.

Yesterday the rupee opened marginally stronger at Rs 290.60/65 to the US dollar from Rs 290.65/70 to the US dollar the previous day, dealers said, while bond yields were steady.

A bond maturing on 15.12.2026 was quoted at 9.40/50 percent, up from 9.35/45 percent. A bond maturing on 15.12.2027 was quoted at 10.25/35 percent. A bond maturing on 15.03.2028 was quoted at 10.48/50 percent. A bond maturing on 15.09.2029 was quoted stable at 10.85/90 percent.

Source: -The Island - 04.12.2024



ASPI starts week in green



The broader market began the week on a positive note, showing increased market activity, particularly with heightened interest in the selected Plantation and Hotel sector stocks.

Amid the increased participation from retail and HNW investors, ASPI closed the day in green at 13,719, gaining 105 points marking a 0.77% increase from the previous week.

Meanwhile, amidst multiple off-board transactions, turnover stood at LKR 4.5 Bn, marking a 16.9% increase from the monthly average. Moreover, the Diversified Financials sector led the turnover by 21%, followed by the Capital Goods and Food, Beverage and Tobacco sectors jointly contributing 38% of the overall turnover. Foreign investors

turned net buyers with a net inflow of LKR 47.2Mn.

HAYL and AAF led the overall turnover with HAYL recording a turnover of LKR 347.9Mn (8%) whilst AAF recorded a turnover of LKR 235.4Mn (5%). Meanwhile, BERU dominated the market volume with 41.9Mn shares (16%) while HNBF was the second largest contributor with 35.3Mn shares (13%). Overall volume increased to 265.7 Mn.

Foreign investors turned net buyers, recording a net foreign inflow of LKR 47.2Mn, amidst low participation. Accordingly, LOLC, HAYL and JKH were the top three shares to lead foreign inflow while HHL, CARS and KVAL were the top three counters recording the largest foreign outflow. First Capital Research

Source: Daily News: 2024/12/10

Cartoons



Source:cartoon- Daily News- 27.12.2024



Source: cartoon - Daily News 05.12.2024

CBSL announces relief measures to assist troubled SMEs

The Central Bank of Sri Lanka (CBSL) on Friday issued a Circular to Licenced Banks, highlighting relief measures to be provided to the Small and Medium Enterprises (SMEs) affected due to the Easter Sunday attack, COVID-19 pandemic, and the extraordinary macroeconomic conditions that prevailed during the recent past.

The CBSL said the move is an agreement with the Sri Lanka Banks' Association (Guarantee) Ltd. (SLBA) during the meetings of the Working Committee on Recovery of Loans by Banks (Special Provisions) (Amendment) Act, No. 26 of 2024.

Further, the SLBA, while formulating relief measures, was of the view that any suspension of Parate execution will not be beyond 31 March 2025.

The salient features of the relief measures are as follows:

- Relief measures will only be applicable to credit facilities of SME borrowers of licenced banks that have been classified as Stage 3 (non-performing) on or after 1 April 2019, provided that SMEs initiate discussions with the bank's Business Revival Units by 31 March 2025, subject to submission of all required documents.
- Rescheduling of impaired loans for eligible SME borrowers will be based on the borrower's repayment capacity and the submission of an acceptable business revival plan.
- All rescheduling agreements with the borrowers are required to be finalised by 15 June 2025.
- Eligible SME borrowers with an aggregate capital outstanding of credit facilities below Rs. 25 million, between Rs. 25 million and Rs. 50 million, and above Rs. 50 million as of 15 December 2024 are required to commence repayment of their rescheduled loans no later than 31 December 2025, 30 September 2025, and 30 June 2025, respectively.
- Unpaid interest (excluding capitalised interest) on the credit facilities of eligible SME borrowers, applicable to the period from 1 April 2019 to 15 December 2024, may be waived as follows:
- Licenced banks were informed to consider providing additional reliefs, including the granting of working capital facilities, to eligible borrowers, subject to the borrower's repayment capacity and the submission of credible business revival plans, assessed on a case-by-case basis.
- Licenced banks have been requested not to decline new loan applications from eligible borrowers under this scheme solely based on adverse CRIB records.
- In the event of a rejection or dispute regarding the provision of reliefs, licenced banks were informed to make the borrower aware of the reasons for such rejection or dispute and to advise the borrower that there is an opportunity to appeal the decision to the Director of the Financial Consumer Relations Department at the CBSL.
- Licenced banks are required to provide eligible borrowers with a breakdown of the capital, interest, and other charges of their credit facilities upon request.

Table 1 - Interest Waivers

Facility Amount as at 15.12.2024	Interest waiver granted for settlement of unpaid interest between 01.04.2019 and 15.12.2024		
	If settled within 6 Months	If settled within 12 Months	If settled in more than 12 Months but less than 60 Months
Aggregate Capital outstanding: above Rs. 5 Mn up to Rs. 10 Mn	65%	50%	40%
Aggregate Capital outstanding: above Rs. 10 Mn up to Rs. 25 Mn	35%	25%	20%

Source: Central Bank of Sri Lanka

GraphicsDesk

The CBSL requested both licenced banks and concerned borrowers to effectively collaborate to ensure the consistent application of these relief measures. Accordingly, eligible borrowers are requested to contact the respective licenced banks with relevant information and documents to discuss and agree on repayment plans. Borrowers are expected to commence repayment as agreed with the banks, as non-repayment of loan obligations for a longer period would result in unwarranted strains on both banks and borrowers.

Further details on relief measures can be obtained from Circular No. 4 of 2024 on "Relief Measures to Assist the Affected Small and Medium Enterprises", which can be accessed through the following link: https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/laws/cdg/

bsd_circular_no_4_of_2024_e.pdf

Upcoming Training Programmes by CNCI



Disciplinary Procedure & Conducting Disciplinary Inquiries

CONTENT

- What is misconduct?
- Important statutory provisions relating to misconduct
- Preliminary investigation and collecting evidence
- Show cause letter and explanation
- Interdiction / Suspension
- Charge sheet
- Holding formal disciplinary inquiry
- Final report of the inquiring officer
- Punishment: Demotion, Termination, etc...
- Possible actions against the disciplinary decision
 - > Labour tribunal
 - > Department of labour: Arbitration
- Implementation the LT / Arbitration awards

TARGET AUDIENCE

Directors, Managers, Executives,
Supervisors, All in HR / Admin fields
and all others interested in Labour Laws

For Registration

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

Contact For More Details:

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



16th January 2025



9.30 am - 12.30 pm



ZOOM

RESOURCE PERSON

Mr. K G Kumarasinghe (LL.B, LL.M)
Attorney-at-Law
Former Senior Legal Officer - Department of Labour
Lecturer on Labour
Inquiry Officer

INVESTMENT

Members : Rs. 6,000/-

Non Members : Rs. 6,500/-

LANGUAGE

Sinhala / English (Notes in English)

Upcoming Training Programmes by CNCI



CNCI
WEBINAR

Things to Know about Certificates of Origin



CONTENT

- Introduction to the rules of origin
- An overview to free trade agreements / preferential trade agreements, EU GSP and UKDCTS
- Introduction to rules of origin (preferential & non-preferential)
- Role of the Department of Commerce
- Brief introduction about the DOC ECOO system
- Q & A session



21st January 2025



9.30 am - 12.30 pm



ZOOM

TARGET AUDIENCE

Directors, Managers, Executives,
Supervisors and All Those Who
Are Involved in Imports / Exports &
International Trade

RESOURCE PERSON

Mr. Sanjeewa Pattiwila
Acting Director of Commerce
Head of the Rules of Origin Division
Department of Commerce

INVESTMENT

Members : Rs. 6,000/-

Non Members : Rs. 6,500/-

LANGUAGE

Sinhala / English (Notes in English)

FOR REGISTRATION

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

Contact For More Details:

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

Upcoming Training Programmes by CNCI



CNCI SEMINAR

EPF / ETF

An Approach To Improve Your Company's Success While Ensuring Your Employees' Future



Content

EPF

- Importance and Objectives of EPF
- Administrative Framework of EPF
- Effective maintenance of individual EPF member accounts
- Forwarding of EPF contribution and contribution details
- Role of CBSL EPF Department in executing EPF refund payments
- Facilities availed for members / employers
- Introduction and Objectives of EPF Act
- Obligations of the employer
- Consequences of Non-compliance
- Provisions for Member Benefits
- Administrative Framework of EPF
- Maintenance of EPF member accounts
- Payment of Retirement and Pre-retirement benefits

ETF

- ETF Acts - Introduction and Objectives
- Reckonable total earnings
- Collection of contribution
- Maintenance of member accounts
- Consequences of non-compliance
- Payment of Retirement & Pre-retirement benefits
- ETF Provisions for member benefits
- Obligations of employer
- Recent Developments

LATEST ISSUES DISCUSSION

Target Audience:

Directors, CEOs, All Managers, Executives,
Accountants and All Others Involved In Finance,
Human Resource Management & Administration

For Registration

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

Contact For More Details:

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

29TH OF JANUARY 2025

9.00 AM - 4.00 PM

HOTEL TAJ SAMUDRA

Resource persons

Mr. T.T.D. Peiris

Assistant Superintendent
Employees' Provident Fund
Central Bank of Sri Lanka

Mr. W. P. M. P. Wijewardhana

Assistant Labour Commissioner
Employees' Provident Fund
Department of Labour

Mr. Nihal Prasanna

Assistant General Manager
(Member Service)
Employees' Trust Fund

INVESTMENT

Members: Rs. 13,000/-

Non Members: Rs. 14,000/-

(Inclusive of Lunch, Refreshments,
Handouts & Valid Certificate)

EXCHANGE RATES AS AT 31ST DECEMBER 2024

Date	Buy Rate (LKR)	Sell Rate (LKR)
Australian Dollar	177.4066	186.8456
Canadian Dollar	199.6150	208.2930
Swiss Franc	316.9382	331.8197
Renminbi	38.6934	41.2610
Euro	298.4124	310.9446
British Pound	360.4642	374.4380
Yen	1.8363	1.9074
Singapore Dollar	210.4098	220.2715
United States Dollar	288.3293	297.0162

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>