

38<sup>th</sup> Respondent's Objection.

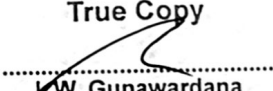
P.B. Jayasundara.

IN THE SUPREME COURT OF THE DEMOCRATIC SOCIALIST  
REPUBLIC OF SRI LANKA

MOTION

In the matter of an application under and in terms of Article 17 and 126 of the Constitution of the Democratic Socialist Republic of Sri Lanka

True Copy

  
I.W. Gunawardana  
Attorney-at-Law

SCFR Application No : 195/2022

1. Dr. Athulasiri Kumara Samarakoon  
The Open University of Sri Lanka  
PO Box 21  
Nawala  
Nugegoda
2. Soosaiappu Nevais Morais  
49/7 Cyril Peiris Mawatha  
Palliyawatta  
Wattala
3. Dr. Mahim Mendis  
301/1A, Kotte Road  
Mirihana  
Nugegoda

PETITIONERS

-Vs-

1. Hon. Ranil Wickremesinghe  
Minister of Finance 2022 – Present
  38. P.B. Jayasundara  
Pelawatte, Baththaramulla
- And 41 Others.

On this <sup>30<sup>th</sup></sup> 29<sup>th</sup> day of May 2023,

We tender herewith a Statement of Objections together with Documents marked 38R1 to 38R11 and the corresponding Affidavit to be filed of record and request that your Lordship's Court be pleased to direct that the same be accepted and filed of record.

Copies of the Motion together with the Statement of Objections, Documents marked 38R1 to 38R11 and the corresponding Affidavit have been sent to the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Petitioners and the Hon. Attorney General by Registered Post.

Copies of the Registered Article receipts are attached hereto in proof thereof.

Attorney-at-Law for the 38<sup>th</sup> Respondent

I.W. Gunawardana  
Attorney-at-Law, Notary Public  
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**IN THE SUPREME COURT OF THE DEMOCRATIC SOCIALIST  
REPUBLIC OF SRI LANKA**

**STATEMENT OF OBJECTIONS**

In the matter of an application under and in terms of Article 17 and 126 of the Constitution of the Democratic Socialist Republic of Sri Lanka

1. Dr. Athulasiri Kumara Samarakoon  
The Open University of Sri Lanka  
PO Box 21  
Nawala  
Nugegoda
2. Soosaiappu Nevais Morais  
49/7 Cyril Peiris Mawatha  
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Wattala
3. Dr. Mahim Mendis  
301/1A, Kotte Road  
Mirihana  
Nugegoda

SCFR Application No : 195/2022

**PETITIONERS**

**-Vs-**

1. Hon. Ranil Wickremesinghe  
Minister of Finance 2022 – Present
2. Mahinda Rajapakse  
Former Cabinet Minister of Finance  
2019 – 2020
- 2A. Basil Rajapakse  
Former Cabinet Minister of Finance  
2020 – 2022
- 2B. Ali Sabri PC  
Former Cabinet Minister of Finance  
2022
3. Prof. G.L. Peiris
4. Dinesh Gunawardena
5. Douglas Devananda
6. Dr. Ramesh Pathirana

7. Prasanna Ranatunga
8. Rohitha Abeygunawardena
9. Dullas Alahaperuma
10. Janaka Wakkumbura
11. Mahindananda Aluthgamage
12. Mahinda Amaraweera
13. S.M. Chandrasena
14. Nimal Siripala De Silva
15. Johnston Fernando
16. Udaya Gammanpila
17. Bandula Gunawardena
18. Gamini Lokuge
19. Vasudeva Nanayakkara
20. Chamal Rajapakse
21. Namal Rajapakse
22. Keheliya Rambukwella
23. C.B. Ratnayake
24. Pavithra Devi Wanniarachchi
25. Sarath Weerasekara
26. Wimal Weerawansa
27. Janaka Bandara Thennakoon

The 1st to 27th Respondents are all former Members of the Cabinet of Ministers of the Republic and presently sit as Members of Parliament of the Republic.  
Parliament of Sri Lanka  
Sri Jayawardenapura Kotte

28. The Monetary Board of the Central Bank of Sri Lanka  
PO Box 590  
Colombo 01

29. Ajith Nivaard Cabraal  
Former Governor of the Central Bank of Sri Lanka  
32/7 School Lane,  
Nawala

30. W. D. Luxman  
Former Governor of the Central Bank of Sri Lanka  
No 224, Ihalayagoda,  
Imbulgoda

31. S. R. Attygalle  
Former Secretary to the Treasury  
No 23, Madapatha  
Pilliyandala

32. S. S. W. Kumarasinghe  
Former Member of the Central Bank of Sri Lanka  
No 62/4, 11th Lane  
Wickramasinghapura Road  
Battaramulla

32A. Gotabaya Rajapaksa  
**ADDED RESPONDENT**

33. Hon. Attorney General  
Attorney General's Department  
Colombo 12

34. Chulantha Wickramaratne  
Auditor General  
306, 72 Polduwa Road  
Battaramulla

35. Hon. Justice Eva Wanasundera

36. Hon. Justice Deepali Wijesundara

37. Mr. Chandra Nimal Wakishta

Members of the Commission to Investigate Allegations of Bribery or Corruption

36, Malalasekera Mawatha,  
Colombo 07, Sri Lanka

38. Mr. P. B. Jayasundara  
Pelawatte  
Battaramulla

39. Mr. Dhammika Dasanayake  
Parliament of Sri Lanka  
Sri Jayawardenapura Kotte

**RESPONDENTS**

On this <sup>20th</sup> 29<sup>th</sup> day of May 2023.

**TO HIS LORDSHIP THE HONOURABLE CHIEF JUSTICE AND THEIR  
LORDSHIPS THE OTHER HONOURABLE JUDGES OF THE SUPREME COURT  
OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA**

The Statement of Objections of the 38<sup>th</sup> Respondent above named appearing by his Registered Attorney-at-Law Iranga Gunawardena states as follows –

1. The 38<sup>th</sup> Respondent (the Respondent) denies all and singular the several averments contained in the Petition and Amended Petition (Petition) of the Petitioner above named save and except those that are hereinafter specifically admitted.
2. The Respondent specifically denies the averments contained in paragraphs 3(i), 41, 46, 47, 65 (g), 76 (a) and 76 (k) of the Petition wherein specific reference has been made to him and places the Petitioners to the strict proof thereof.
3. The Respondent states that he was appointed to the office of Secretary to the President on 19<sup>th</sup> November 2019 under Article of 45(1) of the Constitution from which office he resigned on 15<sup>th</sup> January 2022. Two copies of the Letters of Appointment, Assumption of Office and Resignation from Office are annexed hereto marked 38R1 (a), (b) and (c) and pleaded as part and parcel hereof.
4. The Respondent states that upon being appointed to the office of Secretary to the President as aforesaid, the duties and responsibilities discharged by him under Article 45 (1) of the Constitution were primarily administrative, to facilitate His Excellency the President's work, i.e., to arrange relevant documents and notifications, issue gazette orders and circulars as directed by the President, to communicate appointments made by the President to various positions in government, to arrange official meetings and participate therein as , instructed, directed and/or guided by the President, to undertake follow-up work and coordination of state agencies etc. as instructed, directed and/or guided by the President.
5. The Respondent states that he served in that capacity to the best of his ability with the assistance of other officials of the Presidential Secretariat to whom various duties and responsibilities had been assigned, to ensure coordination and follow up action, as instructed, directed and/or guided by the President. A Chart depicting the organizational



working arrangement and allocation of duties to various officials in the Secretariat is annexed hereto marked **38R2** and pleaded as part and parcel hereof.

6. The Respondent states that prior to his appointment as Secretary to the President, he has served in many senior positions in/of government till he retired from public service on 9<sup>th</sup> January 2015 as Secretary to the Ministry of Finance and Planning and Secretary to the Treasury.
7. The Respondent states that he has held the posts of Director General, Department of Fiscal Policy and Economic Affairs in 1996, Deputy Secretary to the Treasury in 1997 and Secretary to the Ministry of Finance and Planning and Secretary to the Treasury during the periods 1999-2002; 2004-2008 and 2009-2014.
8. The Respondent has also served in the Central Bank of Sri Lanka as a staff grade officer from 1976 and served in the Department of Economic Research from 1978 to 1999 during which time he also served as Economic Advisor to the Treasury, on a part-time basis.
9. The Respondent retired from the Central Bank of Sri Lanka as Additional Director, Department of Economic Research in 1999 upon being appointed as Secretary, Ministry of Finance and Planning and Secretary to the Treasury, in order to avoid any conflict of interest that may arise in having to serve as an ex-officio member of the Monetary Board of the Central Bank of Sri Lanka, by virtue of holding the post of Secretary, Ministry of Finance and Planning and Secretary to the Treasury.
10. The Respondent has also served as Chairman, Public Enterprises Reform Commission (PERC) from 1997 to 2003, during which period, PERC facilitated privatization of several state enterprises under the direction and guidance of subject ministers, within the policy framework of successive Governments.
11. The Respondent states that he has also served as Secretary to the Ministry of Economic Development from 2010-2014 in addition to holding office as Secretary, Ministry of Finance and Planning and Secretary to the Treasury.
12. The Respondent has also served as a member of several state enterprises including the Board of Investment, Sri Lanka Telecom, Sri Lankan Airlines, from time to time. The Respondent's career progression in the public sector is set out in Annexure marked **38R3** and pleaded as part and parcel hereof.
13. The Respondent states that he has not served in any position in Government from 9<sup>th</sup> January, 2015 till 19<sup>th</sup> November, 2019 and that he has not served in any position after his resignation as Secretary to the President on 15<sup>th</sup> January 2022.
14. The Respondent states that on a directive of the President, he chaired the Tariff Determination Committee which included Secretary to the Treasury, Director General of Board of Investment, Director General of Export Development Board, Controller General of the Department of Export and Import Control, Director General of the Department of Customs, Senior Economist in charge of Trade Division of the Economic

Research Department of the Central Bank of Sri Lanka , Senior Consultant of the Presidential Secretariat and relevant line ministry secretaries or their representatives, to facilitate the decision making process during the COVID-19 import restriction period by the respective agencies in a coordinated manner. Documents on the Appointment of a Tariff Determination Committee are annexed hereto marked 38R4 and pleaded as part and parcel hereof.

15. Responding to the averments contained in paragraphs 3 (i) of the Petition, the Respondent categorically states that as noted above, he has only held the office of Secretary to the President from 19<sup>th</sup> November 2019 till his resignation on 15<sup>th</sup> January 2022, and not held any position in the Central Bank, and therefore not responsible in any manner whatsoever for mismanagement of the economy, as alleged.
16. Responding further, the Respondent states that by virtue of his appointment as Secretary to the President, he does not become a member of the 28<sup>th</sup> Respondent Board and categorically deny that he is responsible for any decisions taken by the 28<sup>th</sup> Respondent, the Monetary Board of the Central Bank of Sri Lanka.
17. However, the Respondent is aware that the following persons served as Chairmen of the Monetary Board and Governors of the Central Bank during the period 19<sup>th</sup> November 2019 to 15<sup>th</sup> January 2022, as these appointments are made by the President in terms of the Monetary Law Act, as amended.
  - (i) Dr. Indrajith Coomaraswamy, appointed Governor on 4<sup>th</sup> July 2016 and resigned on 20<sup>th</sup> December 2019;
  - (ii) Professor W D Lakshman appointed Governor on 24<sup>th</sup> December 2019 following the resignation of Dr. Indrajith Coomaraswamy which office he held until his resignation on 14<sup>th</sup> September 2021;
  - (iii) Mr. Ajith Nivard Cabral appointed Governor on 15<sup>th</sup> September 2021 following the resignation of Professor W D Lakshman as aforesaid.
18. The Respondent states that he is aware that Dr. P. Nandalal Weerasinghe was appointed Governor of the Central Bank of Sri Lanka on 8<sup>th</sup> April 2022, following the resignation of Mr. Ajith Nivard Cabral on 4<sup>th</sup> April 2022.
19. The Respondent is also aware that the following members served as members of the Monetary Board during the period he served as Secretary to the President from 19<sup>th</sup> November 2019 till 15<sup>th</sup> January 2022; and thereafter.
  - (i) Mr. S R Attygalle, ex-officio member being the Secretary to the Treasury from 19. 11. 2019 to 07. 04. 2022 and Mr. M. Siriwardena being the Secretary to the Treasury thereafter;
  - (ii) Mr. Nihal Fonseka, appointed in July 2016 and resigned in May 2020 and reappointed in May 2022 to July 2022 and then reappointed on 27.07.2022; continues in this position to date.

- (iii) Dr. (Ms.) Dushni Weerakoon, appointed on 29.07.2019 and resigned on 31. 05. 2020;
  - (iv) Mr. Sanjeeva Jayawardena, PC; appointed on 26. 02. 2020 and reappointed for a further term on 26. 06. 2021; continues in this position to date;
  - (v) Mr. Samantha Kumarasinghe, appointed on 29. 06. 2020 and resigned on 31. 03. 2022;
  - (vi) Dr. (Mrs) Rancee Jayamaha, appointed on 01. 07. 2020 and continues in this position to date.
20. Responding on the country's debt position, the Respondent states that the total government debt to GDP was reduced from 102.3 percent of GDP in 2004 to 71.3 percent of GDP in 2014 when the Respondent was the Secretary, Ministry of Finance and Planning and Secretary to the Treasury. During the time, the Respondent assisted the subject ministers in charge and also served as an ex-officio member of the Monetary Board, except for one year around 2008 to 2009. Foreign debt to GDP ratio also reduced from 47.6 percent of GDP to 30 percent of GDP by 2014.
21. The Respondent further states that the official reserve assets held by the Central Bank of Sri Lanka by the end of 2014 at which time he was an ex-officio member of the Monetary Board, stood at USD 8,208 million, in excess of the liabilities on account of International Sovereign Bonds (ISBs) to the tune of USD 5,000 million, providing a net official reserve buffer to the value of USD 3,208 million or equivalent to the value of over two months of imports at that time.
22. The Respondent categorically states that as noted above, he has only held the office of Secretary to the President from 19<sup>th</sup> November 2019 till his resignation on 15<sup>th</sup> January 2022, and not held any position in the Central Bank, and therefore not responsible in any manner whatsoever for mismanagement of the economy, as alleged.
23. The Respondent also states that this reserve buffer had been further strengthened with the increase in tourism revenue from USD 349 million in 2009 to USD 2,431 million in 2014; remittance inflows from overseas employment from USD 3,330 million to USD 7,018 million in 2014 and Foreign Direct Investments in port terminal/s, hotels and property development, while expanding public investments in irrigation and water supply, highways, power generation, education, health, rural/ urban development and administrative infrastructure, to increase the production capacity of the economy. The Respondent also states that the economic growth as measured by the Gross Domestic Product (GDP) accelerated to 6.23 percent during the period of 2009-2014 and Per Capita Income increased from USD 2,054 in 2009 to USD 3,819 in 2014.
24. The Respondent further states that the overall fiscal deficit had been reduced to 5.5 percent of GDP in 2014 from 7.5 percent of GDP in 2004 and 9.9 percent of GDP in 2009 and annual inflation to 2.9 percent in 2014 from a double digit inflation during the period of 2004-2008 during which time the country suffered from the 2004 Tsunami disaster, the final stage of the LTTE conflict during 2006 to 2009 and the global financial crisis during which time international oil prices exceeded USD 125/bbl.



25. The Respondent states that the IMF program that was negotiated by the Central Bank of Sri Lanka and the Ministry of Finance and Planning in 2009 remains to date to be the only successfully completed IMF financing arrangement in Sri Lanka, out of the 16 IMF programs initiated since 1965, the present arrangement being the 17<sup>th</sup>. Assessment of IMF Staff Report is annexed hereto marked **38R5** and pleaded as part and parcel hereof.
26. The Respondent categorically states that as noted above, he has only held the office of Secretary to the President from 19<sup>th</sup> November 2019 till his resignation on 15<sup>th</sup> January 2022, and not held any position in the Central Bank, and therefore not responsible in any manner whatsoever for mismanagement of the economy, as alleged.
27. The Respondent further states that in terms of the Monetary Law Act, the Central Bank of Sri Lanka is charged with the responsibility of securing, as far as possible by action authorize the Act, economic and price stability and financial system stability with a view to encouraging and promoting the development of productive resources of Sri Lanka.
28. Specifically denying the averments contained in paragraph 41 of the Petition, the Respondent categorically states that he has not been involved in any manner whatsoever with any willful ill-management and/or mismanagement of the economy as described by the Petitioners.
29. Categorically denying the averments contained in paragraph 45 of the Petition, the Respondent states that the views concerning the mismanagement of the economy as noted by the Managing Director and officials of the International Monetary Fund (IMF) do not refer specifically to the post 2019 period. In fact, on 13<sup>th</sup> May 2019, in reference to the post 2015 period, IMF Board while granting waivers of non-observance of performance criteria stated that sustained policy discipline remains critical to strengthen resilience given the still sizable public debt and low external buffers and support strong inclusive growth. The IMF also stated that sustained revenue mobilization is needed to place public debt on a downward path while making space for critical public investment and an expansion of social safety net under well-defined selection criteria. Strengthening, selection and appraisal process of large-scale investment projects and assessing their fiscal affordability is critical, given Sri Lanka's high public debt. Stronger fiscal rules and medium-term management strategy will support medium term fiscal consolidation and debt reduction effort. A photocopy of the said IMF Press Release No. 19/162 on the 5<sup>th</sup> Review of Extended Fund Facility (EFF) is annexed hereto marked **38R6** and pleaded as part and parcel hereof.
30. The Respondent reiterates that until he took office as Secretary to the President on 19<sup>th</sup> November 2019, he did not hold any public office during the period January 2014 – November 2019.
31. The Respondent states that the 2020-2022 period were extraordinary years for the entire world faced with the COVID-19 pandemic, which the world was not ready to face. It is also important to note that a vaccine to cope with the pandemic was discovered only after one year into the COVID-19 pandemic. In fact, on March 20<sup>th</sup> the IMF Managing Director Kristalina Georgieva stated that "The human costs of the Coronavirus



pandemic are already immeasurable.....We strongly support the extraordinary fiscal actions many countries have already taken to boost health systems and protect affected workers and firms. We welcome the moves of major central banks to ease monetary policy. These bold efforts are not only in the interest of each country, but of the global economy as a whole. Even more will be needed, especially on the fiscal front.” A true photocopy of the IMF Press Release No. 20/98 is annexed hereto marked 38R7 and pleaded as part and parcel hereof.

32. Answering the averments contained in paragraph 46 of the Petition, the Respondent states that he is aware that the Secretary to the Treasury in the Pre-Election Budgetary Position Report of 23<sup>rd</sup> March 2020 issued in terms of the provisions of the Fiscal (Management) Responsibility Act No. 3 of 2003 after dissolution of Parliament by the President on 5<sup>th</sup> March 2020, confirms the state of the economy. A true photocopy of the said Pre Election Budgetary Position Report is annexed hereto marked **38R8** and pleaded as part and parcel of the Statement of Objection.
33. The Respondent states that 2B Respondent in submitting the Budget Speech for 2021 in November 2019, explained the correct economic situation to Parliament including the true situation and challenges confronted by the Government.
34. The Respondent further states that the annual reports of the Central Bank from 2019 to 2021 presented to Parliament (and available in the public domain) have also explained the underlying conditions, causes and challenges in the economy. Moreover, the weekly economic indicators of the Central Bank published regularly disclose country's important indicators including fiscal reserves position. A true photocopy of the relevant pages of the Central Bank Annual Report 2019 are annexed hereto marked **38R9** and pleaded as part and parcel hereof.
35. Answering the averments contained in paragraph 47 of the Petition, the Respondent states that the matters referred to therein including the suspension, cancellation or postponements of various projects, are Government decisions in terms of its policy framework to refrain from debt financed development which are consistent with IMF recommendations on fiscal consolidation. The Respondent states that the IMF in its 5<sup>th</sup> Performance Review under the Extended Fund Facility (EFF) on May 13, 2019 stated that “Strengthening the selection and appraisal process of large scale investment projects and assessment of their fiscal affordability is critical, given Sri Lanka’s high public debt. Stronger fiscal rules and medium-term debt management strategy will thereof support medium-term fiscal consolidation and debt reduction efforts.” Please see **38R7 at page 2.**
36. The Respondent states that on a directive of the President following the Government's non-debt creating fiscal strategy, he issued Circular dated 19<sup>th</sup> December 2019 to all Secretaries regarding the rationalization of the prevailing mechanism on engaging with investors, lending agencies, foreign organizations and Missions, to provide broad guidelines to refrain from negotiation, formulation of projects funded by foreign sources without the approval of the Department of National Planning and the Department of External Resources. A true copy of Circular No. PS/SP/SB/Circular/06/2019 is annexed hereto marked **38R10** and pleaded as part and parcel hereof.

37. The Respondent further states that as per the prevailing practice, as Secretary to the President, he also received the Cabinet Decision relating to the Cabinet Memorandum on Foreign Resource Utilization submitted by the Minister of Finance, Economy and Policy Development; for which the Cabinet of Ministers has granted approval on 13<sup>th</sup> May 2020. This was commended by then Senior Deputy Governor of the Central Bank Dr. Nandalal Weerasinghe (the present Governor, Central Bank) who messaged me SMS on 16<sup>th</sup> May 2020 stating that “I just read the cabinet memorandum on foreign resource mobilization which is an excellent paper. I think this should be published with all details. It will give confidence to foreign investors, rating agencies and also to the IMF on medium term debt sustainability concerns”. A true photocopy of a screen shot of this message is annexed hereto marked **38R11** and pleaded as part and parcel hereof.
38. The Respondent states it was at that point in time that discussions were held on an IMF supported Rapid Finance Instrument (RFI) that were made available to COVID-19 hit member countries outside the standard IMF programmes; to assist their resource requirements to manage the impact of COVID-19. The Senior Deputy Governor along with his colleagues at the Central Bank and the Treasury, connected on-line with the IMF to discuss technical details despite the lockdown and police curfew that were imposed by the Government, and these discussions were coordinated and facilitated by Presidential Secretariat under the instructions, directions and guidance of the President, which was in the backdrop of the Parliament being yet to be elected due to postponement of General Elections. Further there was Police Curfew and travel restrictions during March – June 2020 and October – December 2020 and again from September – November 2021, when the COVID 19 related deaths increased in excess of 200 per day.
39. The Respondent states that pursuant to the Cabinet decision of 13<sup>th</sup> May 2020, the Ministry of Finance appointed a Committee of Experts under the Chairmanship of Professor Lalithasiri Gunuruwan to evaluate all existing projects in the pipeline to ascertain/find out cost effectiveness, alternative arrangements and recommend suspensions, postponements or cancellations as appropriate.
40. In addition, the President being the authority authorizing foreign loans under Foreign Loans Act No. 29 of 1957, directed the Respondent to issue a circular giving specific guidelines to Government Agencies in particular the Department of National Planning (mandated to examine Project concepts, priority and feasibility), the Department of External Resources (mandated to examine the best financing sources including domestic or foreign as well as bilateral or multilateral), Central Bank of Sri Lanka (which examines balance of payments implications) as required in terms of Section 114 of the Monetary Law Act; to submit their reports through the Secretary to the Treasury whenever such an authorization is sought. A true copy of the said communique to the Secretary to the Treasury is annexed hereto marked **38R12** and pleaded as part and parcel hereof.
41. Answering the averments contained in paragraph 65 of the Petition, the Respondent categorically states that he has not, at any point in time, influenced the 28<sup>th</sup> Respondent Board, the members of which are appointed by the President for a fixed term of office and whose mandate is circumscribed *inter alia* by the Monetary Law Act.

42. The Respondent categorically states that he was not a member of the Monetary Board of the Central Bank during the relevant time. The members of the Monetary Board or officials of the Central Bank are provided operational autonomy as the governing laws. Further, in terms of the Government Gazette issued from time to time by the President on the allocation of duties and functions, the relevant line Ministry under whom the Central Bank is gazetted, is also published, which had never been gazetted directly under the President in the recent past.
43. The Respondent states that the President appoints eminent individuals who are capable of making independent decisions as required by law to the 28<sup>th</sup> Respondent Board.
44. The Respondent verily believes that the two Governors who served during the relevant time, the ex-officio member and appointed members including Mr. Sanjeewa Jayawardena PC, a much respected senior lawyer and Dr. Raneer Jayamaha, a former Deputy Governor with nearly 40 years of service in the Central Bank, who even later served as the Chairperson of Hatton National Bank and Mr. Samantha Kumarasinghe, a successful entrepreneur could not have been influenced in the conduct of their duties and responsibilities as members of the Monetary Board.
45. The Respondent further states that the Central Bank has a well-functioning organizational structure. There are important committees such as the Monetary Board Level External Debt Monitoring Committee (MBEDMC) that is chaired by Mr. Sanjeewa Jayawardena, P.C as Chairperson and Dr. Raneer Jayamaha as Vice Chairperson and senior officials including Deputy Governors. Furthermore, Monetary Board Level Risk Oversight Committee of the Central Bank (MBROC) is also chaired by Mr. Sanjeewa Jayawardena P.C while Dr. Mrs. Raneer Jayamaha serves as Chairperson of Monetary Board Advisory Audit Committee of the Central Bank (MBAAC). Mr. Sanjeewa Jayawardena, P.C also chairs the Ethics Committee of the Central Bank. Further, the Deputy Governor in charge of Economic Research Department (then Deputy Governor being Mr. K M M Siriwardana, who is the present Secretary to the Treasury and Ex-officio member of the Monetary Board) as the Chairperson and the Deputy Governor in charge of the Public Debt Department as the Vice Chairperson lead the External Debt Monitoring Committee (DEDMC). The comprehensive mechanisms that are in place, ensures that there is no possibility whatsoever the professional working arrangements and the decision making process of the 28<sup>th</sup> Respondent Board.
46. The Respondent states that while the Governor Central Bank is appointed by the President, the appointment, transfer and promotion of staff of the Central Bank are not matters for the President/Presidential Secretariat. The Monetary Board is *inter alia* vested with the powers, functions and duties of the Central Bank and is responsible for the management, operations and administration of the Bank. The Respondent states that members of the Monetary Board are individually and collectively responsible for the administration, supervision and regulation of the monetary, financial and payments system of Sri Lanka in terms of applicable statutes.
47. Answering the averments contained in paragraph 65 (g) the Respondent categorically denies the remarks made by Dr. Nandalal Weerasinghe, the Governor of the Central Bank contained in a recording of proceedings of a meeting of an oversight committee

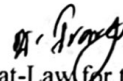


of the Parliament, that the Respondent heavily influenced the decisions made by 28<sup>th</sup> Respondent Board.

48. The Respondent states that he is unaware of the context in which such remarks have been made and that in his public interviews, Dr Weerasinghe has neither confirmed making such remarks nor even made comments in support of such remarks.
49. The Respondent also states that Dr. Nandalal Weerasinghe was not a member of 28<sup>th</sup> Respondent Board until he was appointed as Governor of the Central Bank on 8<sup>th</sup> April 2022 by which point in time, the Respondent had ceased to hold office as Secretary to the President. As such, there is no possibility whatsoever for Dr. Nandalal Weerasinghe to attribute that the Respondent heavily influenced the 28<sup>th</sup> Respondent Board. The Respondent further states that Dr. Weerasinghe ceased to hold office in the Central Bank after September 2020, when he took leave prior to retirement.
50. The Respondent states that Dr. Nandalal Weerasinghe who was a Senior Deputy Governor until he took leave prior to retirement in September 2020 maintained excellent working relations with him and other officials of the Presidential Secretariat. Dr. Weerasinghe has advised on several issues pertaining to IMF emergency relief facility called Rapid Financing Instrument (RFI) during the COVID-19 catastrophic situation in March 2020 when global operations were restricted due to lockdowns, and interactions between international financial institutions including IMF and line ministries and state agencies were strictly guided by health quarantine regulations and the global lockdown operational arrangements.
51. The Respondent wishes to state that he together with other officials of the Presidential Secretariat facilitated the operations of the President based on guidance and advice of the President, to the best of his ability, during these unprecedented trying times to ensure the continuance of public services with minimal disruptions to public life during the period of COVID-19 quarantine restrictions and regain post COVID-19 development initiatives and that these efforts involved the President having to meet country representatives of multilateral development and financing agencies like WHO, UN agencies, World Bank and ADB as well as High Commissioners and Ambassadors with regard to seeking development assistance.
52. The Respondent believes that the circumstances that prevailed at the time due to the COVID 19 Pandemic and action taken amidst such an unprecedented situation in obtaining a suitable facility from the IMF will no doubt be better explained by the Respondents who held office in the Ministry of Finance, Economy and Policy Development; and the Central Bank being the two primary institutions that work in conjunction with the IMF on all technical issues and the supply of data, since only coordination/ facilitation efforts thereof was done by the Respondent, as directed / required by His Excellency the President. Further, the President on 06.05.2020 appointed a Presidential Task Force on Economic Revival and Poverty Alleviation on the recommendation of Dr. Nandalal Weerasinghe, of which he was also an appointed member. A true copy of the Gazette Notification issued by Order of the President is annexed hereto marked 38R13 and pleaded as part and parcel hereof.

53. As such, the 38<sup>th</sup> Respondent above named states that, it is unjust and unfair to carve out people and level untenable general allegations against them particularly without regard to the situation that prevailed in the country at a time when the COVID -19 pandemic was in its peak, there being global lockdown arrangements and the Government operations having encountered unprecedented challenges due to the postponement of the General Elections in which extremely difficult background the 38<sup>th</sup> Respondent carried out his duties and functions as the Secretary to the President as instructed, directed and/or guided by the President.

WHEREFORE the 38<sup>th</sup> Respondent respectfully pleads that the Petitioners have not sought any substantive relief against him in the prayer to the Petition and request that Your Lordships' Court be pleased to dismiss the Application.



Attorney-at-Law for the 38<sup>th</sup> Respondent

I.W. Gunawardana  
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**IN THE SUPREME COURT OF THE DEMOCRATIC SOCIALIST  
REPUBLIC OF SRI LANKA**

**AFFIDAVIT**

In the matter of an application under and in terms of Article 17 and 126 of the Constitution of the Democratic Socialist Republic of Sri Lanka

1. Dr. Athulasiri Kumara Samarakoon  
The Open University of Sri Lanka  
PO Box 21  
Nawala  
Nugegoda
2. Soosaiappu Nevais Morais  
49/7 Cyril Peiris Mawatha  
Palliyawatta  
Wattala
3. Dr. Mahim Mendis  
301/1A, Kotte Road  
Mirihana  
Nugegoda

SCFR Application No: 195/2022

**PETITIONERS**

**-Vs-**

1. Hon. Ranil Wickremesinghe  
Minister of Finance 2022 – Present
2. Mahinda Rajapakse  
Former Cabinet Minister of Finance  
2019 – 2020
- 2A. Basil Rajapakse  
Former Cabinet Minister of Finance  
2020 – 2022
- 2B. Ali Sabri PC  
Former Cabinet Minister of Finance 2022
3. Prof. G.L. Peiris
4. Dinesh Gunawardena
5. Douglas Devananda



6. Dr. Ramesh Pathirana
7. Prasanna Ranatunga
8. Rohitha Abeygunawardena
9. Dullas Alahaperuma
10. Janaka Wakkumbura
11. Mahindananda Aluthgamage
12. Mahinda Amaraweera
13. S.M. Chandrasena
14. Nimal Siripala De Silva
15. Johnston Fernando
16. Udaya Gammanpila
17. Bandula Gunawardena
18. Gamini Lokuge
19. Vasudeva Nanayakkara
20. Chamal Rajapakse
21. Namal Rajapakse
22. Keheliya Rambukwella
23. C.B. Ratnayake
24. Pavithra Devi Wanniarachchi
25. Sarath Weerasekara
26. Wimal Weerawansa
27. Janaka Bandara Thennakoon

The 1st to 27th Respondents are all former Members of the Cabinet of Ministers of the Republic and presently sit as Members of Parliament of the Republic.

Parliament of Sri Lanka  
Sri Jayawardenapura Kotte

28. The Monetary Board of the Central Bank of Sri Lanka  
PO Box 590  
Colombo 01

29. Ajith Nivaard Cabraal  
Former Governor of the Central Bank of Sri Lanka  
32/7 School Lane,  
Nawala

30. W. D. Luxman  
Former Governor of the Central Bank of Sri Lanka  
No 224, Ihalayagoda,  
Imbulgoda

31. S. R. Attygalle  
Former Secretary to the Treasury  
No 23, Madapatha  
Pilliyandala

32. S. S. W. Kumarasinghe  
Former Member of the Central Bank of Sri Lanka  
No 62/4, 11th Lane  
Wickramasinghapura Road  
Battaramulla

32A. Gotabaya Rajapaksa  
**ADDED RESPONDENT**

33. Hon. Attorney General  
Attorney General's Department  
Colombo 12

34. Chulantha Wickramaratne  
Auditor General

306,72 Polduwa Road  
Battaramulla

35. Hon. Justice Eva Wanasundera

36. Hon. Justice Deepali Wijesundara

37. Mr. Chandra Nimal Wakishta

Members of the Commission to  
Investigate Allegations of Bribery or  
Corruption  
36, Malalasekera Mawatha,  
Colombo 07, Sri Lanka

38. Mr. P. B. Jayasundara  
Pelawatte  
Battaramulla

39. Mr. Dhammika Dasanayake  
Parliament of Sri Lanka  
Sri Jayawardenapura Kotte

**RESPONDENTS**

On this 29<sup>th</sup> day of May 2023.

**TO HIS LORDSHIP THE HONOURABLE CHIEF JUSTICE AND THEIR LORDSHIPS  
THE OTHER HONOURABLE JUDGES OF THE SUPREME COURT OF THE  
DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA**

I, Punchi Bandara Jayasundara of 761C Pannipitiya Road, Pellawatte Battaramulla being a Buddhist do hereby solemnly sincerely and truly declare and affirm as follows:

1. I am the Affirmant abovenamed and the 38<sup>th</sup> Respondent in the present Application.
2. I deny all and singular the several averments contained in the Petition, Amended Petition (Petition) and Affidavit of the Petitioners abovenamed save and except those that are hereinafter specifically admitted.
3. I specifically deny the averments contained in paragraphs 3(i), 41, 46, 47, 65 (g), 76 (a) and 76 (k) of the Petition wherein specific reference has been made to me and places the Petitioners to the strict proof thereof.

4. I state that I was appointed to the office of Secretary to the President on 19<sup>th</sup> November 2019 under Article of 45(1) of the Constitution from which office I resigned on 15<sup>th</sup> January 2022. Two copies of the Letters of Appointment, Assumption of Office and Resignation from Office are annexed to the Statement of Objections marked **38R1 (a), (b) and (c)** and pleaded as part and parcel thereof.
5. I state that upon being appointed to the office of Secretary to the President as aforesaid, the duties and responsibilities discharged by me under Article 45 (1) of the Constitution were primarily administrative, to facilitate His Excellency the President's work, i.e., to arrange relevant documents and notifications, issue gazette orders and circulars as directed by the President, to communicate appointments made by the President to various positions in government, to arrange official meetings and participate therein as , instructed, directed and/or guided by the President, to undertake follow-up work and coordination of state agencies etc. as instructed, directed and/or guided by the President.
6. I state that I served in that capacity to the best of my ability with the assistance of other officials of the Presidential Secretariat to whom various duties and responsibilities had been assigned, to ensure coordination and follow up action, as instructed, directed and/or guided by the President. A Chart depicting the organizational working arrangement and allocation of duties to various officials in the Secretariat is annexed to the Statement of Objections marked **38R2** and pleaded as part and parcel thereof.
7. I state that prior to my appointment as Secretary to the President, I have served in many senior positions in/of government till I retired from public service on 9<sup>th</sup> January 2015 as Secretary to the Ministry of Finance and Planning and Secretary to the Treasury.
8. I state that I have held the post of Director General, Department of Fiscal Policy and Economic Affairs in 1996, Deputy Secretary to the Treasury in 1997 and Secretary to the Ministry of Finance and Planning and Secretary to the Treasury during the periods 1999-2002; 2004-2008 and 2009-2014.
9. I have also served in the Central Bank of Sri Lanka as a staff grade officer from 1976 and served in the Department of Economic Research from 1978 to 1999 during which time I also served as Economic Advisor to the Treasury, on a part-time basis.
10. I retired from the Central Bank of Sri Lanka as Additional Director, Department of Economic Research in 1999 upon being appointed as Secretary, Ministry of Finance and Planning and Secretary to the Treasury, in order to avoid any conflict of interest that may arise in having to serve as an ex-officio member of the Monetary Board of the Central Bank of Sri Lanka, by virtue of holding the post of Secretary, Ministry of Finance and Planning and Secretary to the Treasury.
11. I have also served as Chairman, Public Enterprises Reform Commission (PERC) from 1997 to 2003, during which period, PERC facilitated privatization of several state enterprises under the direction and guidance of subject ministers, within the policy framework of successive Governments.



12. I state that I have also served as Secretary to the Ministry of Economic Development from 2010-2014 in addition to holding office as Secretary, Ministry of Finance and Planning and Secretary to the Treasury.
13. I have also served as a member of several state enterprises including the Board of Investment, Sri Lanka Telecom, Sri Lankan Airlines, from time to time. My career progression in the public sector annexed to the Statement of Objections marked **38R3** and pleaded as part and parcel thereof.
14. I state that I have not served in any position in Government from 9<sup>th</sup> January, 2015 till 19<sup>th</sup> November, 2019 and that I have not served in any position after my resignation as Secretary to the President on 15<sup>th</sup> January 2022.
15. I state that on a directive of the President, I chaired the Tariff Determination Committee which included Secretary to the Treasury, Director General of Board of Investment, Director General of Export Development Board, Controller General of the Department of Export and Import Control, Director General of the Department of Customs, Senior Economist in charge of Trade Division of the Economic Research Department of the Central Bank of Sri Lanka, Senior Consultant of the Presidential Secretariat and relevant line ministry secretaries or their representatives, to facilitate the decision making process during the COVID-19 import restriction period by the respective agencies in a coordinated manner. Documents on the Appointment of a Tariff Determination Committee are annexed to the Statement of Objections marked **38R4** and pleaded as part and parcel thereof.
16. Responding to the averments contained in paragraphs 3 (i) of the Petition, I categorically state that as noted above, I have only held the office of Secretary to the President from 19<sup>th</sup> November 2019 till my resignation on 15<sup>th</sup> January 2022, and not held any position in the Central Bank, and therefore not responsible in any manner whatsoever for mismanagement of the economy, as alleged.
17. Responding further, I state that by virtue of my appointment as Secretary to the President, I do not become a member of the 28<sup>th</sup> Respondent Board and categorically deny that I am responsible for any decisions taken by the 28<sup>th</sup> Respondent, the Monetary Board of the Central Bank of Sri Lanka.
18. However, I am aware that the following persons served as Chairmen of the Monetary Board and Governors of the Central Bank during the period 19<sup>th</sup> November 2019 to 15<sup>th</sup> January 2022, as these appointments are made by the President in terms of the Monetary Law Act, as amended.
  - (i) Dr. Indrajith Coomaraswamy, appointed Governor on 4<sup>th</sup> July 2016 and resigned on 20<sup>th</sup> December 2019;
  - (ii) Professor W D Lakshman appointed Governor on 24<sup>th</sup> December 2019 following the resignation of Dr. Indrajith Coomaraswamy which office he held until his resignation on 14<sup>th</sup> September 2021;

- (iii) Mr. Ajith Nivard Cabbral appointed Governor on 15th September 2021 following the resignation of Professor W D Lakshman as aforesaid.
19. I am aware that Dr. P. Nandalal Weerasinghe was appointed Governor of the Central Bank of Sri Lanka on 8th April 2022, following the resignation of Mr. Ajith Nivard Cabraal on 4<sup>th</sup> April 2022.
20. I am also aware that the following members served as members of the Monetary Board during the period I served as Secretary to the President from 19<sup>th</sup> November 2019 till 15<sup>th</sup> January 2022; and thereafter.
- (i) Mr. S R Attygalle, ex-officio member being the Secretary to the Treasury from 19. 11. 2019 to 07. 04. 2022 and Mr. M. Siriwardena being the Secretary to the Treasury thereafter;
- (ii) Mr. Nihal Fonseka, appointed in July 2016 and resigned in May 2020 and reappointed in May 2022 to July 2022 and then reappointed on 27.07.2022; continues in this position to date.
- (iii) Dr. (Ms.) Dushni Weerakoon, appointed on 29.07.2019 and resigned on 31. 05. 2020;
- (iv) Mr. Sanjeewa Jayawardena, PC; appointed on 26. 02. 2020 and reappointed for a further term on 26. 06. 2021; continues in this position to date;
- (v) Mr. Samantha Kumarasinghe, appointed on 29. 06. 2020 and resigned on 31. 03. 2022;
- (vi) Dr. (Mrs) Rane Jayamaha, appointed on 01. 07. 2020 and continues in this position to date.
21. Responding to the country's debt position, I state that the total government debt to GDP was reduced from 102.3 percent of GDP in 2004 to 71.3 percent of GDP in 2014 when I was the Secretary, Ministry of Finance and Planning and Secretary to the Treasury. During that time, I assisted the subject ministers in charge and also served as an ex-officio member of the Monetary Board, except for one year around 2008 to 2009. Foreign debt to GDP ratio also reduced from 47.6 percent of GDP to 30 percent of GDP by 2014.
22. I further state that the official reserve assets held by the Central Bank of Sri Lanka by the end of 2014 at which time I was an ex-officio member of the Monetary Board, stood at USD 8,208 million, in excess of the liabilities on account of International Sovereign Bonds (ISBs) to the tune of USD 5,000 million, providing a net official reserve buffer to the value of USD 3,208 million or equivalent to the value of over two months of imports at that time.



23. I categorically state that as noted above, I have only held the office of Secretary to the President from 19<sup>th</sup> November 2019 till my resignation on 15<sup>th</sup> January 2022, and not held any position in the Central Bank, and therefore not responsible in any manner whatsoever for mismanagement of the economy, as alleged.
24. I also state that this reserve buffer had been further strengthened with the increase in tourism revenue from USD 349 million in 2009 to USD 2,431 million in 2014; remittance inflows from overseas employment from USD 3,330 million to USD 7,018 million in 2014 and Foreign Direct Investments in port terminal/s, hotels and property development, while expanding public investments in irrigation and water supply, highways, power generation, education, health, rural/ urban development and administrative infrastructure to increase the production capacity of the economy. I also state that the economic growth as measured by the Gross Domestic Product (GDP) accelerated to 6.23 percent during the period of 2009-2014 and Per Capita Income increased from USD 2,054 in 2009 to USD 3,819 in 2014.
25. I further state that the overall fiscal deficit had been reduced to 5.5 percent of GDP in 2014 from 7.5 percent of GDP in 2004 and 9.9 percent of GDP in 2009 and annual inflation to 2.9 percent in 2014 from a double digit inflation during the period of 2004-2008 during which time the country suffered from the 2004 Tsunami disaster, the final stage of the LTTE conflict during 2006 to 2009 and the global financial crisis during which time international oil prices exceeded USD 125/bbl.
26. I state that the IMF program that was negotiated by the Central Bank of Sri Lanka and the Ministry of Finance and Planning in 2009 remains to date to be the only successfully completed IMF financing arrangement in Sri Lanka, out of the 16 IMF programs initiated since 1965, the present arrangement being the 17<sup>th</sup>. A copy of the Assessment of IMF Staff Report – Press Release 2014 is annexed to the Statement of Objections marked **38R5** and pleaded as part and parcel thereof.
27. I categorically state that as noted above, I have only held the office of Secretary to the President from 19<sup>th</sup> November 2019 till my resignation on 15<sup>th</sup> January 2022, and not held any position in the Central Bank, and therefore not responsible in any manner whatsoever for mismanagement of the economy, as alleged.
28. I further state that in terms of the Monetary Law Act, the Central Bank of Sri Lanka is charged with the responsibility of securing, as far as possible by action authorized by the Act, economic and price stability and financial system stability with a view to encouraging and promoting the development of productive resources of Sri Lanka.
29. Specifically denying the averments contained in paragraph 41 of the Petition, I categorically state that I have not been involved in any manner whatsoever with any willful ill-management and/or mismanagement of the economy as described by the Petitioners.
30. Categorically denying the averments contained in paragraph 45 of the Petition, I state that the views concerning the mismanagement of the economy as noted by the Managing



Director and officials of the International Monetary Fund (IMF) do not refer specifically to the post 2019 period. In fact, on 13<sup>th</sup> May 2019, in reference to the post 2015 period, IMF Board while granting waivers of non-observance of performance criteria stated that sustained policy discipline remains critical to strengthen resilience given the still sizable public debt and low external buffers and support strong inclusive growth. The IMF also stated that sustained revenue mobilization is needed to place public debt on a downward path while making space for critical public investment and an expansion of social safety net under well-defined selection criteria. Strengthening, selection and appraisal process of large-scale investment projects and assessing their fiscal affordability is critical, given Sri Lanka's high public debt. Stronger fiscal rules and medium-term management strategy will support medium term fiscal consolidation and debt reduction effort. A photocopy of the said IMF Press Release No. 19/162 on the 5<sup>th</sup> Review of Extended Fund Facility (EFF) is annexed to the Statement of Objections marked **38R6** and pleaded as part and parcel thereof.

31. I reiterate that until I took office as Secretary to the President on 19<sup>th</sup> November 2019, I did not hold any public office during the period January 2014 – November 2019.
32. I state that the 2020-2022 period were extraordinary years for the entire world faced with the COVID-19 pandemic, which the world was not ready to face. It is also important to note that a vaccine to cope with the pandemic was discovered only after one year into the COVID-19 pandemic. In fact, on March 20<sup>th</sup> the IMF Managing Director Kristalina Georgieva stated that “The human costs of the Coronavirus pandemic are already immeasurable.....We strongly support the extraordinary fiscal actions many countries have already taken to boost health systems and protect affected workers and firms. We welcome the moves of major central banks to ease monetary policy. These bold efforts are not only in the interest of each country, but of the global economy as a whole. Even more will be needed, especially on the fiscal front.” A true photocopy of the IMF Press Release No. 20/98 is annexed to the Statement of Objections marked **38R7** and pleaded as part and parcel thereof.
33. Answering the averments contained in paragraph 46 of the Petition, I state that I am aware that the Secretary to the Treasury in the Pre-Election Budgetary Position Report of 23<sup>rd</sup> March 2020 issued in terms of the provisions of the Fiscal (Management) Responsibility Act No. 3 of 2003 after dissolution of Parliament by the President on 5<sup>th</sup> March 2020, confirms the state of the economy. A true photocopy of the said Pre Election Budgetary Position Report is annexed to the Statement of Objections marked **38R8** and pleaded as part and parcel thereof.
34. I state that 2B Respondent in submitting the Budget Speech for 2021 in November 2019, explained the correct economic situation to Parliament including the true situation and challenges confronted by the Government.
35. I further state that the annual reports of the Central Bank from 2019 to 2021 presented to Parliament (and available in the public domain) have also explained the underlying conditions, causes and challenges in the economy. Moreover, the weekly economic

indicators of the Central Bank published regularly disclose country's important indicators including fiscal reserves position. A true photocopy of the relevant pages of the Central Bank Annual Report 2019 are annexed to the Statement of Objections marked **38R9** and pleaded as part and parcel thereof.

36. Answering the averments contained in paragraph 47 of the Petition, I state that the matters referred to therein including the suspension, cancellation or postponements of various projects, are Government decisions in terms of its policy framework to refrain from debt financed development which are consistent with IMF recommendations on fiscal consolidation. I state that the IMF in its 5<sup>th</sup> Performance Review under the Extended Fund Facility (EFF) on May 13, 2019 stated that “Strengthening the selection and appraisal process of large scale investment projects and assessment of their fiscal affordability is critical, given Sri Lanka’s high public debt. Stronger fiscal rules and medium-term debt management strategy will thereof support medium-term fiscal consolidation and debt reduction efforts.” Please see **38R7 at page 2.**
37. I state that on a directive of the President following the Government’s non-debt creating fiscal strategy, I issued Circular dated 19<sup>th</sup> December 2019 to all Secretaries regarding the rationalization of the prevailing mechanism on engaging with investors, lending agencies, foreign organizations and Missions, to provide broad guidelines to refrain from negotiation, formulation of projects funded by foreign sources without the approval of the Department of National Planning and the Department of External Resources. A true copy of Circular No. PS/SP/SB/Circular/06/2019 is annexed to the Statement of Objections marked **38R10** and pleaded as part and parcel thereof.
38. I further state that as per the prevailing practice, as Secretary to the President, I also received the Cabinet Decision relating to the Cabinet Memorandum on Foreign Resource Utilization submitted by the Minister of Finance, Economy and Policy Development; for which the Cabinet of Ministers has granted approval on 13<sup>th</sup> May 2020. This was commended by then Senior Deputy Governor of the Central Bank Dr. Nandalal Weerasinghe (the present Governor, Central Bank) who messaged me SMS on 16<sup>th</sup> May 2020 stating that “I just read the cabinet memorandum on foreign resource mobilization which is an excellent paper. I think this should be published with all details. It will give confidence to foreign investors, rating agencies and also to the IMF on medium term debt sustainability concerns”. A true photocopy of a screen shot of this message is annexed to the Statement of Objections marked **38R11** and pleaded as part and parcel thereof.
39. I state that it was at that point in time that discussions were held on an IMF supported Rapid Finance Instrument (RFI) that were made available to COVID-19 hit member countries outside the standard IMF programmes; to assist their resource requirements to manage the impact of COVID-19. The Senior Deputy Governor along with his colleagues at the Central Bank and the Treasury, connected on-line with the IMF to discuss technical details despite the lockdown and police curfew that were imposed by the Government, and these discussions were coordinated and facilitated by Presidential Secretariat under the instructions, directions and guidance of the president which was in the backdrop of the Parliamentary elections having being postponed. Further, there was Police Curfew and



travel restrictions during March – June 2020 and October – December 2020 and again from September – November 2021, when the COVID 19 related deaths increased in excess of 200 per day.

40. I state that pursuant to the Cabinet decision of 13<sup>th</sup> May 2020, the Ministry of Finance appointed a Committee of Experts under the Chairmanship of Professor Lalithasiri Gunuruwan to evaluate all existing projects in the pipeline to ascertain/find out cost effectiveness, alternative arrangements and recommend suspensions, postponements or cancellations as appropriate.
41. In addition, the President being the authority authorizing foreign loans under Foreign Loans Act No. 29 of 1957, directed me to issue a circular giving specific guidelines to Government Agencies in particular the Department of National Planning (mandated to examine Project concepts, priority and feasibility), the Department of External Resources (mandated to examine the best financing sources including domestic or foreign as well as bilateral or multilateral), Central Bank of Sri Lanka (which examines balance of payments implications) as required in terms of Section 114 of the Monetary Law Act; to submit their reports through the Secretary to the Treasury whenever such an authorization is sought. A true copy of the said communique to the Secretary to the Treasury is annexed to the Statement of Objections marked **38R12** and pleaded as part and parcel thereof.
42. Answering the averments contained in paragraph 65 of the Petition, I categorically state that I have not, at any point in time, brought to bear any influence the 28<sup>th</sup> Respondent Board, the members of which are appointed by the President for a fixed term of office and whose mandate is circumscribed *inter alia* by the Monetary Law Act.
43. I categorically state that I was not a member of the Monetary Board of the Central Bank during the relevant time. The members of the Monetary Board or officials of the Central Bank are provided operational autonomy under the governing laws. Further, in terms of the Government Gazette issued from time to time by the President on the allocation of duties and functions, the relevant line Ministry under whom the Central Bank is gazetted, is also published, which had never been gazetted directly under the President in the recent past.
44. I state that the President appoints eminent individuals who are capable of making independent decisions as required by law to the 28<sup>th</sup> Respondent Board.
45. I verily believe that the two Governors who served during the relevant time, the ex-officio member and appointed members including Mr. Sanjeewa Jayawardena PC, a much respected senior lawyer and Dr. Ranee Jayamaha, a former Deputy Governor with nearly 40 years of service in the Central Bank, who even later served as the Chairperson of Hatton National Bank and Mr. Samantha Kumarasinghe, a successful entrepreneur could not have been influenced in the conduct of their duties and responsibilities as members of the Monetary Board.

46. I further state that the Central Bank has a well-functioning organizational structure. There are important committees such as the Monetary Board Level External Debt Monitoring Committee (MBEDMC) that is chaired by Mr. Sanjeewa Jayawardena, P.C as Chairperson and Dr. Raneer Jayamaha as Vice Chairperson and senior officials including Deputy Governors. Furthermore, Monetary Board Level Risk Oversight Committee of the Central Bank (MBROC) is also chaired by Mr. Sanjeewa Jayawardena, PC while Dr. Mrs. Raneer Jayamaha serves as Chairperson of Monetary Board Advisory Audit Committee of the Central Bank (MBAAC). Mr. Sanjeewa Jayawardena, PC also chairs the Ethics Committee of the Central Bank. Further, the Deputy Governor in charge of Economic Research Department (then Deputy Governor being Mr. K M M Siriwardana, who is the present Secretary to the Treasury and Ex-officio member of the Monetary Board) as the Chairperson and the Deputy Governor in charge of the Public Debt Department as the Vice Chairperson lead the External Debt Monitoring Committee (DEDMC). The comprehensive mechanisms that are in place, ensures that there is no possibility to influence in any manner whatsoever the professional working arrangements and the decision making process of the 28<sup>th</sup> Respondent Board.
47. I state that while the Governor Central Bank is appointed by the President, the appointment, transfer and promotion of staff of the Central Bank are not matters for the President/Presidential Secretariat. The Monetary Board is *inter alia* vested with the powers, functions and duties of the Central Bank and is responsible for the management, operations and administration of the Bank. I state that members of the Monetary Board are individually and collectively responsible for the administration, supervision and regulation of the monetary, financial and payments system of Sri Lanka in terms of applicable statutes.
48. Answering the averments contained in paragraph 65 (g) I categorically deny the remarks made by Dr. Nandalal Weerasinghe, the Governor of the Central Bank contained in a recording of proceedings of a meeting of an oversight committee of the Parliament, that I heavily influenced the decisions made by 28<sup>th</sup> Respondent Board.
49. I am unaware of the context in which such remarks have been made and that in his public interviews, Dr Weerasinghe has neither confirmed making such remarks nor even made comments in support of such remarks.
50. I also state that Dr. Nandalal Weerasinghe was not a member of 28<sup>th</sup> Respondent Board until he was appointed as Governor of the Central Bank on 8<sup>th</sup> April 2022 by which point in time, I had ceased to hold office as Secretary to the President. As such, there is no possibility whatsoever for Dr. Nandalal Weerasinghe to attribute that I heavily influenced the 28<sup>th</sup> Respondent Board. I further state that Dr. Weerasinghe ceased to hold office in the Central Bank after September 2020, when he took leave prior to retirement.
51. I state that Dr. Nandalal Weerasinghe who was a Senior Deputy Governor until he took leave prior to retirement in September 2020 maintained excellent working relations with me and other officials of the Presidential Secretariat. Dr. Weerasinghe has advised on several issues pertaining to IMF emergency relief facility called Rapid Financing Instrument (RFI) during the COVID-19 catastrophic situation in March 2020 when global



operations were restricted due to lockdowns, and interactions between international financial institutions including IMF and line ministries and state agencies were strictly guided by health quarantine regulations and the global lockdown operational arrangements. The Petitioner also states that, the President on 06.05.2020 appointed a Presidential Task Force on Economic Revival and Poverty Alleviation on the recommendation of Dr. Nandalal Weerasinghe, of which he was also an appointed member. A true copy of the Gazette Notification issued by Order the President is annexed to the Statement of Objections marked **38R13** and pleaded as part and parcel hereof.

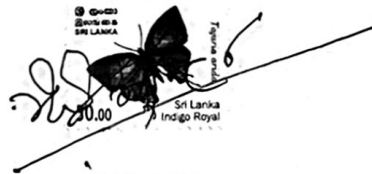
52. I wish to state that together with other officials of the Presidential Secretariat, I facilitated the operations of the President based on guidance and advise of the President, to the best of my ability, during these unprecedented challenging times to ensure the continuance of public services with minimal disruptions to public life during the period of COVID-19 quarantine restrictions and regain post COVID-19 development initiatives and that these efforts involved the President having to meet country representatives of multilateral development and financing agencies like WHO, UN agencies, World Bank and ADB as well as High Commissioners and Ambassadors with regard to seeking development assistance.

53. I believe that the circumstances that prevailed at the time due to the COVID 19 Pandemic and action taken amidst such an unprecedented situation in obtaining a suitable facility from the IMF will no doubt be better explained by the Respondents who held office in the Ministry of Finance, Economy and Policy Development and the Central Bank being the two primary institutions that work in conjunction with the IMF on all technical issues and the supply of data, since only coordination/facilitation efforts thereof were done by me, as directed/required by His Excellency the President.

54. In the circumstances I respectfully state that the Petitioners have not sought any substantive relief against me in the prayer to the Petition and request that Your Lordships' Court be pleased to dismiss the Application.

Having being read over and explained to the Affirmant above named and he having understood the contents of the same affirmed and placed his signature before me on this ~~Twenty Ninth (29<sup>th</sup>)~~ <sup>30<sup>th</sup></sup> day of May 2023 at Colombo.

J  
R



Before Me

*Rishani H. Wickramage*  
Commissioner for Oaths

RISHANI H. WICKRAMAGE LL.B (UK)  
Attorney-at-Law, Notary Public,  
Commissioner for Oaths &  
Company Secretary  
No. 136, Old Kotte Road,  
Welikada, Rajagiriya.

38R1(a)



ශ්‍රී ලංකා ජනාධිපති  
இலங்கை சனாதிபதி  
President of Sri Lanka

මගේ අංකය : පිරිස්/සිරිස්ස/00/1/13/3

2019 නොවැම්බර් මස 19 වන දින

ආචාර්ය පී.බී. ජයසුන්දර මහතා

මහත්මයාණනි,

පත්වීම

ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 41 වැනි ව්‍යවස්ථාවේ (1) වන අනු ව්‍යවස්ථාව යටතේ ඔබ, වහාම ක්‍රියාත්මක වන පරිදි ජනාධිපති ලේකම් ලෙස පත්කරමි.

මෙයට - විශ්වාසී,

*(Signature)*

ගෝඨාභය රාජපක්ෂ

පිටපත් :

1. අග්‍රාමාත්‍ය ලේකම්
2. අමාත්‍ය මණ්ඩල ලේකම්
3. ලේකම්, මුදල් අමාත්‍යාංශය
4. ලේකම්, රාජ්‍ය පරිපාලන, ආපදා කළමනාකරණ සහ පශු සම්පත් සංවර්ධන අමාත්‍යාංශය
5. විගණකාධිපති
6. පාර්ලිමේන්තු මහලේකම්
7. ලේකම්, රාජ්‍ය සේවා කොමිෂන් සභාව
8. ජනාධිපති අතිරේක ලේකම් (මානව සම්පත් සංවර්ධන)
9. ප්‍රධාන මූල්‍ය නිලධාරී, ජනාධිපති කාර්යාලය





ජනාධිපති කාර්යාලය  
 சனாதிபதி அலுவலகம்  
 PRESIDENTIAL SECRETARIAT



38 R(6)

මගේ අංකය : PS/CSA/00/113/3

2019 නොවැම්බර් මස 19 වන දින

අතිගරු ජනාධිපතිතුමනි,

ජනාධිපති ලේකම් ධුරයේ වැඩ භාරගැනීම

ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික ජනරජයේ අතිගරු ජනාධිපතිතුමන් වන ඔබ තුමන් විසින් ජනාධිපති ලේකම් ධුරය සඳහා පත්කරන ලද පී.පී. ජයසුන්දර වන මම, එම ධුරයෙහි කාර්ය හා කර්තව්‍යය උපරිම කැපවීමෙන් හා විශ්වාසවන්තභාවයෙන් යුතුව ඉටු කරන බවට පොරොන්දු වන බවත්, අද දින සිට එම ධුරයෙහි රාජකාරී නිල වශයෙන් භාරගත් බවත්, ගෞරව බහුමානයෙන් යුක්තව දන්වා සිටිමි.

මෙයට - විශ්වාසී,

පී.පී. ජයසුන්දර  
 ජනාධිපති ලේකම්

පිටපත් :

1. අග්‍රාමාත්‍ය ලේකම්
2. අමාත්‍ය මණ්ඩල ලේකම්
3. ලේකම්, මුදල් අමාත්‍යාංශය
4. ලේකම්, රාජ්‍ය පරිපාලන, ආපදා කළමනාකරණ සහ පශු සම්පත් සංවර්ධන අමාත්‍යාංශය
5. විගණකාධිපති
6. පාර්ලිමේන්තු මහලේකම්
7. ලේකම්, රාජ්‍ය සේවා කොමිෂන් සභාව
8. ජනාධිපති අතිරේක ලේකම් (මානව සම්පත් සංවර්ධන)
9. ප්‍රධාන මූල්‍ය නිලධාරී, ජනාධිපති කාර්යාලය





ජනාධිපති කාර්යාලය  
 சனாதிபதி அலுவலகம்  
 PRESIDENTIAL SECRETARIAT



2021 දෙසැම්බර් මස 31 වන දින

පෞද්ගලිකයි

අතිගරු ජනාධිපතිතුමා

ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජය

අතිගරු ජනාධිපතිතුමනි,

ජනාධිපති ලේකම්වරයා වශයෙන් ඉල්ලා අස්වීම පිළිබඳ ඔබතුමාගේ අනුමැතිය ඉල්ලා 2021 දෙසැම්බර් මස 21 වන දින යොමු කළ ලිපියට අමතරවයි.

ඔබතුමා සමඟ සාකච්ඡා කළ පරිදි, 2022 ජනවාරි මස 15 දින සිට ජනාධිපති ලේකම් තනතුරින් ඉල්ලා අස්වන බව කාරුණිකව දැනුම් දෙමි.

මෙම තනතුරට පත්කිරීමට මා පිළිබඳ විශ්වාසය තැබීම ගැන මගේ අවංක විශ්වාසය නැවතත් පුද කරන අතර, එම තනතුරේ කටයුතු ඉහළ වෘත්තීය මට්ටමකින් හා අවංකව ඉටු කිරීමට ඔබතුමාගෙන් ලැබුණ නියෝග, උපදෙස් හා සහ මහපෙත්වීම ගැන මාගේ අවංක ස්තූතියද පුදකරනු කැමැත්තෙමි.

මෙයට විශ්වාසී,

පී. බී. ජයසිංහ

ජනාධිපති ලේකම්

ගාලු මුව්දොර, කොළඹ 01  
 காலி முவ்දொර, கொழும்பு 01  
 Galle Face, Colombo 01

දුරකථන  
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 ++ 94 (0) 11 2473873

ෆැක්ස්  
 தொலைபேசி  
 Fax } ++ 94 11 2446657

ඉ-මැල  
 இ-அஞ்சல்  
 e-mail } prsec@presidentsoffice.lk



ජනාධිපති කාර්යාලය  
 சனாதிபதி அலுவலகம்  
 PRESIDENTIAL SECRETARIAT



2021 දෙසැම්බර් මස 21 වන දින

පෞද්ගලිකයි

අතිගරු ජනාධිපතිතුමා  
 ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජය

අතිගරු ජනාධිපතිතුමනි,

ජනාධිපති ලේකම්වරයා වශයෙන් වසර 2ක් තුළ ඉතා කැපවීමෙන් යුතුව, මාගේ ඉහළම වෘත්තීය මට්ටමෙන්, අවංකව හා විනයෙන් යුතුව, මා එම වගකීම් ඉටුකර ඇත. එම කාලය ඉතා දුෂ්කර හා අභියෝගාත්මක කාලයක්ද විය.

එසේ වුවද, පෞද්ගලික හේතූන් මත තවදුරටත් මෙම රාජකාරී කටයුතු ඉටු කිරීම දුෂ්කර වී ඇති බැවින්, 2022 ජනවාරි මස 31 වන දින සිට ජනාධිපති ලේකම් තනතුරෙන් ඉල්ලා අස්වීම සඳහා ඔබතුමාගේ ආශීර්වාදය හා අනුමැතිය ලබා දෙන ලෙස කාරුණිකව ඉල්ලමි.

මෙම තනතුරට පත්කිරීමට මා පිළිබඳ විශ්වාසය තැබීම ගැන මාගේ අවංක ස්තූතිය පුදකරමි.

මෙයට විශ්වාසී

පී. ඩී. ජයසිංහ  
 ජනාධිපති ලේකම්

38 R 2

~~38 R 2~~



## PRESIDENTIAL SECRETARIAT

### INTERNAL MEMORANDUM

#### OFFICE OF THE SECRETARY TO THE PRESIDENT

To:	All Additional Secretaries Heads of Divisions
From:	Secretary to the President <i>[Signature]</i>
Copy:	Special Envoy, Principal Advisor
Date:	26 <sup>th</sup> May 2021
Subject:	Effective Coordinated Team Work

1. His Excellency communicated to me on the 09<sup>th</sup> May 2021, that decisions of the meetings chaired by His Excellency are not communicated to respective implementing agencies for them to initiate procedural actions.
2. I have emphasized respective Additional Secretaries and Director Generals the importance of closely following-up of the meetings chaired by His Excellency. However, it appears that only minutes are taken some are not known to me even and no communications are issued on the decisions taken and no regular follow-up being undertaken.
3. The purpose of His Excellency's meetings is to have a well consultative decision making process on issues that require all stakeholders' involvement in implementation with institutional coordination.
4. Now that the organizational structure of the Secretariat is reasonably defined, allocation of duties, responsibilities have been made job descriptions to each staff level officer are identified and delegation of authority is in place, it is important that senior staff of the Secretariat is committed to enforce implementation towards time targeted outcomes, through effective engagements of their subordinates.
5. The organization now has the working arrangement in the following manner.
  - 5.1 **Principal Advisor** will provide supervisory guidance specially for the work connected with Buddhist Advisory Council, Defence and security related matters, public affairs, speech drafting for His Excellency the President, coordination



with the Prime Minister's Office, Parliamentary affairs, media and in general other areas of work that staff needs guidance.

**5.1.1 Senior Assistant Secretary – Research and Special Assignments** will perform duties under the guidance of Principal Advisor and also work on Human Rights related subjects.

**5.1.2 Ombudsman** – will function directly under the guidance of Principal Advisor.

**5.2 An Additional Secretary is assigned for “Gama Samaga Pilisandara”,** Presidential Rural Development Initiative including all poverty reduction rural centric works. It has also the privilege of having guidance from Principal Advisor since he is involved in this area of work in addition to many other work listed in the organizational chart. This area of work also includes meetings for District and Divisional Development Coordination and meetings with Members of Parliament that has been requested to supervise all work in their constituencies. This cluster also covers COVID related public health reviews, related work and Ministries connected with Health, Transport, Youth and Sports and Buddhasasana, Religious and Cultural Affairs.

**5.2.1 Senior Assistant Secretary (Follow up actions data analysis)** - Provide timely, accurate and quality information on the progress of implementation of actions taken to address problems raised by rural communities at “Gama Samaga Pilisandara Programmes” in order to identify gaps and shortcomings with expected targets, recommend remedial measures and generate periodic reports through the analysis of data received from central, provincial, district and divisional levels via the Digital Monitoring System.

**5.2.2 Senior Assistant Secretary (District Affairs)** – is assigned to implement actions to address problems raised by rural communities at “Gama Samaga Pilisandara Programmes”, facilitate implementation issues between central, provincial, district and divisional level agencies, use monitoring data to accelerate progress and provide remedial measures, and recommend evidence-based policy action with the long-term objective of elevating rural development as envisaged in the “Vistas of

2  


Prosperity and Splendour” Policy Statement.

**5.2.3 Director (Social Mobilization)** – is assigned to liaise with the Presidential Task Force on “*Gama Samaga Pilisandara*” Rural Development and with village communities in order to facilitate political and government commitment to accelerate implementation of decisions taken to address problems raised by rural communities at “*Gama Samaga Pilisandara*” forums.

**5.3 Constitutional responsibilities and all appointments** are clustered under one Additional Secretary and meetings connected with Parliamentary Council, independent commissions, formation of Presidential Task Forces, Administration issues connected with Provincial Governors, related establishment matters and administrative matters of appointments and nominations by His Excellency the President are responsibilities of this cluster. This cluster will also cover Ministries of Foreign, Defence, Technology, Public Services, Provincial Councils and Local Government, Justice, Public Security and related work including recruitment schemes for graduates and Multi-Purpose Development Task Force established to provide employment to 100,000 low income people. Resolving the issues related to grievances and petitions of public sector officials, institutions etc, maintenance of internal staff files and connected documents and all assets and liability declarations coming under the purview of Presidential Appointments are also the responsibilities of this cluster.

**5.3.1 Senior Assistant Secretary - Government Policy Affairs** is assigned with the task of interfacing responsibilities and required follow up work with the Ministry of Finance, Cabinet Office, Parliament and Treasury Departments.

**5.3.2 Senior Assistant Secretary (Internal Establishments)** – is assigned with the task of managing all establishment matters in connection with personal files of internal staff and follow up actions.

**5.3.3 Senior Assistant Secretary (Appointments based on Statutory and Constitutional Provisions)** – is assigned the responsibility of processing all the appointments and nominations made by His Excellency the

President according to the Constitutional and Statutory provisions.

**5.4 Presidential Task Forces** for already defined tasks with set time frame with each Task Force having a Secretary. This office has one **Additional Secretary** to interface with them, organize progress review meetings and communicate decisions taken. This Additional Secretary will also handle development matters connected with the **Ministries of Education**.

**5.4.1 Senior Assistant Secretary / –** will attend all administrative functions of the work related to Presidential Commissions, Task Forces and Committees appointed by His Excellency the President.

**5.5** Subjects of food supply, agriculture, plantation, land and irrigation have been assigned to one **Additional Secretary**. The organization of all connected meetings with the **Ministries of Agriculture, Plantation, Lands, Irrigation, Fisheries, Wildlife and Forest Conservation, Environment, Trade** and related Agencies comes under the purview of this cluster. Taking minutes, communication of decisions, follow-up actions with regard to Presidential Review Meetings must happen from this cluster as well.

**5.5.1. Senior Assistant Secretary (Land, Wildlife and Forest Conservation) –** is assigned to coordinate and monitor the relevant Cabinet and State Ministries with the Government Departments and other institutions under the purview of those Ministries in formulating the Economic and Development Policies and issuing guidelines and facilitating these Institutions where necessary in the implementation of such policies in the Sectors of Land, Wildlife and Forest Conservation.

**5.5.2. Director (Agriculture Development) -** Coordinating and Monitoring the relevant Cabinet and State Ministries with the Government Departments and other Institutions under the purview of those Ministries under this cluster in formulating the Economic and Development Policies and Guidelines and facilitating these Institutions where necessary in the implementation of such policies in the Sectors of Agriculture, Plantation, Irrigation and Fisheries.

**5.6 Public Relation** matters are assigned to **Additional Secretary** who will address



public grievances, petitions, appeals, trade union representations and interface with line ministries and agencies to resolve public concerns. Best effort must be made to respond on letters and other communications in a constructive manner to ensure public confidence. This cluster covers the work related to the **Ministries of Mass Media, Labour and Tourism.**

5.6.1 **Senior Assistant Secretary** – is assigned with the tasks of developing user friendly policy proposals based on representations of general public and other various parties.

5.6.2 **Director** – Taking action on public complaints regarding lands and representing the Division on Public Days, Trade Unions etc.

5.7 **Additional Secretary - Administration and Logistics** is responsible for the organizational administration, security, logistic arrangements for functions, adherence to health guidelines, maintenance of all assets, facilitation for Ex-Presidents and maintenance of all Presidential Houses.

5.7.1 **Senior Assistant Secretary (Internal Administration)**

5.7.2 **Director (President Houses)**

5.7.3 **Director (Defence Coordination)**

5.7.4 **Director (Special Assignments and Environmental affairs)**

5.7.5 **Director (Information and Communication Technology)**

5.7.6 **Director (Medical Unit)**

5.7.7 **Director (Presidential Special Projects Supervision)**

5.7.8 **Director (Engineering)**

5.7.9 **Director (Transport)**

5.7.10 **Director (Accounts)**

5.7.11 **Director (Productivity)**

5.7.12 **Assistant Secretary (Record Keeping)** – Record all meeting minutes and distribute them among all relevant parties after relevant additional Secretary certifying the accuracy of minutes and to maintain all such



documents with copies at the office of the Additional Secretary – Administration and Logistics.

**5.8 Private Secretary to His Excellency the President** – on the instruction of His Excellency the President, Private Secretary will coordinate all related work with Principal Advisor, Additional Secretary – Administration and logistics and Coordinating Secretary to the Secretary to the President. Also liaise with, Members of Parliament, Local authorities and other public representations.

**5.9 Additional Secretary /Director General Legal Affairs** will attend all legal and court cases and represent the officers at Courts and interface with Attorney General's Department and maintenance of the Presidential Commission reports and related work is the responsibilities of this cluster. This Section will maintain on Presidential Commission Reports and responsible to manage Right to Information requests.

**5.11.1 Information Officer** - function as the Information Officer according to the Right to Information Act

**5.10 Director General - Flagship Project Monitoring** has been assigned to facilitate and monitor all flagship projects with special emphasis on power, waste management, urban development, water and irrigation.

**5.10.1 Director** – is assigned to coordinate with the **Ministries of Urban Development and Housing, Power, Highways, Industries, Water Supply, Energy and Ports and Shipping** on all infrastructure sector related activities in terms of "*Saubhagyaye Dekma*", for timely policy decisions of the Presidential Secretariat as well as to coordinate all activities related to foreign funded projects/missions for timely policy decisions of the Presidential Secretariat.

**5.11 Investment related matters** are assigned to **Director General – Investment**, and is required to influence BOI, EDB, SLTDA, ICTA, Registrar of Companies, Ministry of Finance, Ministry of Technology, other related agencies and business community.

**5.10.1 Senior Assistant Secretary** - Introduce systems and maintain proper records, documentation and submit reports with remedial measures to

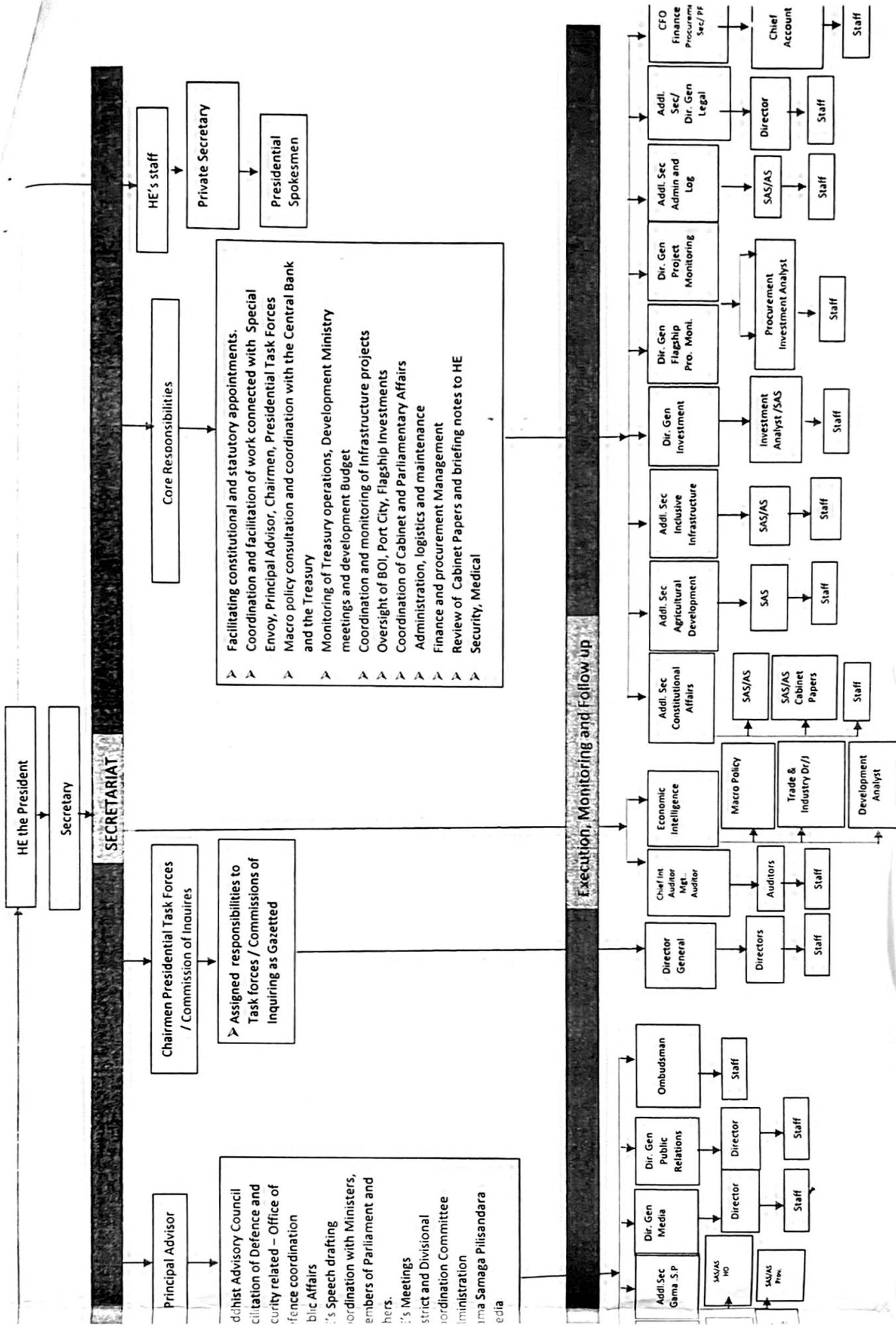
address the issues raised by potential and existing investors on investment related issues and Coordinate with Line Agencies, Ministries, investors, officials, Industry Associations and take required follow up actions. Preparation of reports and documents in accordance with relevant circulars and guidelines to provide administrative approval and advice for requests received from the BOI, including appointment of members for Procurement Committees and Technical Evaluation Committees. Also liaise with BOI and other relevant organization/s for timely submission of responses to Parliamentary questions.

- 5.12 **Director General Media** is responsible for the media communications, organizing media briefings and coordinate with Director General, Media Centre Director General, Government Information Centre and other Media Agencies and Presidential Media Spokesmen.
- 5.13 **Chief Financial Officer** is responsible for the entire financial management as per the Parliamentary approved Budget, Commitment controls, imprest arrangement and related public financial management. CFO will also act as the Secretary to the President's Fund, Secretary to the COVID Fund and responsible for those operational matters.
- 5.14 **Internal Management Audit** which is headed by **Chief Management Auditor** is established to ensure compliances of all standard procedures and to take corrective actions. Management Audit Committee Meeting will be chaired by me with the participation of all relevant officers and with the representation of Auditor General on a quarterly basis.
6. **Governance Advisor** is assigned to assist all procurement and Governance related concerns and to resolve procedural issues in consultation with Treasury officials and Development Finance Agencies.
7. **Economic Intelligence** – Directly supervised by the Secretary to the President and assigned work connected with Trade Agreements, examination of Customs based taxes, Revenue Departments, re-engineering Trade and Industrial Policies and related analytical work.
8. **Director General –Development Finance Cooperation** – To be filled





9. Director General – External Relations – (from Foreign Ministry) currently the work of the division is handled by Deputy Director.
10. The new **Organizational Hand Book** identifies works and responsibilities of all officers at staff level and officers should be fully engaged on assigned work under Additional Secretaries and work under supervision of Director Generals.
11. I see, there are only minor gaps which can be resolved systematically without compromising the work of the Secretariat and effective redeployment of staff and inter-division interactions.
12. The meetings of His Excellency, whether attended by me or Principal Advisor or both, taking minutes and communication of decisions and organizing follow up meetings are the responsibility of the relevant Additional Secretaries/ Director Generals. All such communications to relevant agencies should be made within 7 days. They should constantly brief and interact with Director General – Media and President’s Spokesman.
13. Additional Secretaries and Director Generals must be able to make decisions and take positions at given situations to facilitate, motivate and guide the staff under their purview as well as stakeholders in Government and private sector.
14. All officers are required to keep call-up diaries, “daily list of things to do” and remain active stakeholders of the Effective Coordinated Work Team.
15. Parliamentary Questions should be promptly handled by Senior Assistant Secretary – Government Affairs and relevant divisions through proper consultation and liaise with Prime Minister Office.



1. Career Progression

With my academic achievements from Colombo University with B.A.(Hons) Economics in 1973 and B.Phil in Economics in 1974 and M.A Development Economics from Williams College, USA in 1979/1980 and Ph.D in Political Economy from Boston University together with Financial Programing course from IMF Institute and Monetary Policy training from Bank of Switzerland, I have served in the following positions.

- a. Industrial Development Officer – Industrial Development Board of Sri Lanka (1974- 1976)
- b. Economist, Deputy Director, and Additional Director, Economic Research Department Central Bank of Sri Lanka (1976 -1999)
- c. Economic Advisor (1989 – 1994)
- d. Director General Fiscal Policy Department (1994 – 1997)
- e. Deputy Secretary to the Treasury – (1997 -1999)
- f. Secretary to the Treasury (1999 – 2001), (2004 – 2008), (2009 – 2015 January)
- g. Secretary, Ministry of Economic Development (2010 – 2014)
- h. Chairman, Public Enterprise Reform Commission (1997 – 2002)

2. I have undertaken few international consultancy assignments as follows;

- a. 1993 - Vietnam (IMF, Fiscal Affairs Department)
- b. 2002 – Sudan (IMF, Fiscal Affairs Department)
- c. 2003 – Lao PDR (The Word Bank)
- d. 2016 – Myanmar (IMF, Fiscal Affairs Department)
- e. 2017 – Nepal (United Nations Capital Development Fund)





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தனது அலுவலகம்  
PRESIDENTIAL SECRETARIAT

28th April 2020

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Governor, Central Bank of Sri Lanka  
Senior Deputy Governor, Central Bank of Sri Lanka  
Chairman, Export Development Board  
Chairman, Board of Investment of Sri Lanka

**Tariff Determination Committee**

In the background of newly imposed trade restrictions, His Excellency the President has directed me to form a Committee under my chairmanship to design tariff and related measures within the Government Policy Framework. Following are appointed as members of the Committee:

1. Secretary to the Treasury
2. Secretary to the Ministry of Industries and Supply Chain Management
3. Director General - Department of Agriculture
4. Director General - Sri Lanka Customs
5. Controller General - Imports and Exports Control Department
6. Director General - Department of Commerce
7. Director General - Board of Investments of Sri Lanka
8. Director General - Export Development Board
9. Head of Trade Division - Central Bank, Economic Research Department
10. Dr. Sanath Jayanetti - Trade and Tariff Expert
11. Mrs. Sonali Wijeratne - Former Director General of Commerce

  
P. B. Jayasundera  
Secretary to the President



cc:

Chairman, Presidential Task Force on Economic Revival and Poverty Alleviation

Secretary to the Prime Minister

Secretary to the Cabinet of Ministers

All Secretaries to the Line Ministries

Coordinate with respective private sector Chambers and Trade Associations.

Secretary to the Treasury

Requested to release Mr. Suranga Pradeep Kumara, Asst. Director to assist this Committee and work part time at the Presidential Secretariat.

Secretary to the Ministry of Industries and Supply Chain Management

Director General – Department of Agriculture

Director General - Sri Lanka Customs

Controller General - Imports and Exports Control Department

Director General – Department of Commerce

Director General – Board of Investments of Sri Lanka

Director General - Export Development Board

Head of Trade Division – Central Bank, Economic Research Department

Dr. Sanath Jayanetti – Trade and Tariff Expert

Mrs. Sonali Wijeratne - Former Director General of Commerce

Ceylon Chamber of Commerce

National Chamber of Commerce of Sri Lanka

National Chamber of Exporters of Sri Lanka

Exporters Association of Sri Lanka

Federation Chamber of Commerce of Sri Lanka

Chamber of Young Lankan Entrepreneurs

You are requested to attend the first meeting of the above Committee on 30<sup>th</sup> April 2020 at 9.00 a.m at my Office.

You are requested to submit your proposals through respective line Ministry Secretaries

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## INTERNATIONAL MONETARY FUND

IMF Country Report No. 14/285

# SRI LANKA

September 2014

### 2014 ARTICLE IV CONSULTATION AND SECOND POST-PROGRAM MONITORING DISCUSSION—STAFF REPORT; PRESS RELEASE

Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. In the context of the 2014 Article IV consultation with Sri Lanka, the following documents have been released and are included in this package:

- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on a lapse of time basis, following discussions that ended on May 30, 2014, with the officials of Sri Lanka on economic developments and policies. Based on information available at the time of these discussions, the staff report was completed on July 9, 2014.
- An **Informational Annex** prepared by the IMF.
- A **Debt Sustainability Analysis** prepared by the staffs of the IMF and the World Bank.
- A **Press Release** summarizing the staff report.

The following document has been or will be separately released.

Selected Issues Paper

The publication policy for staff reports and other documents allows for the deletion of market-sensitive information.

Copies of this report are available to the public from

International Monetary Fund • Publication Services  
PO Box 92780 • Washington, D.C. 20090  
Telephone: (202) 623-7430 • Fax: (202) 623-7201  
E-mail: [publications@imf.org](mailto:publications@imf.org) Web: <http://www.imf.org>  
Price: \$18.00 per printed copy

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**Washington, D.C.**

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## SRI LANKA

### STAFF REPORT FOR THE 2014 ARTICLE IV CONSULTATION AND SECOND POST-PROGRAM MONITORING DISCUSSION

July 9, 2014

#### KEY ISSUES

**Context.** Macroeconomic performance has generally exceeded expectations. Real GDP grew 7.3 percent for 2013, up from 6.3 percent in 2012. Inflation declined to below 5 percent, and the external current account balance has improved. Private credit growth has been slow, however, a number of financial sector indicators have deteriorated.

**Outlook and Risks.** Growth is expected to remain robust at 7 percent and inflation to remain in the mid-single digits. The external current account should improve marginally, allowing for further accumulation of foreign exchange reserves. Near-term risks appear moderate, although there may be some bumps in the road from market turbulence and climatic events. Medium-term risks relate to the potential for tighter external liquidity, the challenge of further fiscal and debt consolidation while maintaining high levels of investment in infrastructure and human capital, maintaining a balanced monetary policy, and staying competitive in a shifting economic landscape.

#### Key Policy Recommendations.

- Fiscal consolidation and debt reduction need to continue, but the burden of adjustment needs to shift decisively to revenue generation. Debt targets could potentially be recast to achieve deeper reduction over a longer period.
- Monetary policy needs to maintain a balance between supporting growth and containing inflation. A continued forward-looking approach is needed given long lags in monetary transmission.
- Financial sector consolidation could lead to economies of scale, greater resilience, and more effective supervision, but corporate governance needs to continue to improve, and careful supervision in the post-consolidation period will be key.
- Maintaining competitiveness and achieving a more sustainable external position will require a mix of continued innovation, sustained investment in infrastructure and human capital, a predictable business environment, and ideally a heavier emphasis on direct investment and equity portfolio flows than debt.

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PRESS RELEASE NO. 19/162

## IMF Executive Board Completes the Fifth Review under Sri Lanka's Extended Arrangement under the Extended Fund Facility; Grants Waivers of Nonobservance of Performance Criteria and Approves US\$ 164.1 million disbursement and Extension of the Arrangement

May 13, 2019

- Sri Lanka successfully brought the EFF-supported program back on track.
- Sustaining policy discipline remains critical to strengthen resilience and support strong and inclusive growth.
- Extension of EFF arrangement by one additional year will provide a policy anchor to complete Sri Lanka's economic reform agenda.

On May 13, 2019, the Executive Board of the International Monetary Fund (IMF) completed the Fifth Review of Sri Lanka's economic performance under the program supported by an extended arrangement under the Extended Fund Facility (EFF). [1] (file:///Q:/COM/MR/Press%20Releases/2019/PR19162%20-%20Sri%20Lanka%20-%20IMF%20Executive%20Board%20Completes%20the%20Fifth%20Review%20under%20Sri%20Lanka%E2%80%99s%20Extenc Completion of this review, upon the granting of waivers of nonobservance for the end-December 2018 performance criteria on the primary balance and net official international reserves, makes available SDR 118.5 million (about US\$ 164.1 million), bringing total disbursements under the arrangement to SDR 833.73 million (about US\$ 1.155 billion). The Executive Board also approved an extension of the arrangement by one additional year, until June 2, 2020, with rephasing of remaining disbursements.

Sri Lanka's three-year extended arrangement was approved on June 3, 2016, in the amount of about SDR 1.1 billion (US\$1.5 billion, or 185 percent of quota in the IMF at the time of approval of the arrangement. See Press Release No. 16/262 (<https://www.imf.org/en/News/Articles/2015/09/14/01/49/pr16262>)).

Following the Executive Board's discussion of the review, Mr. Mitsuhiro Furusawa, Deputy Managing Director and Acting Chair of the Board, issued the following statement:

"We join Executive Directors in extending our condolences to the government and people of Sri Lanka for the loss of life and suffering caused by the recent terror attacks.



"The Sri Lankan authorities have successfully brought the program back on track, despite important setbacks, by advancing fiscal consolidation through a well-targeted 2019 budget, rebuilding reserves, while maintaining a prudent monetary policy, under greater exchange rate flexibility, and reviving structural reforms. Sustaining policy discipline remains critical to strengthen resilience, given still sizable public debt and low external buffers, and support strong and inclusive growth.

"Sustained revenue mobilization is needed to place public debt on a downward path, while making space for critical public investment and an expansion of the social safety net under well-defined selection criteria. Strengthening the selection and appraisal process of large-scale investment projects and assessing their fiscal affordability is critical, given Sri Lanka's high public debt. Stronger fiscal rules and a medium-term debt management strategy will support medium-term fiscal consolidation and debt reduction efforts.

"The authorities should renew their efforts to strengthen SOE governance and transparency, including by advancing a restructuring plan for SriLankan Airlines and completing energy pricing reforms, building on important progress with the implementation of the fuel pricing formula.

"The Central Bank of Sri Lanka should continue to pursue a prudent and data-dependent monetary policy. The amendments to the central bank law will be a major step in the transition to flexible inflation targeting. Efforts to build reserves should be sustained, under greater exchange rate flexibility, to protect the economy against shocks. Harmonizing regulation and supervision of financial institutions, strengthening the macroprudential policy framework, and enhancing the crisis-preparedness toolkit will help further strengthen financial sector stability.

"Continued implementation of structural reforms is essential to support strong and inclusive growth. Efforts should focus on liberalizing trade, improving the business environment and promoting investment, strengthening governance, encouraging female and youth labor force participation, enhancing social protection, and improving crisis preparedness to natural disasters."

[1] (file:///Q:/COM/MR/Press%20Releases/2019/PR19162%20-%20Sri%20Lanka%20-%20IMF%20Executive%20Board%20Completes%20the%20Fifth%20Review%20under%20Sri%20Lanka%E2%80%99s%20Extend. The EFF was established to provide support of comprehensive programs that include policies of the scope and character required to correct structural imbalances over an extended period. For more details see <http://www.imf.org/en/about/factsheets/sheets/2016/08/01/20/56/extended-fund-facility> (<http://www.imf.org/en/about/factsheets/sheets/2016/08/01/20/56/extended-fund-facility>) /

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ESS RELEASE NO. 20/98

## The Great Lockdown: Worst Economic Downturn Since the Great Depression

March 23, 2020

International Monetary Fund Managing Director Kristalina Georgieva made the following statement today following a conference call of G20 Finance Ministers and Central Bank Governors:

"The human costs of the Coronavirus pandemic are already immeasurable and all countries need to work together to protect people and limit the economic damage. This is a moment for solidarity—which was a major theme of the meeting today of the G20 Finance Ministers and Central Bank Governors."

"I emphasized three points in particular:

"First, the outlook for global growth: for 2020 it is negative—a recession at least as bad as during the global financial crisis or worse. But we expect recovery in 2021. To get there, it is paramount to prioritize containment and strengthen health systems—everywhere. The economic impact is and will be severe, but the faster the virus stops, the quicker and stronger the recovery will be.

"We strongly support the extraordinary fiscal actions many countries have already taken to boost health systems and protect affected workers and firms. We welcome the moves of major central banks to ease monetary policy. These bold efforts are not only in the interest of each country, but of the global economy as a whole. Even more will be needed, especially on the fiscal front. //

"Second, advanced economies are generally in a better position to respond to the crisis, but many emerging markets and low-income countries face significant challenges. They are badly affected by outward capital flows, and domestic activity will be severely impacted as countries respond to the epidemic. Investors have already removed US\$83 billion from emerging markets since the beginning of the crisis, the largest capital outflow ever recorded. We are particularly concerned about low-income countries in debt distress—an issue on which we are working closely with the World Bank.

"Third, what can we, the IMF, do to support our members?

- We are concentrating bilateral and multilateral surveillance on this crisis and policy actions to temper its impact.
- We will massively step up emergency finance—nearly 80 countries are requesting our help—and we are working closely with the other international financial institutions to provide a strong coordinated response.

- We are replenishing the Catastrophe Containment and Relief Trust to help the poorest countries. We welcome the pledges already made and call on others to join.
- We stand ready to deploy all our US\$1 trillion lending capacity.
- And we are looking at other available options. Several low- and middle-income countries have asked the IMF to make an SDR allocation, as we did during the Global Financial Crisis, and we are exploring this option with our membership.
- Major central banks have initiated bilateral swap lines with emerging market countries. As a global liquidity crunch takes hold, we need members to provide additional swap lines. Again, we will be exploring with our Executive Board and membership a possible proposal that would help facilitate a broader network of swap lines, including through an IMF-swap type facility.

"These are extraordinary circumstances. Many countries are already taking unprecedented measures. We at the IMF, working with all our member countries, will do the same. Let us stand together through this emergency to support all people across the world."

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2020



**PRE-ELECTION BUDGETARY POSITION REPORT**

Issued under Section 16 of the Fiscal Management  
(Responsibility) Act, No. 3 of 2003

Secretary  
Ministry of Finance, Economic and Policy Development





**PRE-ELECTION BUDGETARY  
POSITION REPORT 2020**

Issued under Section 16 of the  
Fiscal Management (Responsibility) Act, No. 3 of 2003

Secretary  
Ministry of Finance, Economic and Policy Development

*23<sup>rd</sup> March 2020*

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## Pre-election Budgetary Position Report - 2020

Issued by the Secretary, Ministry of Finance, Economic and Policy Development  
in terms of Section 16 of the Fiscal Management (Responsibility) Act, No.3 of  
2003

### 1. Introduction

This report is issued in terms of Section 16 of the Fiscal Management (Responsibility) Act, No. 3 of 2003, which requires the Secretary to the Ministry of Finance to present to the public, within three weeks of the publication of Proclamation or Order requiring the holding of a general election for the election of members of Parliament, a Pre-election Budgetary Position Report containing information on the fiscal position of the economy.<sup>1</sup>

Accordingly, this report contains provisional figures of Government revenue, expenditure and borrowings in 2019 and a broad fiscal outlook for 2020<sup>2</sup>, based on legal arrangements pertaining to collection of revenue and commitments for public expenditure. The estimates of Government revenue, expenditure and borrowings for related to the Vote on Account is also reported. The key macroeconomic developments in 2019 and the first two months of 2020 are also provided to facilitate the understanding of the overall economic situation within which fiscal operations have been conducted.<sup>3</sup>

This Report also refers to the basis of information on economic and other assumptions used in the preparation of estimates, risks, and such other information that may have a material effect on the fiscal performance, so as to reflect the financial position of the country.

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1 His Excellency the President made a proclamation to dissolve Parliament on 02<sup>nd</sup> March 2020 by Gazette Notification No. 2165/8.

2 Fiscal Outlook for 2020 will eventually depend on the Budget to be presented by the new Government.

3 Statistics are being collected for 2019 by relevant authorities and are expected to be finalized by end March 2020. Hence, this Report is based on provisional figures available as at end February 2020 and is subject to change once all accounts are finalized. However, such changes are not expected to make a material impact to the overall contents in this report.



## 2. Overview

At the time this report is compiled 186 countries in the world is affected by the COVID-19 virus. World economy is paralyzed and the markets have been volatile. Sri Lanka being integrated with the global economy has also not been spared the effects of the global paralysis, given its requirement for procuring raw materials for its major export industries, sourcing for tourism and inward remittances. This has had a contagion impact on major employment generating activities and supply chains. The country's initiatives on social distancing programme have reduced the scale of operations and has displaced a large number of people from the work places. The policy initiatives by developed economies in the North America, Europe, Japan and Australia, with Central Banks and Governments infusing liquidity to the system also have had contagion effects on commodity and financial markets with stress on fiscal and monetary policy conduct.

Policy conduct necessitated similar relief to the domestic economy, on top of the large fiscal overhangs with unpaid claims stemming from 2019 fiscal performance. The major such unpaid claims as at 31 December 2019 are as follows:

- i. Unsettled claims on 2019 Presidential Elections Rs. 1.8 billion
- ii. Fertilizer Rs. 23.9 billion
- iii. Pharmaceutical drugs Rs. 25.7 billion
- iv. Interests subsidy for senior citizens with the banking system Rs. 45.8 billion
- v. Road construction contractors Rs. 18.4 billion
- vi. Gamperaliya rural work, Rs. 7.1 billion
- vii. Urban development work Rs. 6.9 billion
- viii. School development Rs. 2.8 billion
- ix. Foreign funds used but not accounted for as there was no budgetary provisions in the approved Appropriation Act Rs. 212 billion

The commitments made under the IMF supported 3 year Extended Fund Facility (EFF) has not been fulfilled. The envisaged reserve targets fiscal performance has not been achieved. In the meantime, there was no Appropriation Act approved by the Parliament for 2020. Instead, in the wake of the 2019 Presidential elections, Vote on Account for 4 months commencing from January 2020, has been approved. The Vote on Account had did not have adequate provisions to meet

all such unpaid bills and it has been a challenge to maintain a smooth supply of fertilizer and pharmaceutical products even in the first two months of 2020.

Hon. Prime Minister updating the fiscal position in the country, sought an approval from the Parliament to enabling the Treasury to honour, such payments, and bring such expenditure along with unaccounted foreign loans expenditure into the government accounts. However, this was not realized.

The Parliament was dissolved on the 2 March 2020, by His Excellency the President and a Vote on Account under Section 150 (c) was approved to facilitate the announced Parliamentary elections and honour the above mentioned claims to get the supplies reactivated.

The Government announced a budget deficit of 4.4 per cent of GDP in 2019, however, by the end of 2019 the deficit stood at 6.5 per cent of GDP excluding the above mentioned unpaid bills. It needs to be noted, Rs. 367 billion of expenditure including Rs. 212 billion of disbursements pertaining to foreign currency development projects and Rs. 155 billion of expenditure incurred remains unpaid and unrecorded, of which some have been incurred, without adhering to accepted financial procedures in the country. As such, the actual budget deficit for 2019 should have been over 8 per cent of GDP in 2019.

The unsettled dues from government to the private sector has created multiple issues in the economy. The main factors being a slowdown in the economy due to the lack of consumption and investment as has been reflected in the Banks recording their highest non-performing loan portfolio in almost a decade, at around 4-5 per cent, (of which almost 25 per cent is due to the SME sector), supply interruptions of fertilizer, pharmaceuticals, closure of businesses specially Small and Medium-sized Enterprises (SMEs), loss of employment and lack of employment creation and most importantly a significant decline in the quality of life of the people.

At the same time, the realized government revenues in 2019, at Rs. 1,899 billion was 19.4 per cent ( Rs. 458 billion) less than the estimated revenue of Rs. 2,357 billion. This was driven mainly by a 20-25 percent short in revenues from taxes on goods and services i.e Value Added Tax (VAT) and taxes on external trade driven by the decline in the imports of intermediate goods and almost a 50 per cent decline in the import of motor vehicles. As such, the government missed the announced budget deficit of 4.4 per cent in 2019.

The new government which took office in November 2019, in line with the policy document "Vistas of prosperity" announced a comprehensive set of new policies and strategies. The reforms in the tax policy is central, based on a simple, targeted and transparent tax system, easily manageable with online payment systems, coupled with simplifications of over regulated economic and business arrangements. This also includes professionalizing corporate management structures of State Owned Enterprises (SOE), breaking market monopolistic manipulations, and promote entrepreneurial initiatives and knowledge based economy.

In this regard the new tax policy includes measures to reduce the VAT to 8 per cent from 15 per cent, removal of Nation Building Tax (NBT) and Withholding (WHT) type taxes such as Pay-As-you-Earn (PAYE). Corporate tax rate (standard) were also reduced to 24 per cent from 28 per cent to encourage business expansions. All taxes on foreign currency inflows have been removed largely to create a professional service economy. Boosting emerging industries such as Information Technology (IT) and agriculture, all corporate taxes as applicable has been removed. These measures, will simplify the tax system and reduce the administrative cost of tax collections, while encouraging better self-compliance. The financial VAT will remain at 15 per cent accounting for almost 15 per cent of the total VAT revenue. The applicable VAT rate on liquor and tobacco (which accounted for almost 10 per cent of the VAT revenue) has been incorporated to excise taxes to maintain revenue neutrality of such reforms. As such, the government revenue from VAT of almost 25 percent remains well protected and the immediate loss is confined only to the real sector. However, that is also neutralized to a large extent as government operational and procurement cost is also expected reduce.

The corporate income tax on liquor, tobacco, cigarettes and entertainment remains at 40 percent. Personal income tax free consolidated threshold is fixed at Rs. 250,000 per month and personnel income tax collection system to apply for those drawing from any income source above that threshold, unless such sources are exempted. The removal of multiple taxes such as NBT, ESC, WHT etc to make the real economy work on easily complied, single rate VAT system.



Effective Date	Summary of Fiscal Stimulus
<b>Nation Building Tax (NBT)</b>	
01.12.2019	- Removal of NBT
<b>Economic Service Charge (ESC)</b>	
01.01.2020	- Removal of ESC
<b>Debt Repayment Levy (DRL)</b>	
01.01.2020	- Removal of DRL
<b>Value Added Tax (VAT)</b>	
01.12.2019	- Reduction of VAT rate (other than financial services) from 15% to 8%.
01.01.2020	- Increase of threshold for the registration for VAT, from Rs. 3 million per quarter or Rs. 12 million per annum to Rs. 75 million per quarter or Rs. 300 million per annum.
01.12.2019	- Exemption of the sale of condominium housing units from VAT.
01.12.2019	- Reduction of VAT rate applicable on the supply of services by a hotel, guest house, restaurant or other similar businesses providing similar services, registered with the Sri Lanka Tourism Development Authority, if 60% of the total value of the inputs are sourced from local supplies/sources to zero (0%) per centum.
01.01.2020	- Exemption of information technology and enabling services.
<b>Telecommunication Levy (TL)</b>	
01.12.2019	- Reduction of TL from 15% to 11.25%.
<b>Ports and Airports Development Levy (PAL)</b>	
06.12.2019	- Increase of PAL rate from 7.5% to 10%.
<b>Withholding Tax (WHT)</b>	
01.01.2020	- Exemption of interest, specified fees, dividend, charge, natural resource payment, rent, royalty, and premium or retirement payments made to residents.
<b>Income Tax (IT)</b>	
01.01.2019	- Exemption of profits and income earned by any person from farming including agriculture, fish and livestock farming.
01.01.2020	- Exemption of profits and income earned from providing Information Technology and enabling services.
01.01.2020	- Exemption of profits and income earned from services rendered to persons outside Sri Lanka, including the income earned from foreign sources if the payments for such services are received in foreign currency, through a bank.
01.01.2020	- Exemption of interest income earned on NRFC and RFC accounts.
01.01.2020	- Exemption of dividends paid by a resident company to any non-resident tax.
01.01.2020	- Exemption of dividends distributed by commercial hub enterprises.
01.01.2020	- Exemption of amounts derived by any non-resident person from laboratory services or standards certification services.

Effective Date	Summary of Fiscal Stimulus
01.01.2020	- Exemption of amounts received by any religious institution by way of grants and donations.
01.01.2020	<p><b>Income Tax Rate Changes</b></p> <ul style="list-style-type: none"> <li>The progressive rate applicable on personal income is revised to 6%, 12% and 18% and the tax-free limit and the tax slab is revised to Rs. 3 million per annum.</li> <li>Income tax rate applicable on the terminal benefits is revised as follows; <ul style="list-style-type: none"> <li>First Rs. 10 Million - Exempt</li> <li>Next Rs. 10 Million - 6%</li> <li>Balance - 12%</li> </ul> </li> <li>Payments to non-residents where such payments have a source in Sri Lanka are treated as final withholding payments subjected to tax as follows; <ul style="list-style-type: none"> <li>Interest payments - 5%</li> <li>Any other payment - 14%</li> </ul> </li> </ul>
01.01.2020	<p><b>Corporate Income Tax Rate Changes</b></p> <ul style="list-style-type: none"> <li>Exports, Tourism, Education, Healthcare, Construction and Agro-processing- 14%</li> <li>Manufacturing - 18%</li> <li>Trading, Banking, Finance, Insurance, etc (standard Rate) - 24%</li> <li>Liquor, Tobacco, Betting and Gaming - 40%</li> </ul>
Compiled by the Department of Fiscal Policy	

The introduction of a SME recovery plan with a debt moratorium implemented through the Banks, complemented by guarantees from the Central Bank of Sri Lanka (CBSL) has already commenced and so far facilities on the debt capital moratorium in excess of Rs. 25 billion have been provided to more than 1,000 SME's. This package which was only for LKR denominated loans will now be extended to cover the foreign currency-denominated loans as well, so as to support specially SME exporters and in particular, those in the tourism sector affected by the COVID-19 pandemic and the Easter Sunday Terrorist attacks of 2019.

It is encouraging to note that with the bumper harvest in paddy coupled with the state led paddy purchasing programme, more than Rs. 130 billion has been especially into the rural agriculture based economy. This programme will continue to ensure that the country is focused on food security.

The government is also committed to streamlining the governance framework for external trade based on national security, environment, and health. It is in this background that the government introduced restrictions with effect from December 2019 on the import and re-export of nine crops *i.e.* pepper, nutmeg, tamarind, mace, cinnamon, areca-nut, cardamom, clove and ginger. Also,

measures have been taken to ban the importation of garbage or waste materials which are recycled and re-exported. However, local recycling industries are not restricted under the above policy measures. Further, the import of lanterns, kites and incense sticks are restricted.

### **2020 Fiscal Operations**

The Parliament has not approved an Appropriation Act for 2020. The government operates on a Vote on Account and has been able to raise Rs. 303 billion of revenue during the first two months of 2020. Expenditures have remained broadly at around Rs. 428 billion, and includes the payments made on the outstanding dues of 2019 as well. With the Vote on Account authorized by HE the President, funds have been released to settle including Rs.10 billion of pharmaceutical bills, Rs. 3 billion of fertilizer bills, Rs. 5 billion to construction contractors with priority being given to SME contractors and Rs. 3 billion to suppliers of items such as text books, rations etc

Cost of debt financing of both domestic and foreign debt is estimated to be around Rs. 2,000 billion in 2020. The foreign debt servicing in 2020, alone amounts to USD 4.5 billion of which USD 2.8 billion is required for the first half of 2020. The government raised almost Rs. 311 billion through Treasury Bills, Bonds, Sri Lanka Development Bonds (SLDBs) and Foreign Currency Banking Unit (FCBU) loans during this period in 2020. The Foreign Currency Term Financing Facility (FCTFF) 2018 with China Development Bank (CDB) has been upsized at more favorable terms to USD 1,000 million including the extension of the tenure to 10 years in 2020 from 8 years in 2018 with a 3 year grace period, and a decrease in the margins over 6 month USD LIBOR. The first tranche of USD 500 million has already been drawn down.



Table 1: Cash Flow Operations January - February 2019-2020

Item	Rs. Million			
	2019		2020	
	January	February	January	February
<b>Total Revenue and Grants</b>	<b>143,342</b>	<b>146,701</b>	<b>132,494</b>	<b>170,941</b>
<b>Total Revenue</b>	<b>143,335</b>	<b>146,701</b>	<b>132,489</b>	<b>170,915</b>
Tax Revenue	136,625	139,173	125,765	137,271
Non-Tax Revenue	6,710	7,528	6,725	33,644
Grants	7	-	5	26
<b>Total Expenditure</b>	<b>233,717</b>	<b>200,458</b>	<b>250,818</b>	<b>176,833</b>
<b>Recurrent Expenditure</b>	<b>215,185</b>	<b>155,704</b>	<b>220,722</b>	<b>161,127</b>
Salary	62,662	62,103	71,485	71,045
Interest	112,863	41,862	98,238	45,912
Pension	16,440	18,219	21,097	20,696
Samurdhi	3,254	3,252	4,403	4,396
Other	19,966	30,268	25,500	19,079
<b>Capital Expenditure</b>	<b>18,532</b>	<b>44,754</b>	<b>30,096</b>	<b>15,706</b>

Source: Department of Treasury Operations

The new government has undertaken a significant expenditure rationalization programme with emphasis placed on non-priority expenditures. As such, at the outset itself, the government decided not to purchase new vehicles for elected officials, while also curtailing the rent or purchasing of buildings, equipment. The Treasury has issued clear instructions to spending agencies including Ministries, and Departments, where these agencies are required to submit an expenditure rationalization plan that will be monitored by the Department of Management Audit of the Treasury. It is expected that with the expenditure controls in place, coupled with the savings from the tax reductions<sup>4</sup> in government service delivery could lead to almost a saving of 0.6-0.7 percent of GDP in government expenditure.

The debt stock, which was at 71.3 per cent of GDP at the end of 2014 or Rs. 7,391 billion has increased to 82.9 per cent of GDP by end 2019 or Rs. 13,031 billion. However, the cause for concern is that the foreign currency debt which was only 41.6 per cent of the total debt stock in 2014 has now increased to almost 50 percent,

<sup>4</sup> Budgetary allocations provided to Departments, Ministries and other spending agencies include allocations for taxes as well. As such, with the reduction in eg VAT, the budgetary allocation provided will also be reduced.

as floating of international sovereign bonds since 2015 has been frequent. Of the total foreign currency debt stock of USD 35 billion, International Sovereign Bonds (ISB) accounts for almost 50 per cent or USD 15 billion of which USD 12 billion was raised during the period 2015-2019.

As such, given that the debt financed project pipeline is already about USD 10 billion, the government has taken a decision to reassess and prioritize its public investments initially confining to high impact projects that has significant economic and financial benefits to the country while ensuring prudent fiscal management. The government policy of public investments will be driven with the objective of achieving the following :

- National security
- Food security
- Energy security
- Creating new industrial initiatives
- Public Health
- Education, skills development and knowledge based economy

Public Investment Programme and regular current and capital expenditures will be lined up on the basis of the above 6 considerations. This will further increase the capacity for the private sector to leverage on the public investment to create more value to increase exports and import replacements particularly in food and agriculture sectors. At the same time, the financing decisions will be driven by the type of currency i.e domestic vis-a-vis foreign currency, assets, liability and maturity compatibilities in response to a sustainable debt management strategy.

It is expected that public investment in 2020, will be around Rs. 300-400 billion excluding the recording of the capital expenditure that have been in arrears from 2019 amounting to Rs. 307 billion<sup>5</sup> which includes Rs. 212 billion of foreign funded project expenditure.

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<sup>5</sup> The recording of the capital projects spillovers from 2019 will not increase the borrowings given that these projects have already been financed and is already being serviced given that it is recorded in the stock of debt. However, these expenditures have not been recorded in 2019.

The National Programme for Eradication of Poverty is a multi-pronged approach, giving priority to eradicating poverty alleviation and youth unemployment. A Poverty Alleviation Task Force has been appointed. Under this programme, 100,000 persons from amongst the poorest of the poor and least educated will be provided employment and a further 50,000 unemployed graduates will also be recruited, ensuring a sustainable livelihood with a steady stream of income, ensuring food security, housing and connectivity. In this regard, low income families will be provided with a package of essential food items, which includes sugar, tea, rice, flour, dhal, dried fish, chilies, onion, potatoes and milk powder as subsidized prices and a food security card (FSC) will also be introduced to all beneficiaries under this programme. They will be further supported through a programme that will give them easy access to credit with priority being given to the development of SMEs, self-employment and household level livelihood development initiatives. These families will also be supported with housing,<sup>6</sup> access to better quality roads which will benefit approximately 1,000,000 households through 100,000 Km of the rural road development programme, and provision of 150,000 water connections to households in plantation, semi-urban and rural areas.

The “*Sapiri Gamak*” initiative that has been launched also complements the initiative of the government to improve the quality of life of its citizens, by improving the small infrastructure facilities in the 14,021 Grama Niladari divisions (GN), with each GN division being allocated Rs. 2 million and at present 37,862 projects have commenced in almost all the GN divisions. The activities undertaken include rehabilitation of access roads, drainage systems, improving facilities for village fairs (*Sathi Pola*) etc.

The Government having realized that public sector systems and processes have become inimical in the development drive of the country has been requested to revamp these systems so that a better and more efficient delivery of services could be made available to the citizens. In this regard, the Treasury has undertaken a revamping of the public finance related regulations and circulars. The Integrated Treasury Management Information System (ITMIS) will be rolled out commencing from May 2020 and will support better Treasury cash management which will subsequently be linked to all spending agencies. In line with modern practices, E-procurement has been developed and will be fully implemented during 2020, improving transparency, and reducing the lead time to purchase goods and services. E-documentation of the Customs will also be introduced in due course, supporting trade facilitation. The Information and Communication Technology Agency (ICTA) has been assigned the task of formulating and implementation

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<sup>6</sup> All ongoing island wide housing programmes to be completed on an accelerated basis



of IT based systems in all government agencies thus eliminating duplication and even triplication.

SOEs remains central, in the government's economic policy framework and in this regard, the government introduced a new procedure to choose members of the Boards of SOEs. This resulted in professionals and corporate leaders getting appointed to lead specially the key SOEs. These boards of management, have been informed to undertake a preliminary assessment of the operations of the entities and take appropriate action to simplify systems, improve its financial and operational outlook and revitalize their corporate business models.

The government has already initiated this process at the Ceylon Electricity Board (CEB) which has not been able to expand its generation capacity beyond the 4,000 MW since 2013. While the lack of capacity is supplemented by emergency power purchases, it is done so at a significant cost. It is in this background, the government is in the process of undertaking several initiatives including the expansion of the capacity of the coal powered power plant by a further 300 MW, and the conversion of almost 700 MW of generation capacity operated by fuel to LNG. This is expected to reduce operational costs by almost 25 percent. Renewable energy is encouraged both at household and commercial levels to exploit the full potential of wind and solar power resources.

Ceylon Petroleum Corporation (CPC) incurred a loss of Rs. 11.9 billion in 2019. The CEB and Sri Lankan Airlines (SLA) outstanding bills to CPC stands at around Rs. 84.5 billion and Rs 45 billion, respectively and this together with the losses of the CPC due to many factors including operational inefficiencies, imprudent pricing mechanism followed specially in early 2015 when oil prices were low but with no thought to any possible impact to the Balance of Payments (BoP) including the exchange rate volatilities, impact on the transport and traffic systems and the environment, has resulted in the CPC owing to both Bank of Ceylon and Peoples Bank in excess of Rs. 600 billion. Further, CPC demands investments in expanding its storage capacities, pipelines and refinery capacities. The government has established an energy price Stabilization Fund, into which a portion of the taxes on import of fuel products will be credited.

Inflation has increased to 6.2 percent in February 2020, driven by the increase in food items that was experienced in early February 2020. The country's reserve position stood at USD 7.6 billion at the end of 2019 and is at present around USD 7.8 billion. The BOP has recorded a surplus in 2019 amounting to USD 377 million.

The Board of Investment (BOI) is being revamped in terms of its both operational and legal framework. The prevalence of political stability, coupled with the new tax regime, resulted in the finalization of the Foreign Direct Investment (FDI)

of USD 240 million during December 2019, with Shangri-La. More foreign investments are lined up and will be finalized in due course. Preliminary work has already commenced to establishing a fabric park in Eravur. This will facilitate the local garment manufacturer's better value addition and save on the imports. Work on the Colombo Port City is also nearing completion and the government is now in the process of finalizing the legal and operational framework for the city.

The Colombo Stock Exchange's (CSE) all share price index (ASPI) which closed at 6129 in November 2019, has however, since the advent of the Covid-19 fears, plunged by almost 25 percent in less than three months. This is in the background of even the major stock exchanges such the New York, London and emerging stock exchanges like Indonesia all experiencing a similar phenomenon. In line with the investors fleeing emerging markets to safe haven economies such as US, the secondary markets of emerging international bonds have seen a widening in their spreads and an increase in yields. This is also being reflected in the Sri Lanka ISB secondary market yields too shooting to unprecedented levels, which indicates that although global interest rates have plunged to fairly low levels, investors would demand a higher premium to be paid for emerging market paper.

#### **Vote on Account March-May 2020**

His Excellency, the President proclaimed to dissolve Parliament on March 02, 2020 by Extraordinary Gazette Notification No. 2165/8. Accordingly, as per the Article 150 (3) of the Constitution of Sri Lanka, His Excellency the President may "... authorize the issue from the Consolidated Fund and the expenditure of such sums as he may consider necessary for the public services until the expiry of a period of three months from the date on which the new Parliament is summoned to meet.". As such, Vote on Account for three months commencing from March 06, 2020 has been prepared. The total provision of Rs. 1,229 billion has been provided for the government expenditure comprising Rs. 715 billion for recurrent expenditure and Rs. 150 billion for capital expenditure which includes the spillover expenditure from 2019. Rs. 360 billion has been allocated for the loan repayment. The estimated government Revenue for the respected period is Rs. 420 billion.

**Table 2 : Vote on Account March-May -2020**

	Rs. Bn
<b>Total Revenue</b>	<b>420</b>
<b>Total Expenditure</b>	<b>1,229</b>
<b>Recurrent</b>	<b>715</b>
o/w Interest	268
<b>Capital Expenditure</b>	<b>150</b>
<b>Loan Repayment</b>	<b>360</b>
<b>Advance Accounts</b>	<b>4</b>

*Source: Department of National Budget*

### **The Way Forward Amidst Risks**

At the time of this report being published, the country is battling the COVID -19 virus which has swept the globe. At present there are over 80 identified COVID -19 infected patients around the country. More than 5000 are in government quarantine centers with even more in self quarantine. In this background the HE the President announced measures to support the economy that is affected by the COVID -19 virus. These measures include, supporting specially those daily wage and low income earners to be able to have a decent meal, whereby the prices of dhal was reduced to Rs. 65/kg and the price of a Canned Fish was reduced to Rs.100. To support the businesses, the government has requested the Banks and other financial institutions to provide these businesses with a 6 month debt moratorium and also working capital to be made available at 4 percent. Further support also includes flexible working hours and adjustment of work processes.

The new government since it took office in November 2019, has announced key policies to stimulate the economy including the new tax policy, the credit relief package and also an energy price stabilization fund to reap the benefits of the downward trend in oil prices.

It is noted that oil prices are plunging to almost all time lows and it is now trading at less than USD 25/bbl. However, the government has announced that the fuel prices will be retained without any downward adjustment, while the benefits that will accrue from low cost of imports in fuel will be transferred through adjustments in the price of essential food items and credit support to businesses as has been announced, creating a better multiplier effect in the economy. In fact, in 2015 with the slashing in the fuel prices, the country saw an influx of motor cars which created multiple issues ranging from BOP issues to road congestion and environmental issues.



At the same time, while oil prices seem to be on a declining trend, the eventuality of a pickup in oil prices also needs to be factored in and remains a risk factor. The Energy Price Stabilization Fund is expected to cushion the country from significant variations in the oil prices.

The weather remains a serious concern given its impact on agriculture and also power generation. Weather related natural disasters too need to be factored in. Hence, it is in this background that the government is keen to introduce new technology for agriculture focusing specially on water management and better irrigational practices. Concurrently, the expansion of the electricity generation capacity with the addition of almost 1,000-1,700 MW of LNG is also designed to support to withstand any impact of dry weather conditions which will result in low levels of hydro generated electricity.

Given the global action to contain the COVID-19 has included the closure of borders, specially in the US and Europe, this will impact not only tourism but also the movement of goods and thereby effect on exports, specially primary goods is a cause for concern.

It is noted that the country at present has good stocks of rice and vegetable supply has improved with prices declining gradually. Essential food stocks are available and measures have been taken to ensure an uninterrupted supply of certain food items. There are no shortages in medicines and fuel as well. The country has foreign reserves up to almost 4 months of imports.

The spread of the COVID-19 has affected almost every country in the world. The impact is unprecedented with challenges being presented range from ensuring that the people of the country remain healthy, to ensuring that markets from the primary goods and services markets to the financial markets are managed well. As such, it is acknowledged that this demands an improved coordination between fiscal and monetary policies and the government has been proactive in this regard.

### **3. Government Fiscal Operations 2019**

A summary of the overall revenue, expenditure and debt of the Government is presented in Table 3.

Table 3 : Summary of Government Fiscal Operations

Item	Rs. Million		
	2018 Actual	2019 Estimate	Actual
<b>Total Revenue and Grants</b>	1,932,459	2,357,000	1,898,808
<b>Total Revenue</b>	1,919,974	2,344,000	1,890,899
Tax Revenue	1,712,318	2,077,000	1,734,925
Non Tax Revenue	207,656	267,000	155,974
Grants	12,485	13,000	7,909
<b>Total Expenditure</b>	2,693,228	3,042,000	2,915,290
<b>Recurrent</b>	2,089,714	2,308,000	2,301,155
<b>Capital and Net Lending</b>	603,514	734,000	614,136
Public Investment	624,969	756,000	631,235
<b>Revenue Deficit (-)/Surplus (+)</b>	(169,740)	36,000	(410,256)
<b>Overall Budget Deficit (-)/Surplus (+)</b>	(760,769)	(685,000)	(1,016,483)
<b>Total Financing</b>	760,769	685,000	1,016,483
Foreign Financing (Net)	464,593	55,000	362,763
Domestic Financing (Net)	296,176	630,000	653,720
<b>As % of GDP</b>			
<b>Revenue and Grants</b>	13.4	15.1	12.2
<b>Revenue</b>	13.3	15.0	12.2
Tax	11.9	13.3	11.2
Non Tax	1.4	1.7	1.0
Grants	0.1	0.1	0.1
<b>Expenditure</b>	18.6	19.5	18.7
Current Expenditure	14.5	14.8	14.8
Capital Expenditure	4.2	4.7	3.9
Public Investment	4.3	4.8	4.1
<b>Revenue Deficit (-)/Surplus (+)</b>	(1.2)	0.2	(2.6)
<b>Budget Deficit (-)/Surplus (+)</b>	(5.3)	(4.4)	(6.5)
Foreign Financing (Net)	3.2	0.4	2.3
Domestic Financing (Net)	2.0	4.0	4.2

Source: Department of Fiscal Policy

## Government Revenue

Total Government revenue declined by Rs. 29.1 billion or 1.5 per cent to Rs. 1,891 billion in 2019 from Rs. 1,920 billion in 2018 with the slowdown of economic activities and the shrinking of imports which provide a strong tax base in a nominal economic environment. Total Government revenue collection declined to 12.2 per cent of GDP in 2019 from 13.3 per cent of GDP in 2018. Tax revenue moderately increased by 1.3 per cent to Rs. 1,734.9 billion in 2019 from Rs. 1,712.3 billion in 2018. However, non-tax revenue significantly declined by 24.9 per cent to Rs. 155.9 billion from Rs. 207.6 billion.

**Table 4: Summary of Government Fiscal Operations**

Item	Rs. Million		
	2018	2019	
	Actual	Estimate	Actual
<b>Tax Revenue</b>	<b>1,712,318</b>	<b>2,077,000</b>	<b>1,734,925</b>
Income Tax	310,450	385,000	427,700
Taxes on Goods & Services	945,892	1,122,000	843,355
VAT	461,650	529,000	443,877
Excise Tax	484,241	593,000	399,478
Other Taxes and Levies	229,810	286,000	244,376
Tax on External Trade	226,166	284,000	219,494
<b>Non Tax Revenue</b>	<b>207,656</b>	<b>267,000</b>	<b>155,974</b>
<b>Total Revenue</b>	<b>1,919,974</b>	<b>2,344,000</b>	<b>1,890,899</b>

Source: Department of Fiscal Policy

### 3.1 Income Tax

Revenue generated from income taxes increased to Rs. 427.7 billion mainly due to the rise in revenue collection from corporate and non-corporate income taxes, PAYE tax, ESC and WHT on interest income. Revenue from income taxes increased to 2.8 per cent of GDP in 2019 from 2.1 per cent in 2018 with an increase of 0.7 percentage points. Revenue from corporate and personal income taxes increased significantly by 60.8 per cent to Rs. 272.6 billion in 2019 from Rs. 169.6 billion in 2018 while PAYE tax revenue rose by 19.5 per cent to Rs. 49.4 billion in 2019. Moreover, revenue from ESC and WHT on interest income increased by 4.4 per cent and 8.5 per cent to Rs. 55.3 billion and Rs. 50.3 billion respectively.



### 3.2 Value Added Tax (VAT)

Revenue from VAT declined by 3.8 per cent to Rs. 443.9 billion in 2019 from Rs. 461.6 billion in 2018. Revenue from VAT on domestic economic activities decreased by 3.0 per cent to Rs. 274.0 billion in 2019 from Rs. 282.5 billion in 2018 due to weakening of domestic economic activities. Revenue from VAT on import related activities also deteriorated by 5.2 per cent to Rs. 170.0 billion in 2019 from Rs. 179.2 billion in 2018 due to the erosion of the import tax base. Revenue from VAT as a percentage of GDP declined to 2.9 per cent of GDP in 2019 from 3.2 per cent in 2018.

### 3.3 Nation Building Tax (NBT)

Revenue from NBT declined by 1.0 per cent to Rs. 70.7 billion in 2019 from Rs. 71.3 billion in 2018 due mainly to the deterioration of import related activities. Revenue from domestic activities increased slightly by 2.4 per cent to Rs. 52.4 billion in 2019 from Rs. 51.2 billion whereas revenue from import related activities decreased by 9.6 per cent to Rs. 18.2 billion from Rs. 20.2 billion in 2018. However, revenue from NBT as a percentage of GDP remained unchanged at 0.5 per cent.

### 3.4 Excise Taxes

Excise duties from the cigarettes, liquor, motor vehicles, petroleum and selected items declined significantly by 17.5 per cent to Rs. 399.5 billion in 2019 from Rs. 484.2 billion in 2018 due to the decline in revenue from motor vehicles, petroleum products and cigarettes amidst the increase in revenue collection from liquor. Revenue collected from excise duties as a percentage of GDP declined to 2.6 per cent in 2019 from 3.4 per cent in 2018.

Revenue generated from motor vehicles declined significantly by 36.1 per cent to Rs. 130.4 billion in 2019 from Rs. 204.1 billion in 2018 as a result of upward revision of duty on motor vehicles of an engine capacity less than 2,000 cm<sup>3</sup> and the imposition of luxury tax on motor vehicles as proposed in the Budget 2019. Meanwhile, revenue from petroleum products also declined by 6.9 per cent to Rs. 61.7 billion in 2019 from Rs. 66.3 billion in 2018 mainly due to the reduction of excise duty on auto diesel with effect from November 2018. Excise duty revenue from cigarettes declined by 5.2 per cent to Rs. 87.4 billion in 2019 from Rs. 92.2 billion in 2018 reflecting the impact of upward revision of duty on cigarettes coupled with the drop in production by 16.8 per cent in 2019. However, revenue from liquor increased marginally by 1.4 to Rs. 115.4 billion in 2019 from Rs. 113.9 billion in 2018.

### **3.5 Customs Import Duty (CID)**

Revenue from import duty marginally increased by 1.5 per cent to Rs. 98.4 billion in 2019 from Rs. 97.0 billion in 2018 reflecting the decline in imports. The increase in Customs Import Duty (CID) by 10 per cent for 261 identified goods with effect from March 06, 2019, duty hikes on the importation of undenatured ethyl alcohol, petrol (Octane 92) and super diesel with effect from March 06, 2019, and July 12, 2019, respectively were contributed for this marginal increase. However, revenue from CID as a percentage of GDP declined slightly to 0.6 per cent in 2019 from 0.7 per cent in 2018.

### **3.6 Other Taxes**

Revenue collected from Special Commodity Levy (SCL), which was a composite tax introduced in 2007 to safeguard producers and consumers declined by 7.2 per cent to Rs. 70.4 billion in 2019 from Rs. 75.8 billion in 2018 reflecting the reduction in SCL rates applicable on several commodities including B' onion, fish and maize.

Revenue from PAL declined by 1.6 per cent to Rs. 112.2 billion in 2019 from Rs. 113.9 billion in 2018 reflecting the contraction of imports in 2019 together with a rate reduction in selected machinery and equipment. Revenue generation from PAL is expected to enhance in 2020 mainly due to the increase of standard PAL rate from 7.5 per cent to 10.0 per cent under expanded import related activities.

Revenue from CESS levy declined by 5.0 per cent to Rs. 50.7 billion in 2019 to Rs. 53.4 billion in 2018 due mainly to the deceleration of import related activities. Revenue from Telecommunication Levy decreased by 35.5 per cent to Rs. 18.3 billion in 2019 from Rs. 28.3 billion in 2018 mainly due to the removal of Telecommunication Levy applied on internet services combined with the rate reduction of Telecommunication Levy on voice communication from 15 per cent to 11.25 per cent in December 2019.

### **3.7 Non-tax Revenue**

Non-tax revenue declined by 24.9 per cent to Rs. 155.9 billion in 2019 from Rs. 207.6 billion in 2018 mainly due to the non-availability of distributable profits from the Central Bank and the drop in profits and dividends transfers from SOEs together with the slump in revenue collection of fees and charges. Non-tax revenue as a percentage of GDP dropped to 1.0 per cent in 2019 from 1.4 per cent in 2018. Profits and dividends transfers from SOEs declined by 33.4 per cent to Rs. 27.8 billion in 2019 from Rs. 41.8 billion in 2018.

#### 4. Government Expenditure

The total Government expenditure increased by 8.2 per cent to Rs. 2,915 billion in 2019 according to the provisional data of which recurrent expenditure was Rs. 2,301 billion while capital expenditure was Rs. 619 billion. The recurrent expenditure increased by 10.1 per cent reflecting the increased interest payments, salaries and wages and pension payments and other welfare programmes such as free medicine, fertilizer and *Samurdhi*. The public investment was directed towards the completion of ongoing development projects initiated under the Government's development programmes. Accordingly, public investment to GDP ratio declined to 4.1 per cent in 2019 from 4.3 per cent in 2018.

**Table 5: Government Expenditure - Economic Classification**

Item	Rs. Million		
	2018	2019	
	Actual	Estimate	Actual
<b>Recurrent Expenditure</b>	<b>2,089,714</b>	<b>2,308,000</b>	<b>2,301,155</b>
Salaries and Wages	626,045	690,000	686,452
Good & Services	138,855	159,000	161,826
Interest Payment	852,190	913,000	901,352
Subsidies and Transfers	472,624	546,000	551,524
<b>Capital and Net Lending</b>	<b>603,514</b>	<b>734,000</b>	<b>614,136</b>
Public Investments	624,969	756,000	631,235
Other	(21,455)	(22,000)	(17,099)
<b>Total Expenditure</b>	<b>2,693,228</b>	<b>3,042,000</b>	<b>2,915,291</b>

Source: Department of Fiscal Policy

##### 4.1 Salaries and Pension Cost

Expenditure on salaries and wages for public servants including those attached to security forces/police and Provincial Councils increased by 9.6 per cent to Rs. 686,452 million in 2019 from Rs. 626,045 million in 2018. The increase in salaries was mainly attributable to the provision of an interim allowance of Rs. 2,500 per month effective from July 2019, salary increments given to public servants as per the Circular 03/2016 and new recruitments to the public service. Total pension payments increased by 17.1 per cent to Rs. 227,670 million in 2019 from Rs. 194,488 million in 2018.



#### **4.2 Interest Cost**

Interest payment on foreign and domestic debt was Rs. 901,352 million, an increase of 5.8 per cent. Interest payments for foreign debt significantly increased by 26.8 per cent to Rs. 233,970 million partly due to exchange rate impact while interest payments on domestic debt increased to Rs. 667,383 million. The reduction of the interest rate of Government securities is likely to moderate interest payments on Government debt in 2020.

#### **4.3 Welfare and Subsidy Payments**

Total payments for welfare and subsidy programmes excluding pension payments amounted to Rs. 228,571 million in 2019 which is a 9.9 per cent of total recurrent expenditure. Expenditure on health and nutrition programmes including free medicine amounted to Rs. 69,378 million in 2019 while expenditure on welfare payments for the education sector including the provision of free textbooks, uniforms and season tickets amounted to Rs. 18,197 million in 2019. Social welfare expenditure which constituted *Samurdhi* and social security for differently-abled soldiers and other welfare for the elders and Kidney patients was Rs. 91,804 million in 2019. Fertilizer subsidy, paddy purchasing and subsidies for commercial crops amounted to Rs. 38,923 million.

#### **4.4 Public Investment**

The public investment on development projects in the areas of roads and bridges, agriculture, irrigation, education, health, water supply, environment and human resource development amounted to Rs. 631,235 million, a 1.0 per cent decline in 2019.

### **5. Foreign Financing**

Access to concessional financing has been limited with the increased per-capita income level due to the developments in domestic and foreign market conditions. To accommodate the financing needs of the Government, capital market have been attracted while maintaining the traditional source of financing such as Official Development Assistance (ODA) in addition to access of new lenders such as Asian Infrastructure Investment Bank (AIIB).

#### **5.1 Foreign Financing Commitments - 2019**

The Government has made arrangements to mobilize foreign financing of US\$ 3,378.8 million by entering into 41 agreements with foreign development partners and lending agencies from 1<sup>st</sup> January to 31<sup>st</sup> December 2019, to support the public investment program. This constituted US \$ 3,312.5 million in the

form of loans obtained as ODA and US\$ 66.3 million by way of ODA grants and technical assistance.

**Table 6 : Lender-wise Foreign Financing ODA Commitments 2019**

Development Partner	Commitment (US\$ million)
<b>Bilateral</b>	<b>1,871</b>
China	1,062
Japan	282
United Kingdom	144
Netherlands	128
France	85
Hungary	58
Saudi Fund	50
European Community	44
Austria	10
Korea	6
Germany	2
<b>Multilateral</b>	<b>1,507</b>
Asian Development Bank	765
World bank	422
Asian Infrastructure Investment Bank	280
OPEC Fund	40
UN Agencies	0.6
<b>Total</b>	<b>3,378</b>

*Source: Department of External Resources*

In addition to the funds raised from ODA development partners, US\$ 4,400 million was raised through International Sovereign Bonds (ISB) from the international capital market during the period under review. Of which, US\$ 1,000 million was raised at a fixed interest rate of 6.85 per cent with a 5-year tenure while another US\$ 1,400 million was raised at a fixed interest rate of 7.85 per cent with 10-year tenure during the first quarter of the year. Another US\$ 500 million was raised in the second quarter at a fixed interest rate of 6.35 with a 5 year tenure and a balance of US\$ 1,500 million was raised at a fixed rate of 7.55 with 10-year tenure.

## **5.2 Foreign Financing Disbursements and Utilization - 2019**

Total foreign financing disbursements made for development projects and programmes during the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2019 amounted to US\$ 1,632.6 million. Of which, US\$ 1,607.3 million was disbursed as loans while US\$ 25.3 million was disbursed by way of grants.

The majority of the disbursements were from the loan agreements signed with the China, which is almost 40 per cent, followed by Asian Development Bank (17 per cent), World Bank (11 per cent), and Japan (11 per cent).

The majority of the disbursements was in lieu of the projects implemented under the Roads and Bridges sector accounting for almost 52 per cent or US\$ 875 million, followed by the Water Supply and Sanitation sector at 12 per cent or US\$ 200 million, Power and Energy at 7.0 per cent or US\$ 111 million and Ground Transport sector at 5 per cent or US\$ 91 million.

## **5.3 Committed Undisbursed Balance (CUB)**

As at 31<sup>st</sup> December 2019, the total undisbursed balance of foreign financing available from the already committed loans that are to be utilized in the next 3-5 years, was US\$ 9,688.9 million. The majority of the CUB remains with the recent projects funded by the Asian Development Bank (23 per cent or US\$ 2,116 million), followed mainly by China (22 per cent or US\$ 2,093 million), Japan (19 per cent or US\$ 1,813 million) and the World Bank (13 per cent or US\$ 1,286 million). Almost 24 per cent of the foreign financing to be disbursed during next 2-5 years is for Road and Bridges sector while the considerable amount to be disbursed mainly for the sectors such as Water supply and Sanitation and Transport.



**Table 7: Disbursements of Foreign Loans and Grants from 1<sup>st</sup> January to 31<sup>st</sup> December 2019**

Development Partner	Disbursements (USD million)*		
	Loan	Grant	Total
<b>Bilateral</b>	<b>1,120</b>	<b>21</b>	<b>1,140</b>
China**	648	-	648
Japan	178	10	188
France	73	0.2	73
Netherlands	70	-	70
United Kingdom	45	-	45
India	39	-	39
Austria	21	-	21
Saudi Arabia	16	-	16
Korea	12	-	12
USA	-	11	11
Kuwait	9	-	9
Germany	3	-	3.5
Denmark (HSBC, Guarantee with Denmark)	2	-	2.4
Spain	0.9	-	0.9
Pakistan	0.7	-	0.7
<b>Multilateral</b>	<b>487</b>	<b>5</b>	<b>492</b>
Asian Development Bank	279	0.01	279
World Bank	178	0.02	178
OPEC Fund	18	-	18
International Fund for Agriculture Development	11	-	11
United Nations Agencies	-	5	5
Asian Infrastructure Investment Bank (AIIB)	0.7	-	0.7
<b>Total</b>	<b>1,607</b>	<b>25</b>	<b>1,632</b>

Source: Department of External Resources

Note: For conversion of disbursements made in different currencies into US\$ and Rupees, the average of the exchange rates of 31st December 2019 have been used

\* Provisional

\*\* Disbursements made to SOEs are not included

US\$ 4,400 million International Sovereign Bonds issued in 2019 are not included

**Table 8: Committed Undisbursed Balance as at 31<sup>st</sup> December 2019**

<b>Economic Sector</b>	<b>CUB (US\$ million)</b>
Roads and Bridges	2,460
Water Supply & Sanitation	1,712
Ground Transport	1,343
Housing & Urban Development	540
Power & Energy	493
Health & Social Welfare	461
Education & Training	435
Irrigation & Related Activities	340
Agriculture	261
Environment	229
Rural Development	178
Ports & Shipping	174
Other	1,062
<b>Total</b>	<b>9,688</b>

*Source: Department of External Resources*

#### **5.4 External Debt Stock and External Debt Service Payments**

By the end of 2019, total outstanding external debt of the Government was US\$ 34.7 billion, an increase of 6 per cent or US\$ 2.1 billion compared to the debt stock at 31st December 2018. Total debt service payments from 1st January to 31st December 2019 amounted to US\$ 4,247.8 million. Of which, US\$ 3,159.6 million was in lieu of principal repayments and the balance US\$ 1,288.1 million for the payment of interest.

**Table 9: Debt Service Forecast for the Year 2020-2025\***

US\$ Million

Type	2019	Forecast					
	Actual	2020	2021	2022	2023	2024	2025
Principal	3,159	2,768	2,634	3,227	3,036	3,299	3,427
Interest	1,288	1,440	1,396	1,319	1,188	1,074	963
<b>Total</b>	<b>4,447</b>	<b>4,208</b>	<b>4,030</b>	<b>4,546</b>	<b>4,224</b>	<b>4,374</b>	<b>4,391</b>

Source: Department of External Resources

\*US\$ estimations are based on the average exchange rates as at 31st December 2019, Forecast was made based on existing portfolio only, (i.e. debt stock to be accumulated due to new commitments are not included)

## 6. Treasury Operations

### Performance of the Government Treasury Cash Flow

Treasury cash inflows from revenue and other receipts in 2019 were Rs. 1,936.1 billion while total cash outflows for the recurrent and capital payments were recorded as Rs. 2,778.4 billion resulting in a net cash deficit of Rs. 842.3 billion. Accordingly, net cash deficit increased by Rs.117.8 billion in 2019 due mainly to the increase in cash outflows for the recurrent expenditure by 11.1 per cent which has resulted in overall negative cash/bank balance as at 31<sup>st</sup> December 2019 up to Rs. 274.3 billion.

### Management of Government Debt

The Government total gross borrowing amounted to Rs. 1,959.5 billion in 2019 by way of Treasury bonds, Treasury bills, Sri Lanka Development Bonds (SLDB) and Foreign Currency Banking Unit (FCBU) and International Sovereign Bonds. The repayment of Government debt both domestic and foreign amounted to Rs. 1,129.6 billion thus limiting the net borrowing to Rs. 829.9 billion.

### Disclosure of Contingent Liabilities on Treasury Guarantees

The value of Treasury Guarantees issued and remained valid as at December 31<sup>st</sup> 2019, was Rs. 1,155.5 billion which were within the limit applicable as per the Section 2 of the Fiscal Management (Responsibility) (Amendment) Act, No. 13



of 2016. The list of Treasury Guarantees issued by the General Treasury as at 31<sup>st</sup> December 2019, is given in Annexure I.

**Table 10 : Statement on Government Treasury Cash Flow Operations**

Item	Rs . Billion				
	2018		2019		2020
	Actual	Estimate	Actual	Jan	Feb
Opening Cash Balance	(186.2)	(274.2)	(274.2)	(274.3)	(289.9)
Total Cash Inflow from Revenue and Other Receipts	1,870.2	2,236.4	1,936.1	134.0	171.8
Total Cash Outflow for Recurrent Payments	(2,000.7)	(2,302.1)	(2,221.9)	(220.7)	(161.1)
Total Cash Outflow for Capital Payments*	(594.0)	(465.5)	(556.5)	(31.6)	(16.4)
Net Cash Surplus / (Deficit)	(724.5)	(531.2)	(842.3)	118.3	(6)
Gross Borrowing *	1,853.9	1,831.2	1,959.5	159.2	56.6
Debt Repayment	(1,232.3)	(1,300.0)	(1,129.6)	(55.7)	(12.8)
Net Borrowing	621.6	531.2	829.9	103.5	43.8
Adjustment Account Balance (TEB, net deposits, etc.)	14.9	-	12.3	0.8	2.5
Closing Cash Balance	(274.2)	(274.2)	(274.3)	(289.9)	(254.3)

Source: Department of Treasury Operations

\*Includes project / programme loans received by the government

## 7. Government Debt

The total debt of the Government amounted to Rs. 13,031 billion at end 2019 in comparison to Rs. 12,030 billion in 2018. The increase in total debt exceeded the nominal growth in GDP. The total debt constituted Rs. 6,629 billion of domestic debt and Rs. 6,402 billion of foreign debt. Total foreign debt exposure to the total debt in 2019 was 49.1 per cent.

**Table 11: Outstanding Government Debt (Rs. Bn)**

Item	2017	2018	2019
<b>Total Domestic Debt</b>	<b>5,664</b>	<b>6,071</b>	<b>6,629</b>
Short Term	1,031	1,135	1,270
Medium & Long term	4,633	4,936	5,359
<b>Total Foreign Debt</b>	<b>4,719</b>	<b>5,959</b>	<b>6,402</b>
Concessional Loans	2,130	2,706	2,767
Multilateral	955	1,393	1,357
Bilateral	1,176	1,313	1,410
Non - Concessional Loans	560	269	312
Multilateral	243	59	113
Bilateral	317	210	199
Commercial Loans	2,028	2,985	3,323
<b>Total Debt</b>	<b>10,383</b>	<b>12,030</b>	<b>13,031</b>

*Source: Central Bank of Sri Lanka*

#### **Government Debt Service Payments**

Total government debt service payments amounted to Rs. 2,005.8 billion of which domestic debt service payments were Rs. 1,199.4 billion while the remaining Rs. 806.3 billion was foreign debt service payments. Total amortization payments was to Rs. 1,117 billion while interest payments were Rs. 889 billion.

**Table 12: Government Debt Service Payments**

	<i>Rs. Billion</i>
Item	2019
<b>Debt Service Payments</b>	<b>2,006</b>
Domestic	1,199
Foreign	806
<b>Amortization Payments</b>	<b>1,117</b>
Domestic	545
Foreign	572
<b>Interest Payment</b>	<b>889</b>
Domestic	655
Short Term	105
Medium and Long Term	549
Foreign	234

Source: Department of Treasury Operations

## 8. External Finance and Trade

The external finance has suffered a setback in 2019 particularly due to the increased net outflow of foreign investment of US\$ 334 million and a net outflow of US\$ 35 million from the Colombo Stock Exchange (CSE) including primary and secondary market transactions. Contained trade deficit and increased inflows to the Government helped the improvement of the Balance of Payments (BOP) in 2019 with a surplus of US\$ 377 million at end 2019, compared to a deficit of US\$ 1,103 million at end 2018. Gross official reserves improved to US\$ 7.6 billion at end 2019, compared to US\$ 6.9 billion at end 2018. Earnings from tourism declined to US\$ 3,592 million in 2019 from US\$ 4,381 million in 2018 due to the drop in tourist arrivals by 18 per cent following the Easter Sunday attacks. However, the tourism sector rebounded in December 2019 with the improved security condition of the country and debt relief and social support provided for the sector. Workers' remittances declined by 4.3 per cent from US\$ 7,015 million in 2018 to US\$ 6,717 million in 2019.

Trade deficit contracted to US\$ 7,997 million at end 2019 from US\$ 10,343 million in 2018 reflecting the negative growth of imports and the marginal growth in exports. Earnings from exports marginally increased by 0.4 per cent from US\$ 11,890 million in 2018 to US\$ 11,940 million in 2019 due to the combined effect of the increase in textiles and garment exports by 5.2 per cent and the drop in tea exports by 5.7 per cent. In contrast, total expenditure on imports in 2019 stood at US\$ 19,937 million, a decline of 10.3 per cent compared to US\$ 22,233 million in 2018 reflecting the decline in imports of food and beverages by 11.2 per cent, personal motor vehicles by 48.2 per cent, fuel by 6.3 per cent and investment goods by 1.9 per cent.



Table 13 : External Trade

Category	US\$ Million		
	2017	2018	2019
<b>Exports</b>	<b>11,360.4</b>	<b>11,889.6</b>	<b>11,940.0</b>
<b>Agricultural Products</b>	<b>2,767.1</b>	<b>2,579.3</b>	<b>2,461.9</b>
Tea	1,529.8	1,428.5	1,346.4
Other Agricultural Products	1,237.4	1,150.8	1,115.5
<b>Industrial Products</b>	<b>8,541.9</b>	<b>9,258.2</b>	<b>9,426.3</b>
Textile and Garments	5,031.9	5,317.7	5,596.5
Rubber Products	835.4	875.3	866.1
Machinery and Equipment	370.8	434.8	400.0
Gem, Diamond and Jewellery	257.5	278.0	305.7
Food , Beverages and Tobacco	392.7	462.3	447.0
Petroleum Products	434.3	622.1	521.1
Other Industrial Products	1,219.3	1,268.0	1,289.9
<b>Mineral</b>	<b>34.5</b>	<b>34.4</b>	<b>33.9</b>
<b>Other</b>	<b>16.9</b>	<b>17.8</b>	<b>17.9</b>
<b>Imports</b>	<b>20,979.8</b>	<b>22,232.7</b>	<b>19,937.1</b>
<b>Consumer Goods</b>	<b>4,502.5</b>	<b>4,979.7</b>	<b>3,956.6</b>
Food and Drinks	1,841.1	1,606.1	1,426.9
Other Consumer Goods	2,661.4	3,373.6	2,529.7
<b>Intermediate Goods</b>	<b>11,435.8</b>	<b>12,488.0</b>	<b>11,369.6</b>
Petroleum	2,462.5	2,937.2	2,706.4
Fertilizer	102.8	261.6	221.4
Textiles and Clothing	2,724.2	2,858.5	2,909.4
Wheat and Maize	356.6	373.5	346.4
Other Intermediate Goods	5,789.7	6,057.2	5,186.0
<b>Investment Goods</b>	<b>4,894.7</b>	<b>4,690.4</b>	<b>4,602.6</b>
Machinery and Equipment	2,620.6	2,491.6	2,489.7
Transport Equipment	674.9	668.1	596.6
Building Material	1,591.4	1,524.5	1,508.7
Other Investment Goods	7.8	6.2	7.6
<b>Other</b>	<b>146.8</b>	<b>74.6</b>	<b>8.3</b>
<b>Trade Balance</b>	<b>(9,619.4)</b>	<b>(10,343.1)</b>	<b>(7,997.1)</b>

Sources: Department of Customs and Central Bank of Sri Lanka

## 9. Monetary Developments

An accommodative monetary policy stance was adopted by the Central Bank in 2019. The Statutory Reserve Ratio (SRR) applicable on all rupee deposit liabilities of commercial banks reduced by 1.00 percentage point to 5.00 per cent from 6.00 per cent in March 2019 to improve domestic money market liquidity. The Standing Deposit Facility rate (SDFR) and the Standing Lending Facility Rate (SLFR) also reduced by 50 basis points to 7.50 per cent and 8.50 per cent, respectively in May 2019. The SDFR and the SLFR rates reduced by 50 basis points to 7.00 per cent and 8.00 per cent, respectively in August 2019. However, market lending rates did not move downwards compared to market deposit rates which has promoted the Central Bank to impose temporary caps on lending rates in September 2019 while removing deposit rate caps on licensed banks. The SDFR and the SLFR further reduced by 50 basis points to 6.50 per cent and 7.50 per cent, respectively in January 2020.

Broad money increased (M2b) by 7.0 per cent to Rs. 7,624 billion. Credit to public corporations increased by 8.3 per cent to Rs. 818 billion due to the weaker performance of such corporations. Credit to the private sector increased by 4.3 per cent to Rs. 5,798 billion in 2019, compared to Rs. 5,559 billion in 2018.

## 10. Capital Market Activities

The capital market continued to show a subdued performance in 2019. All Share Price Index (ASPI) marginally increased by 1.27 per cent to 6,129 points as at end 2019 from 6,052 points in 2018. However, AS&P SL 20 Index, which is the most liquid stocks, has moved down by 6.3 per cent to 2,937 points. Market capitalization increased marginally by 0.4 per cent to 2,851 points. The daily market turnover has averaged Rs. 711 million in 2019 from Rs. 834 million in 2018. Foreign sales significantly declined by 43.6 per cent to Rs. 56,537 million while foreign purchases declined by 12.7 per cent to Rs. 77,067 million.

Table 14: Share Market Indicators

Indicators	2017	2018	2019
All Share Price Index (1985=100)	6,369	6,052	6,129
S&P SL 20 Index*	3,672	3,135	2,937
Market Capitalization (Rs. Bn.)	2,899	2,839	2,851
No. of Listed Companies in Trading	296	297	289
Average Daily Turnover (Rs.Mn.)	915	834	711
Foreign Sales (Rs. Mn.)	94,627	100,315	56,537
Foreign Purchases (Rs. Mn)	112,285	77,067	68,272

Sources: Colombo Stock Exchange and Central Bank of Sri Lanka

## 11. Real Economy

Sri Lankan Economy grew at a rate of 2.7 per cent in the third quarter of 2019 compared to 3.5 per cent growth recorded in the same period of 2018 with a weaker performance in Agriculture, Industry and Services sectors. Agriculture, Industry and Services sector registered slower growth rates of 0.4 per cent, 3.3 per cent and 2.8 per cent, respectively in the third quarter of 2019. Tourism activities were adversely affected due to the Easter Sunday attacks. Industrial sector moderately expanded by the manufacturing of foods, beverages and tobacco, manufacturing of textiles and apparels and mining and quarrying. The Services sector remained the highest contributor to GDP with 60 per cent share in the third quarter of 2019 supported by the performance of wholesale, retail sale, transport services, financial services and real estate sub-sectors. Industry and Agriculture sectors contributed to GDP with shares of 26.8 per cent and 6.9 per cent, respectively.

## 12. Inflation

Inflation, as measured by the Colombo Consumer Price Index (CCPI) (2013=100) continued to remain single-digit levels in 2019. Headline inflation, as measured by the year-on-year change in the CCPI increased to 4.8 per cent in December 2019 from 2.8 per cent in December 2018. The inflation in April and May slightly increased and settled thereafter except September and October 2019. The headline inflation, as measured by the year-on-year change in the CCPI showed an uptick in January and February 2020 mainly due to the increased in food inflation driven by unfavourable weather condition prevailed during November- December 2019. However, core inflation based on both CCPI and NCPI remains below 4 per cent reflecting the subdued aggregate demand conditions. With the improvement of supply-side, vegetable prices declined sharply at the end of February. It is expected to anchor inflation expectations in mid-single digit levels in 2020.

## 13. Unemployment

The unemployment rate increased to 5.1 per cent in the third quarter of 2019, compared to 4.1 per cent in the same quarter of 2018 partly due to the weaker economic activities and declining external demand. The unemployment among females increased significantly to 8.5 per cent in the third quarter of 2019 from 6.6 per cent in comparison to 2018. Also, the male-unemployment rate increased to 3.3 per cent in the third quarter of 2019 from 2.8 per cent in the same period of 2018. The unemployment rate among the age group of 20-24 recorded a high rate of 23.1 per cent. It is anticipated to generate more employment opportunities in the medium term with the expansion of economic activities.



#### **14. Vote on Account 2020**

The Vote on Account (VoA) approved by Parliament on 23<sup>rd</sup> October 2019 has provided a total provision of Rs. 1,105 billion for the government expenditure of the first four months of 2020. The total allocated for the recurrent expenditure is Rs. 850 billion while Rs. 255 billion has been allocated for capital expenditure. The allocation for recurrent expenditure consists of Rs. 250 billion for salaries and wages and Rs. 360 billion for interest payment of loans. The total allocated for subsidies and transfers is Rs. 182.4 billion. The estimated total government revenue including grants for the four months is Rs. 745 billion which consists of an estimated tax revenue of Rs. 681 billion and non-tax revenue of Rs. 62 billion.

#### **15. 2020 Budget Outlook**

On the assumption that the economy is projected to grow at a rate of 4.0 percent in 2020, the pressure on the Budget deficit is expected to ease. However, with the inclusion of unpaid bills amounting to over 2 per cent of GDP which carried forward from 2019, the Budget deficit would rise to 7.5 per cent of GDP.

##### **15.1 Revenue**

The total revenue for the year 2020 as a whole is projected to be close to Rs. 1,775 billion with tax revenue of Rs. 1,565 billion and non-tax revenue of Rs. 200 billion. These revenue estimates are based on the assumptions that the economy would grow 4.0 per cent in 2020. It is expected that all three sub sectors of the economy would record growth rates close to 4.0 per cent. The expansion of cultivated land with the government initiative to cultivate abandoned paddy lands coupled with the guaranteed prices for most of the agricultural commodities, the agriculture sector is expected to rebound around 3.5 per cent in 2020. The expected bumper harvest of 2019/2020 Maha Paddy production, increased production in food crops such as maize, green gram, vegetables and fruits and the expansion in fisheries and livestock sectors are expected to boost agricultural production securing food availability of the country. With the revival of both domestic and external demand and improvements in the investor confidence due to the stable political environment, the manufacturing sector is expected to record a growth of around 3.5 - 4.5 per cent in 2020.

It is also expected that the relatively favourable interest rate structure and improved infrastructure facilities are conducive for investments. Though there is a marginal contraction at present, the revival in tourism and the associated demand for capital expenditure in the hotel sector by the private sector and

public investment in road and water supply projects, the construction industry is expected to expand rapidly. Imports and exports are expected to revive with improvements expected in domestic trade and banking and finance, it is envisaged that the services sector will grow around 4.0 - 5.0 per cent in 2020. When the global economy recovering from the impact of COVID-19 Pandemic in the second half of 2020, it will give an impetus to port, aviation and insurance activities which will have a positive impact on the services sector.

When the global economy recover and the domestic demand and international commodity prices recover, it is expected that inflation measured by GDP deflator would be around 4.5 per cent. The road map already announced by the Central Bank of Sri Lanka to conduct monetary policy will help manage the targetted inflationary expectations. It is also expected that the price of crude oil to be below US\$ 50 per barrel for the most of 2020. On this basis, government revenue is expected to be around 10.6 per cent of GDP in 2020 in comparison to 12.2 per cent in 2019.

#### **15.2 Expenditure Estimates**

Expenditure estimates have been prepared taking into consideration the approved expenditures in the Vote on Account, salaries for public servants, expenditure on existing subsidy and welfare programs, accumulation of unpaid bills, existing debt stock and interest rate structure and expenditures on ongoing and earmarked capital projects for 2020. The total expenditure for 2020 is estimated to be close to Rs. 3,030 billion which constitutes Rs. 2,420 billion of recurrent expenditure and Rs. 625 billion of public investment. Salaries and wages are estimated to be around Rs. 750 billion while the pension bill would be Rs. 245 billion. Considering that prevailing interest rates and exchange rates will not deviate significantly, the interest cost for 2020 is estimated at Rs. 960 billion. Transfers to Postal and Railway Department and other public corporations to cover their operational losses are estimated to be Rs. 48 billion, although part of these losses could be recouped through operational efficiency improvements.

Based on the existing commitments, it is assumed that foreign funds available for capital projects would be around US\$ 1,250 million or about Rs. 227,043 billion. It is also envisaged that around Rs. 24,774 billion would be used as domestic funds to provide counterpart funds necessary for the foreign funded projects and domestically funded projects mainly covering the rural sector and rural regions including North and East.

### 15.3 Borrowings

It is expected that borrowings for 2020 on a net basis would be in the region of Rs. 1,257 billion. The total foreign borrowing on net basis would be Rs. 523 billion, while the balance will be borrowed domestically.

With these developments, it is expected that revenue deficit would expand to 3.8 per cent of GDP and the Budget deficit to around 7.5 per cent of GDP in 2020. Improvements in tax administration and public enterprise performance could improve this outlook further as actions or measures that may be taken in the 2020 Budget Outlook based on the current scenario which reflects no pressures on security related expenditure, stability in interest rates, improvements in the tax base, reflecting a favorable outlook, is given in Table 15.

Table 15 : Summary of Government Fiscal Operations

Item	Rs. Billion 2020 Estimate
<b>Total Revenue and Grants</b>	<b>1,775</b>
<b>Total Revenue</b>	<b>1,765</b>
Tax Revenue	1,565
Non Tax Revenue	200
Grants	10
<b>Total Expenditure</b>	<b>3,030</b>
<b>Recurrent</b>	<b>2,420</b>
<b>Capital and Net Lending</b>	<b>610</b>
Public Investment	625
<b>Revenue Deficit (-)/Surplus (+)</b>	<b>(655)</b>
<b>Overall Budget Deficit (-)/Surplus (+)</b>	<b>(1,255)</b>
<b>As a % of GDP</b>	
<b>Revenue and Grants</b>	<b>10.6</b>
<b>Revenue</b>	<b>10.6</b>
Tax	9.4
Non Tax	1.2
Grants	0.1
<b>Expenditure</b>	<b>18.1</b>
Current Expenditure	14.5
Capital Expenditure	5.7
Public Investment	3.7
<b>Revenue Deficit (-)/Surplus (+)</b>	<b>(3.9)</b>
<b>Budget Deficit (-)/Surplus (+)</b>	<b>(7.5)</b>

Source: Department of Fiscal Policy



#### 15.4 Statement of Risks

The risks affecting the performance of fiscal position in 2020 are categorized into:

- Potential policy decisions pertaining to the effect of revenue and expenditure.
- Risks associated with external factors as, international oil prices and commodity prices may change depending on the speed of the recovery of the global economy. If the declining international prices of tea and rubber continue, that may adversely affect the Balance of Payments and the real economy outlook for the remainder of 2020. Considering the world's geopolitical situation, it is expected that the oil prices will not push to a higher level.
- The weather condition in the country would have an effect on the production of agriculture and the generation of electricity that will impact on the food and electricity prices.
- Risks associated with future natural disasters.
- Risks related to the global economic growth particularly, in China, India and advanced economies such as the United States and the Euro economies.
- the risk to the world economy due to worsening COVID 19 pandemic and other possible health related issues.

The combined effect of these factors could slow down the economic growth and adversely impact on the interest rates, exchange rate, fiscal deficit and the level of government borrowings.

**Fiscal Management (Responsibility) Act, No. 3 of 2003**

**Statement in terms of Section 19 (a)**

I, Mahinda Rajapaksa, Prime Minister, as the Minister of Finance, do hereby state, that I have complied with the requirements of Section 18 of the Fiscal Management (Responsibility) Act, No. 3 of 2003, by disclosing to the Secretary-Ministry of Finance, Economic and Policy Development, the information required to be disclosed under that section for the purpose of preparation of the Pre-election Budgetary Position Report.

*Mahinda Rajapaksa*

Mahinda Rajapaksa  
Prime Minister as the Minister of Finance  
Colombo, 20th March, 2020

**Fiscal Management (Responsibility) Act, No. 3 of 2003**

**Statement in terms of Section 19 (b)**

I, Sajith Ruchika Attygalle, Secretary - Ministry of Finance, Economic and Policy Development, in terms of the requirement imposed on me by Section 19 (b) of the Fiscal Management (Responsibility) Act, No. 3 of 2003 do hereby state that information contained in this Pre-election Budgetary Position Report to the fullest extent possible;

- (i) Reflects the best professional judgment of the officers of the Ministry of Finance, Economic and Policy Development;
- (ii) Takes into account all economic and fiscal information available to the Ministry of Finance, Economic and Policy Development;
- (iii) Incorporates the fiscal implications of the Government decisions and circumstances disclosed to me by the Minister of Finance, Economic and Policy Development in terms of Section 18 of the said Act.

*Sajith Ruchika Attygalle*

Sajith Ruchika Attygalle  
Secretary, Ministry of Finance, Economic and Policy  
Development  
Secretary to the Treasury  
Colombo, 20th March, 2020



**Annexure I: The list of Treasury Guarantees Issued by the General Treasury up to  
31.012.2019**

S. No	Name of the Bank or Institution	Name of Institution	Rs. Mn	Total
1	People's Bank	Ceylon Electricity Board	9,936.06	
		Ceylon Petroleum Corporation	148,080.22	
		Ceylon Shipping Corporation Ltd	13,183.35	
		Lanka Coal Company (Pvt) Ltd	11,000.00	
		National Water Supply & Drainage Board	4,408.07	210,520.27
		Paddy Marketing Board	2,846.71	
		Road Development Authority	17,377.17	
		State Printing Corporation	1,350.00	
		Sri Lanka Airlines Limited	2,338.68	
2	Bank of Ceylon	Building Materials Corporation Ltd	500.00	
		Ceylon Petroleum Corporation	146,664.00	
		General Sir John Kotelawala Defence University	835.00	
		National School of Business Management Limited	8,600.00	
		National Water Supply & Drainage Board	47,877.32	307,879.57
		Northsea Limited	50.00	
		Paddy Marketing Board	8,572.95	
		Road Development Authority	91,480.30	
		State Development and Construction Corporation	1,000.00	
State Engineering Corporation	2,300.00			

BOX 3

Sri Lanka's Economic Takeoff – The Need and The Readiness



Background

Sri Lanka was predominantly an agrarian economy with a somewhat higher per capita income compared to other developing countries, when it became a self governing nation in 1948. Subsequent governments that came to power adopted numerous policies aiming to stimulate growth and enhance welfare. Apart from policy swings, the internal conflict and youth uprisings caused severe damage to the economy, including loss of human capital and resources, while curtailing the fiscal space on investing in development projects, and preventing the economy from reaping expected benefits of various types of policy reforms introduced from time to time. With the end of the internal conflict in 2009, the economy started to unleash its potential along with large infrastructure development, recording above 8 per cent growth on average in the three years that followed, accompanied by rebounding investor confidence. Sri Lanka was progressing well towards graduating into an upper middle income country, but the progress slowed amidst subdued economic growth over the subsequent years (Figure B 3.1) due to various reasons.

While Sri Lanka is now classified as an upper middle income country, it is essential that the country adopts sound economic policies in order to avoid the "Middle Income Trap" and takeoff to become a high income nation with equitable and sustained growth.

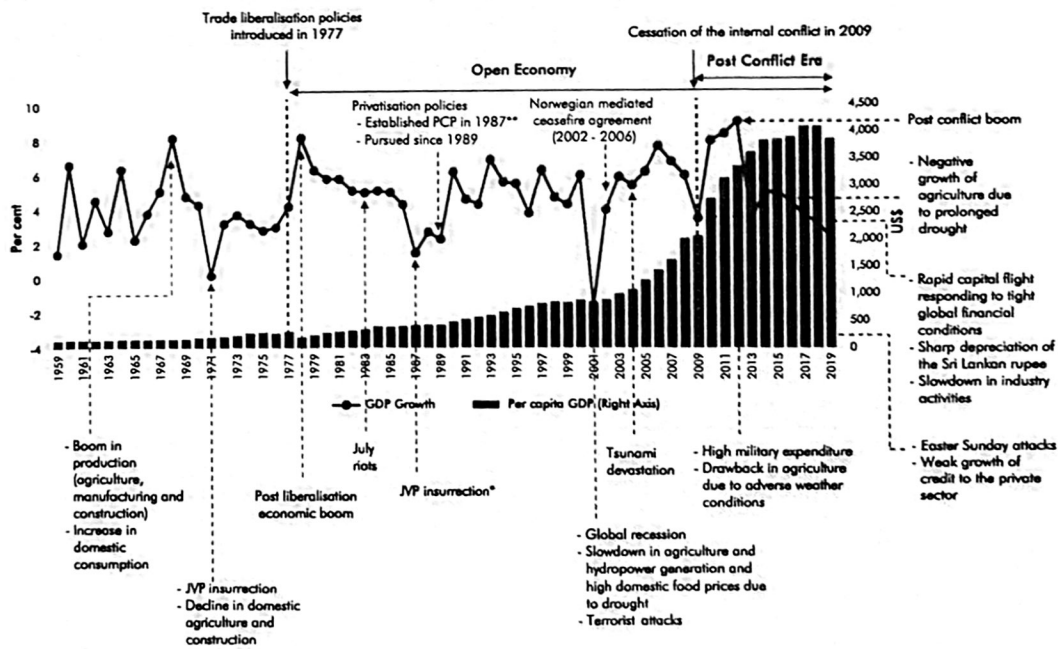
Sri Lanka's Strengths

Sri Lanka stands way ahead of its regional peers in the human development track record, positioning itself among the high human development group, ranking 71 out of 189 countries. In terms of the literacy rates, Sri Lanka surpasses the regional and global averages with a rate of 92.5 per cent.<sup>1</sup> Further, Sri Lanka's social indicators rank among the highest in South Asia, with over 90 per cent households all over the island having access to safe drinking water and with even better records in the health sector backed by free universal healthcare facilities.<sup>2</sup> Extreme poverty is not common, and poverty, as measured by the Poverty Headcount Ratio (PHCR),

1 Based on provisional, Quarterly Labour Force Survey data by the Department of Census and Statistics (DCS) (2018)

2 See more on <https://www.worldbank.org/en/country/srilanka/overview>

Figure B 3.1  
Growth Pattern of Sri Lanka



\* Janyatha Vimukthi Paramuna - JVP  
\*\* Presidential Commission on Privatisation

Sources: Lalakman, 1997  
Central Bank of Sri Lanka, Annual Reports

decreased significantly to reach 4.1 per cent by 2016 from 26.1 per cent recorded in 1996.<sup>3</sup> Further, the physical infrastructure development recorded significant growth in recent years with progress in various fronts, including becoming an almost fully electrified nation, remarkable levels of telecommunication connectivity, continuous additions to the country's expressway network connecting the commercial capital to regional capitals, and the completion of reclamation in relation to Colombo International Financial City. These developments are also reflected in increased ranking in the infrastructure sector of the 2019 Global Competitiveness Index by 4 positions to 61, endorsing Sri Lanka to become the most improved economy in the South Asian region in the overall index.<sup>4</sup> Exemplary diplomatic relationships garnered from the friendly, non aligned foreign policy followed by the nation since independence could be harnessed to attract Foreign Direct Investment (FDI) as well as to foster the country's international trade performance. Further, recent measures taken by the government to improve female participation in the active labour force could support inclusive economic growth.

An island privileged by its strategically important location, Sri Lanka is in the midst of the ancient maritime Silk Route and has been in the spotlight of Eastern and Western merchants throughout history. With growing trade between Asia and the rest of the World, Sri Lanka's geographic location has become even more important today, indicating its potential to evolve as an international maritime and logistics hub. Besides, vibrant aquatic and terrestrial ecosystems influenced by distinct geographic and climatic factors since prehistoric periods as well as inherited cultural values have blessed the nation with a large potential for ecotourism and wellness tourism. Moreover, proper and sustainable sourcing of substantial natural resources, including the mineral resources in the Eastern coast, would aid in boosting the development of the economy.

The Sri Lankan economy has been enjoying single digit inflation consecutively for over a decade as a result of proactive, forward looking monetary policy. Maintaining inflation at low and stable levels is considered to be an essential component to generate overall macroeconomic stability and support growth endeavours by facilitating the country's competitiveness, while helping to protect vulnerable segments of the population and boost employment creating production growth. This significant change in the structure of the Sri Lankan economy,

<sup>3</sup> Household Income and Expenditure Survey conducted by the DCS, 2016

<sup>4</sup> Sri Lanka ranks 84 out of 141 economies and has recorded a growth of 1.1 index points reaching a score of 57.1 in 2019 compared to the score of 56 in 2018

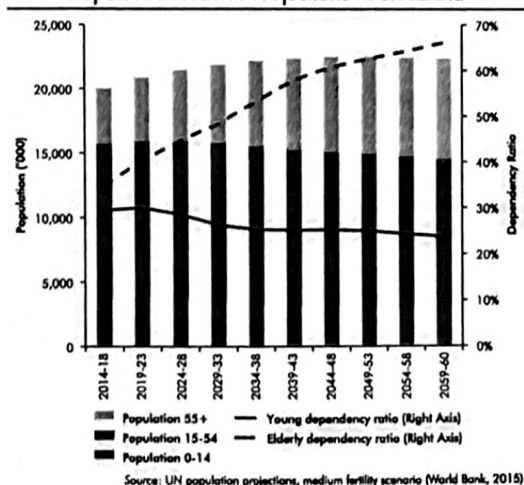
which was once considered an economy with double digit inflation, will remain a catalyst in its efforts towards takeoff in the period ahead.

## Issues and Challenges

Sri Lanka has not been able to maintain high growth over extended periods of time due to numerous reasons including high budget deficits, high trade and current account deficits, issues in land, labour and capital markets, traditional and bureaucratic institutions, cultural factors, weak governance structures, political instability and corruption, in addition to the factors mentioned at the outset.

It is worth noting that exports and FDI have been key drivers of growth in many successful economies in Asia. However, Sri Lanka's progress in terms of exports and FDI has been subpar compared to its regional counterparts. Sri Lanka has not been able to diversify exports and its share in global trade has declined over time, unlike its East Asian neighbours, and its exports structure has not evolved to the next level beyond apparel, tea and rubber products since the early 1990s. Anti export bias, lack of private domestic and foreign investment in the tradable, particularly industry sector, lack of innovation and research and development (R&D) have further deepened the woes of the exports sector. Meanwhile, the volatile economic and political climate together with the bureaucratic and restrictive investment climate have deterred foreign investment inflows to Sri Lanka. These developments have led to the widening of the external current account deficit forcing the country to increasingly rely on foreign borrowings to finance such deficits.

Figure B 3.2  
Population Growth Projections in Sri Lanka







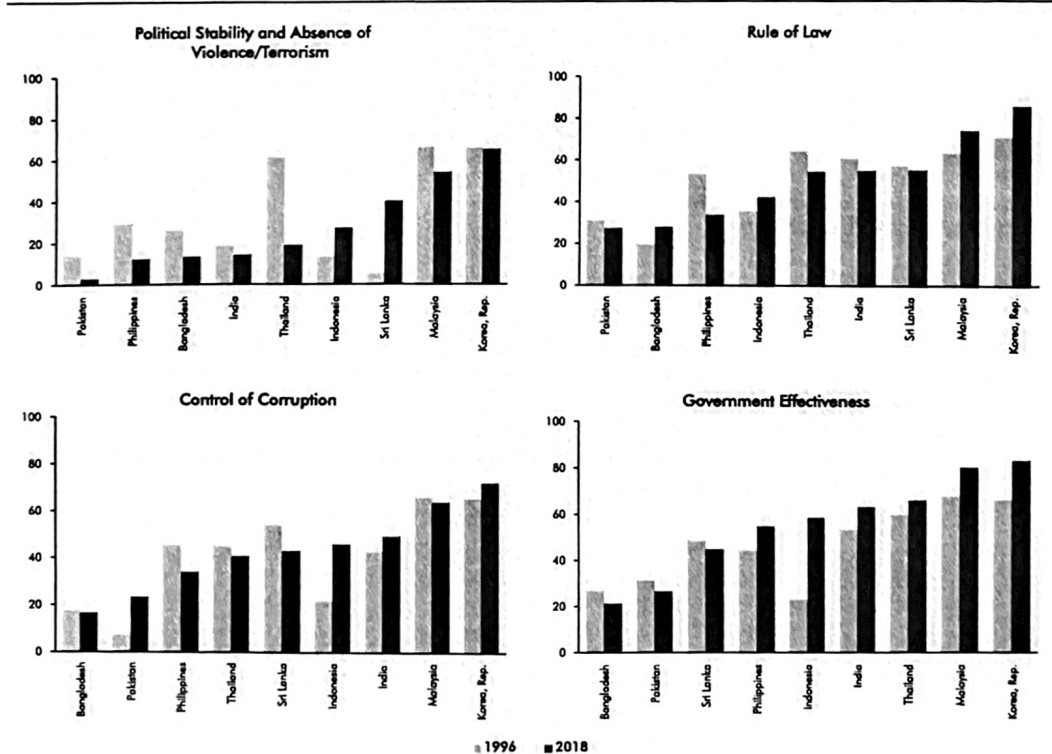
To achieve sustainable and inclusive growth, the workforce needs to be prepared for the challenges of the 21st century. Although Sri Lanka's performance in terms of human development has been commendable, high levels of educated youth unemployment and low levels of female labour participation have been observed compared to other emerging markets. Female labour force participation in Sri Lanka and in the region, has remained significantly lower than economies like China and those in the ASEAN region, and this is a serious concern for Sri Lanka given its large pool of highly educated females who are neither employed nor looking for work. In addition, inadequate exposure to STEM (Science, Technology, Engineering and Mathematics) education at secondary, higher education and university levels, has created a low skilled workforce that is unfit to serve the needs of present day employers and to create entrepreneurs.

Furthermore, Sri Lanka is undergoing a rapid ageing of its population, and has reached an advanced stage of this demographic transition compared to its peers.

According to projections of the UN, between 2015 to 2060, the dependency ratio of the elderly is projected to rise sharply while that of the young would fall. In addition, Sri Lanka's population is projected to peak in the mid 2040s (Figure B 3.2). The share of the elderly is projected to increase to 25.7 per cent of the total population by 2050 compared to 13.4 per cent in 2015. This implies a contraction of the labour force, lower productivity, greater fiscal burden in the form of healthcare and elderly care, and high retirement benefit costs in the future. In fact, according to the World Social Protection Report (2017-2019), less than one third of the Sri Lankan population is covered by at least one social protection benefit scheme and only around 25 per cent of old age citizens are receiving a pension.

A key source of economic instability in Sri Lanka for many years has risen from misaligned fiscal operations. Compared to emerging market peers, Sri Lanka's fiscal deficits have remained high over time amidst declining government revenues and rising recurrent expenditure. Strikingly, the tax revenue to GDP ratio in Sri Lanka is

Figure B 3.3  
Worldwide Governance Indicators - Percentile Ranks (a)



(a) Percentile rank indicates the country's rank among all countries covered by the aggregate indicator, with 0 corresponding to the lowest rank, and 100 to the highest rank.

Source: The World Bank





one of the lowest by international standards. Moreover, government expenditure has continued to increase over the years in spite of the steps taken to rationalise expenditure. Reflecting the impact of sustained large budget deficits, debt levels in Sri Lanka have also remained high. Rising levels of external commercial debt have created a further drag on government finances, thus elevating risk and associated premiums, causing an increase in interest costs. Sri Lanka has little fiscal space to drive growth through large and continued fiscal stimulus and to pursue large infrastructure development projects, highlighting the need for intense fiscal reforms if the country is to traverse a high growth trajectory.

Political instability and policy uncertainty create significant challenges for sustained economic growth since the associated uncertainties, negatively impact investment decisions and business confidence. Aisen and Veiga (2011) argue that political instability may shorten policy authorities' horizons, leading to sub-optimal short term economic policies, and may also cause "a more frequent switch of policies, creating volatility and thus, negatively affecting macroeconomic performance". Political stability, presence of good governance, effectiveness of the government, rule of law, and eradication of corruption contribute positively to the sustained growth of an economy. Although Sri Lanka has remained a vibrant democracy resulting in frequent changes in governments, the absence of an independent civil service and the lack of national policies have led to inconsistent policies and affected Sri Lanka's image as a predictable destination for investment and other long term economic activities.

### **Strategies to Support Sri Lanka's Economic Takeoff**

As discussed above, while several crucial conditions are already in place, there remain numerous hindrances that need to be addressed through policy reforms to support Sri Lanka's economic takeoff. Some examples of such reforms that could help Sri Lanka take the next leap forward towards becoming a high income economy over the next decade are outlined below.

A breakthrough in Sri Lanka's export strategy would serve as a springboard for the country to become a high income economy. Sri Lanka's merchandise export strategy needs to be revolutionised by diversifying to the export of medium to high technology products such as machinery and equipment, electronics, vehicles and pharmaceuticals, and value added mineral products, from the traditional low technology products such as garments and tea. Vietnam, a well known achiever in Asia, diversified its exports from agriculture and natural

resources based products to apparel in the early 1990s and then to electronics in the late 2000s, and thus stands among the leading exporters in the global production network today.

Sri Lanka should also look beyond its traditional export markets. Exports to the West have accounted for over half of its total exports, supported by preferential access to some extent. While GSP and GSP+ programmes have supported Sri Lanka in boosting its exports in the past, such benefits are shortlived, and will not be available for an upper middle income economy. Therefore, Sri Lanka should gradually shift its focus towards exporting to emerging Asia and other non traditional markets.

In addition to the diversification of merchandise exports, Sri Lanka needs to focus on further improving services exports. In addition to the already earmarked services sectors such as tourism and IT-BPO, measures should also be taken to improve exports of other important services such as logistics and financial services. The Colombo Commercial and Financial Hub, once ready for operation, would enable Sri Lanka to earn additional foreign exchange through the export of these services.

Sri Lanka needs to form strategic economic partnerships with other nations, particularly the regional countries, to promote its exports and maximise benefits from the movement of capital and human resources. Sri Lanka could, yet again, learn from the experience of Vietnam, which rose to become a leading emerging Asian economy driven by export growth. Since 1995, Vietnam actively signed multiple free trade agreements (FTAs), which resulted in the lowering of tariffs on Vietnamese exports, thereby paving way for the expansion of its exports sector as well as its economy. While taking measures to reap the most from the existing FTAs, measures should be taken to establish new trade pacts with other trading giants while preserving the country's sovereignty and independence. Such trade agreements would assist domestic exporters to integrate into global value chains (GVCs), thereby improving access to markets, while also promoting competition, improving efficiency and supporting innovation.

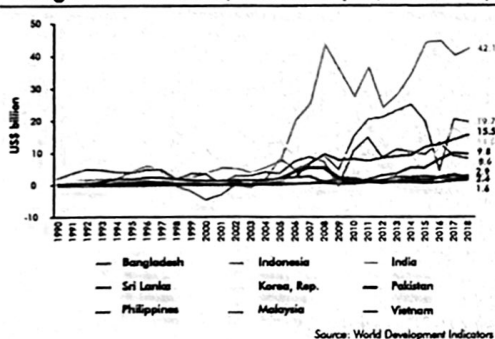
More crucially, Sri Lanka should also increasingly focus on attracting non debt creating financial flows to support reaching a higher growth trajectory through increased domestic production. Although inflows of FDI to Sri Lanka have gradually risen over the past decade, it remains well below the levels experienced by its regional peers. For instance, Vietnam, with the implementation of investor friendly policies and reforms over the years, has been successful in attracting substantially high FDI to productive and tradable



sectors, and is now home to some of the world's leading electronic brands such as Intel, Samsung, Mitsubishi, GE, LG and Panasonic. Learning from this experience, Sri Lanka should also focus on attracting FDI towards infrastructure development as well as production that could promote the exchange of technology and expertise. Timely introduction of necessary legal, institutional and labour market reforms to address FDI deterrents would improve ranking of ease of doing business and enhance investor confidence in Sri Lanka. With increased FDI, producers would have enhanced access to GVCs, availing them of the opportunity to produce new products, and expand and diversify into new markets, while also leading to job creation, thus supporting the country's overall growth and development agenda. While supporting the stability of the exchange rate, higher FDI would also generate increased foreign revenue in the form of export earnings, thereby reducing the need for debt creating foreign funds to finance external current account deficits and improving government revenues in the long term.

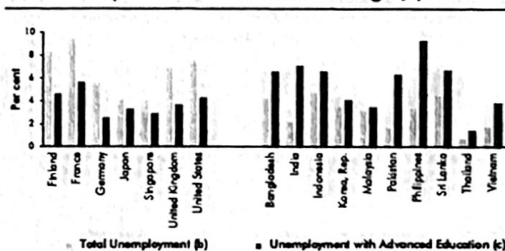
high income category from middle income levels, produce a higher proportion of graduates in science and technology related fields, thereby increasing their innovative capabilities. It is equally important to develop and support industries that require high skilled labour, so that the demand for such graduates would also be high. Therefore, in the context of Sri Lanka, the country needs to focus not only on the supply of experts by supporting science and technology related fields of higher education, but also needs to increase the demand for such experts. Experiences of the recent past highlight that many graduates migrate following the completion of their studies, leaving behind a heavy fiscal burden given the free education system in the country. Also, many graduates seem to favour government jobs over private sector employment preferring higher job security, despite the higher wage levels in the private sector, especially in sectors requiring higher skills. This phenomenon suggests an already existing shortage of such experts in the private sector, as highlighted by Nedelkoska, O'Brien and Stock (2018). Therefore, within the government's initiatives to broaden the university intake, further efforts are imperative to widen access to tertiary education to match the demands of the labour market. At the same time, studies including Delalibera and Ferreira (2019) have found evidence suggesting that the quality of early childhood education can contribute to increased levels of labour productivity, and Sri Lanka also needs to improve the quality of the primary and secondary layers of the education system. Improvements to the quality of the labour force achievable through such measures could also be beneficial in facing the country's emerging demographic challenges.

Figure B 3.4  
Foreign Direct Investment, Net inflows (BoP, current US\$)



As highlighted by authors such as Agénor, Canuto, and Jelenic (2012) and Agénor (2017), the lack of high quality human capital to meet the 21st century's labour market challenges is one of the reasons for the stagnation of countries at middle income levels, since it limits the benefits achievable with borrowed technologies from other countries and also the development of suitable technologies inhouse. Investment in high skilled education and labour market reforms are necessary to face this obstacle. When considering the composition of graduates of Sri Lanka, a majority seems to specialise in humanities and aesthetic studies. However, countries such as Singapore and South Korea, which have transitioned into the

Figure B 3.5  
Comparison of Unemployment Rates Among Educated Population – 2009-2016 Average (a)

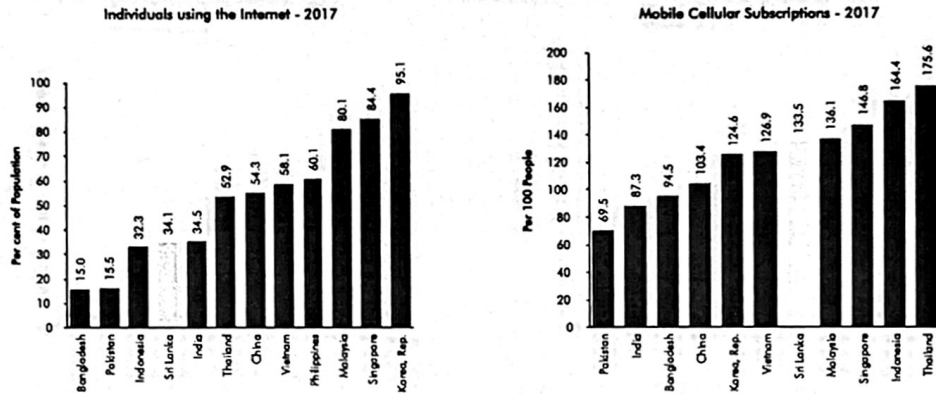


(a) Data are not available for all countries for all periods. Only available periods are considered for the average in such instances.  
 (b) Share of the labour force that is without work but available for and seeking employment. Definitions of labour force and unemployment differ by country.  
 (c) As a percentage of the labour force with advanced education. Advanced education comprises short-cycle tertiary education, a bachelor's degree or equivalent education level, a master's degree or equivalent education level, or doctoral degree or equivalent education level according to the International Standard Classification of Education 2011 (ISCED 2011).  
 Source: The World Bank





Figure B 3.6  
Internet and Mobile Penetration



Source: The World Bank

A common argument in literature on the middle income trap is that it occurs due to the inability to innovate. In many developing Asian countries, the importance given to intellectual property rights is low when compared to its Western counterparts. In the case of Sri Lanka, the existing laws and regulations are quite extensive in protecting intellectual property rights established by foreign entities, but attempts to establish intellectual property rights for local innovators and inventions are slow and involve tedious processes, thus discouraging innovation as it is difficult for inventors to obtain economic gains from their efforts. Thus, from a policy perspective, it is important to take measures to improve awareness of intellectual property rights and to ensure enforcement of such rules and regulations, while actively supporting local innovators to establish such rights domestically and abroad.

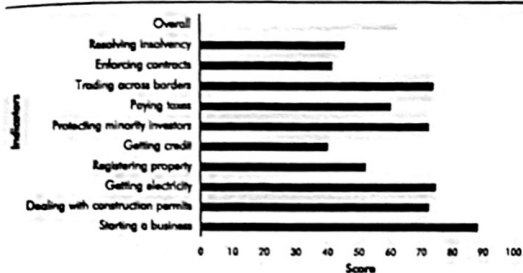
South East Asian success stories such as Singapore and South Korea suggest that improving access to advanced infrastructure, including telecommunication and broadband has contributed to sustained growth. Despite having made commendable progress in this regard, there is still ample space for improvement in Sri Lanka, as suggested by indicators such as a relatively high effective cost of broadband and a relatively low internet penetration rate (although the mobile phone penetration rate is at comparable levels) when compared with regional peers. With respect to transport infrastructure as well, the country could gain higher economic and social benefits by complementing the improvements to the road network by upgrading public transportation and the railway network.

Enhanced entrepreneurship paves way to generate higher levels of output and productivity of a country, increasing national income and income distribution

through improved employment together with higher earnings. A well developed entrepreneurial culture of a country underpinned by a conducive environment to conduct business, enables the economy to move ahead in terms of attracting investments, thereby boosting overall economic activity. As per Doing Business 2020,<sup>5</sup> Sri Lanka holds the 99th position out of 190 economies for ease of doing business, remaining below its regional peers. India managed to raise its ranking through streamlining its reform strategies giving priority to the Doing Business indicators. Countries like Vietnam have upgraded their information technology infrastructure to make it easy to pay taxes. Recently, Sri Lanka too, made a few efforts to upgrade the information technology infrastructure by introducing online systems for filing taxes, processing constructions permits and business registration. With a view to facilitating and attracting foreign investments, the Board of Investment (BOI) has introduced an online application tracking system. The relatively poor score of Sri Lanka on the ease of doing business indicates that there is ample room for further improvement. In Sri Lanka, a lack of improvements can be observed in the areas of getting credit, enforcing contracts, especially in terms of the time and cost spent on resolving a commercial dispute and the quality of the judicial process as well as resolving insolvency considering the recovery rate and reinforcement of the legal framework for insolvency. Further developments can be achieved through government involvement in evolving the country's entrepreneurship by implementing broad minded, long term policies and programmes that offer opportunities for entrepreneurs.

<sup>5</sup> Doing Business 2020 is the 17th series of an annual study of The World Bank which presents quantitative indicators on business regulations and the protection of property rights across 190 economies. The data are as of 1 May 2019.

Figure B 3.7  
Doing Business Indicators - 2019 for Sri Lanka



Source: The World Bank

For decades, Sri Lanka, as a twin deficit country, has been relying on domestic and foreign borrowings for financing deficits. With a view to strengthening the fiscal position and maintaining government debt at a sustainable level, successive governments have pursued fiscal consolidation strategies, augmenting revenue by expanding the tax base, improving tax administration and compliance, while also rationalising expenditures. Recent tax reform initiatives including those aimed at improving tax administration, are expected to make the country's tax system simpler, while improving business confidence. As government expenditure also remains high, it is crucial for the government to increasingly focus on rationalising expenditure alongside fiscal consolidation measures with a proper monitoring process of government expenditure, without compromising essential public investment. These measures are important in the effort of moving toward becoming a high income country, as unsustainable levels of budget deficits and debt lead to macroeconomic instability, thereby hindering growth. In addition, the government needs to strengthen its efforts on reforming and restructuring State Owned Business Enterprises, thereby enhancing their financial viability and helping to reduce central government expenditure, while inculcating greater discipline in fiscal affairs.

It is widely accepted that political stability is a prerequisite for economic stability. However, consensus across political regimes on long term economic goals is even more important for sustainable growth. Experiences from Finland and Singapore, discussed by Foxley and Sossdorf (2011) and Chua (2011), respectively, suggest that social and political consensus on long term economic priorities can lead to many years of sustained growth. This has historically been a weak area in Sri Lanka as economic priorities have varied frequently when political regimes change. Thus, going forward, it is essential that the people of Sri Lanka demand for a

consensus on long term economic goals of the country and persuade political authorities to collectively commit to implement consistent policies to achieve these goals, if the country is to progress towards high income levels with equitable and sustained growth.

## Conclusion

Sri Lanka, once considered a promising emerging and developing economy and famously referred to as the "Wonder of Asia" with the dawn of peace in 2009, has to tread through rough waters over the past several years resulting in poor macroeconomic performance, particularly in terms of subpar growth and rising external and fiscal sector vulnerabilities. The absence of national economic policies, delayed implementation of the required structural reforms and the inability to build sufficient policy spaces have led the country to lose its steam as a fast growing economy in the region, amidst domestic political uncertainties, the Easter Sunday attacks, and frequent natural disasters. Moreover, uncertainties in the global front have also posed significant challenges to domestic economic activity. In spite of these drawbacks, Sri Lanka has managed to make steady progress in terms of reducing poverty, upgrading human capital, promoting good governance, fostering healthy international diplomatic and economic relations with key development partners, and maintaining single digit inflation for over a decade, to name a few. It is expected that these factors, together with the country's natural strengths and the implementation of appropriate policy reforms, particularly to address the deficiencies highlighted above, would set the stage for Sri Lanka to takeoff and reemerge as the economic miracle of Asia.

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Foreign Relations. Any clarifications as may be required, should be referred to the Ministry of Foreign Relations which will designate one of its officers who would directly interface with line ministries, provincial councils and such other entities, as may be necessary.

- 1.2 With immediate effect, refrain from dealing with investment proposals, financing proposals or bilateral or multilateral funding arrangements on public investment projects either in the form of grant aid or foreign loans. These are responsibilities of the Ministry of Finance, Economy and Policy Development and the Central Bank of Sri Lanka.
  - 1.3 Enforce Public Contracts Act No. 3 of 1987 provided for the registration of public contractors and persons who tender or enter into public contracts with any public body. Ensure that any agent or sponsor fully discloses his particulars, tax details, credentials and also his service fee and how such amounts are paid and by whom.
  - 1.4 Collate an exhaustive list of signed as well as pending MOUs and Agreements and avail same to the Ministry of Foreign Relations seeking guidance and advise on how to set about, so that a streamlined approach could be adopted while suitably dealing with situations including delays etc.
  - 1.5 Concentrate on projects and programmes already committed to and formalize the related tender processes whilst checking on the availability of required necessities such as the approval of the Cabinet of Ministers, approval from the Cabinet Appointed Tender Board or such other authorized entity or person based on the value and other considerations, Hon. Attorney General's approval to the contracts, loan agreements, guarantees etc. proposed to be signed, whether budgetary provisions as approved by the Ministry of Finance are available, and whether there are any procedural and statutory requirements required to be fulfilled to ensure that the Secretary to the line Ministry as the Chief Accounting Officer is fully aware and satisfied to proceed expeditiously.
2. **Requirement for prior approvals** - Refrain from entering into any MOUs or Agreements without following the process in this Circular or without obtaining prior approval from Hon. Attorney General and the Cabinet of Ministers.
  3. **Investment Proposals** - Refer all investment proposals of prospective investors to the "Front Office Desk" being set up at the Board of Investment (BOI) dedicated and authorized to receive all such proposals. The Front Office Desk will in turn refer all proposals to the Back Office entrusted with the responsibility of processing such investment proposals. The Front Office Desk will also ensure that investors do not liaise with the Back Office to ensure an independent evaluation. A nominated Experts Panel will carry out due diligence of the prospective investor, the proposed funding sources, the likelihood of success of the proposed investment considering past experience and success achieved by the prospective investor in similar investments etc. Such Experts Panel will also examine the proposals in the context of the proposed Policy framework of the Government, commitments sought from the Government such as having to provide land, environmental related clearances, legal and regulatory obligations, any national security related concerns, tax related concessions expected, and investment readiness from the perspective of the Government. Once the said process is concluded, the

2/



Director General, BOI must not later than 45 days from the reference of a proposal to the BOI, inform the relevant prospective investor whether the proposal is acceptable or not. Until such evaluation process is concluded and a decision is conveyed to a prospective investor, BOI should not register any investor or charge any fee or service charge other than the fixed Evaluation Fee to be charged from all investors who hand over investment proposals.

4. **Financing Proposals** - Advise all bilateral and multilateral lending agencies, project financiers and their agents that the focal point in relation to all their financing proposals is the General Treasury which will also set up 'Front Desk Office' to give best guidance and advise on such matters. The project formulation for related development activities coming under the purview of any Ministry or agency should be carried out under the guidance of the National Planning Department of the Ministry of Finance, Economy and Policy Development.
5. **Foreign financing** - The External Resources Department (ERD) is the apex unit of the Government in charge of securing foreign financing for development projects. The ERD will engage in related activities based on the recommendations of the National Planning Department and in consultation with other Treasury Departments, as relevant. As such, other Government Departments and agencies should refrain from seeking finances directly from external sources.
6. **Liaison with lending agencies at project formulation stage** - The Treasury, through the National Planning Department, External Resources Department and the National Budget Department in discussion with the relevant line Ministries, will liaise and coordinate with all bilateral and multilateral lending agencies, project financiers and their agents as the case may be, on all projects and programmes at the project formulation stage, so as to minimize numerous visits by missions of lending agencies. This does not include performance review missions to be undertaken by the relevant line Ministry in the project implementation stage.
7. **Review and monitoring of project implementation** - Project implementation progress review meetings and follow up work is the responsibility of the relevant line Ministry Secretary. Review meetings must be held on a monthly basis with the participation of the relevant State Secretary and senior staff responsible for implementation, with a view to resolving operational issues. Any unresolved issues must be listed to be taken up at the monthly Secretaries' Meeting that is attended by all Secretaries so that a solution is found.
8. **Operational meetings** - Separate operational meetings should be held as and when required, in respect of projects and programmes supported by bilateral and multilateral funding agencies so as to ensure that coordinated efforts are constantly made to ensure meaningful and effective public expenditure management.
9. **Continuation of existing projects** - At review meetings held at Line Ministry level, if the need is felt to continue any project or programme that is reaching the end, the line ministry should first do a cost benefit assessment at implementation level and report the need to the National Planning Department and the External Resource Department for further action. Until a clearance is given on continuity, no commitment should be made on a possibility basis since other development priorities could suffer as a consequence.



10. **Project procurement** - Procurement practices are being rationalized and harmonized aiming to introduce a unified National Procurement System that will be applicable to all public investment activities, based on international best practices. A committee is to be appointed shortly to formulate new guidelines to be applicable to new projects and all Secretaries are advised to fast track existing work and conclude at the earliest, to be able to migrate to a new system.

As the Government will be working on a Vote on Account from January 2020 until the first Annual Budget is approved by the Parliament, ministries and spending agencies are permitted to continue ongoing work, and collective effort by all ministries must be directed towards completing on going activities in a cost effective manner to provide maximum services to the people.

The Presidential Secretariat has been restructured to carry out the executive functions of the Constitution and perform the constitutional leadership entrusted upon His Excellency the President in consultation with the Hon. Prime Minister. The new organizational framework of the Office of the President provides line ministry secretaries, state secretaries and heads of departments, statutory agencies and state enterprises a direct access to Additional Secretaries to the President for any assistance required.

Any clarification on this Circular or organizational arrangement could be sought from Ms. Chandima Wickramasinghe, Additional Secretary to the President.



**P B Jayasundera**  
Secretary to the President

Copy:

1. Secretary to Hon. Prime Minister
2. Secretary to the Cabinet of Ministers
3. Auditor General
4. Governor, Central Bank of Sri Lanka
5. Chairman, Board of Investment of Sri Lanka



38 R 11

~~38 R 11~~

Dialog 4G LTE 21:58

← Nanda W DG... +94 77 367 8244

purchases please.

11:35

Thursday, 14 May, 2020

Will do on Tuesday

22:28

Saturday, 16 May, 2020

I just read the Cabinet Memorandum on foreign resource mobilization which is an excellent paper. I think this should be published with all details. It will give confidence to foreign investors rating agencies and also to the IMF on medium term debt sustainability concerns

07:19

Will do

18:58

⊕ Text message 😊 📶

◀ ○ □



ජනාධිපති කාර්යාලය  
ரனாதிபதி அலுவலகம்  
PRESIDENTIAL SECRETARIAT



30th March 2020

Mr. S. R. Attygalle  
Secretary  
Ministry of Finance, Economy and Policy Development  
The Secretariat  
Colombo - 01



Dear Mr. Attygalle,

AUTHORIZATION UNDER FOREIGN LOAN ACT NO. 29 OF 1957 AND ITS SUBSEQUENT AMENDMENTS

As you may have noticed, it has been the practice that request for the authorization to sign loan agreement by Secretary to the Treasury / Deputy Secretary to the Treasury and some cases in recent times by other Treasury officials have been submitted to this office for the authorization by His Excellency the President without required materials to make such decisions.

It is the responsibility of the Secretary to the President as Chief Accounting Officer to ensure that relevant files are duly completed and submitted by relevant subject officials in the Secretariat to His Excellency's approval through the Secretary to the President with convincing materials to make an evidence based decision.

In this background, I urge you to submit following documents/materials when request for authorization under the Foreign Loan Act No. 29 of 1957 (as amended) is sought.

1. The report of the Monetary Board of the Central Bank of Sri Lanka giving a comprehensive assessment on the Balance of Payments implications, impact on the National Public Debt Profile, debt servicing and debt bunching implications, superiority of recommended loans over alternative financing arrangements that could be explored, risks associated with borrowing currency, interest rates and conditionality attached to the such loans.
2. Brief summary of cost-benefit analysis of the connected projects, detailed cost breakdown with explicit disclosure of promotional expenditure, consultancy components including provisions for foreign consultants, commissions, agent fees, arranger fees and local agent (if any), prepared by the relevant line ministry secretary.



# ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ගැසට් පත්‍රය

අති විශේෂ

අංක 2172/9 - 2020 අප්‍රේල් මස 22 වැනි බදාදා - 2020.04.22

(රජයේ බලයවට ප්‍රසිද්ධ කරන ලදී)

## I වැනි කොටස: (I) වැනි ඡේදය - සාමාන්‍ය

ජනාධිපතිතුමාගෙන් විසින් කරන ලද ප්‍රකාශන ආදිය



ගෝඨාභය රාජපක්ෂ.

### ජනාධිපති විධානය

ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 33 වන ව්‍යවස්ථාවෙන් අතිගරු ජනාධිපතිතුමා වෙත පැවරී ඇති බලතල ප්‍රකාර ආර්ථික පුනර්ජීවනය හා දරිද්‍රතාවය තුරන් කිරීම සඳහා වන කාර්ය සාධක බලකායක් ස්ථාපනය කිරීම.

1. බැසිල් රාජපක්ෂ මැතිතුමා  
ජනාධිපති විශේෂ නියෝජිත
2. ආචාර්ය නන්දලාල් වීරසිංහ මැතිතුමා  
ජ්‍යෙෂ්ඨ නියෝජ්‍ය අධිපති, ශ්‍රී ලංකා මහ බැංකුව
3. ප්‍රතිනන් ජනරාල් ඔවේන්ද්‍ර සිල්වා මැතිතුමා  
ආරක්ෂක මාණ්ඩලික ප්‍රධානී / යුධ හමුදාපති
4. ඩී.සී. වික්‍රමරත්න මැතිතුමා  
වැව බලන පොලිස්පති
5. මේජර් ජනරාල් (විශ්‍රාමික) ශාන්ත දිසානායක මැතිතුමා  
සභාපති, පාරිභෝගික කටයුතු පිළිබඳ අධිකාරිය
6. ජේ.ඒ. නුෂාඩ් එම්. පෙරේරා මැතිතුමා  
සභාපති, සමූපකාර නොග වෙළඳ සංස්ථාව
7. සුසන්ත රත්නායක මැතිතුමා  
සභාපති, ශ්‍රී ලංකා ආයෝජන මණ්ඩලය



IA - G 032221 — 32 (2020/04)

මෙම අති විශේෂ ගැසට් පත්‍රය [www.documents.gov.lk](http://www.documents.gov.lk) වෙබ් අඩවියෙන් බාගත කළ හැක.



8. ජයන්ත ද සිල්වා මැතිතුමා  
සභාපති, ශ්‍රී ලංකා තොරතුරු හා සන්නිවේදන තාක්ෂණ නියෝජිතායතනය
9. කිමාලි ප්‍රනාන්දු මැතිතුමා  
සභාපති, ශ්‍රී ලංකා සංචාරක සංවර්ධන අධිකාරිය
10. ජයමපති මොල්ලිගොඩ මැතිතුමා  
සභාපති, ශ්‍රී ලංකා තේ මණ්ඩලය
11. ප්‍රභාත් සුබසිංහ මැතිතුමා  
සභාපති, අපනයන සංවර්ධන මණ්ඩලය
12. ඒ. විමලවීර මැතිතුමා  
කමකරු කොමසාරිස් ජනරාල්
13. එස්. සිංහආචාර්ය මැතිතුමා  
සමුපකාර සංවර්ධන කොමසාරිස්
14. රියර් අද්මිරාල් (විශ්‍රාමික) ආනන්ද පිරිස් මැතිතුමා  
අධ්‍යක්ෂ ජනරාල්, සිවිල් ආරක්ෂක දෙපාර්තමේන්තුව
15. මේජර් ජනරාල් (විශ්‍රාමික) ජී. විජිත රවිප්‍රිය මැතිතුමා  
අධ්‍යක්ෂ ජනරාල්, ශ්‍රී ලංකා රේගුව
16. බන්දුල කිලිසිටි මැතිතුමා  
අධ්‍යක්ෂ ජනරාල්, සමෘද්ධි සංවර්ධන දෙපාර්තමේන්තුව
17. සංජය මොහොට්ටාල මැතිතුමා  
අධ්‍යක්ෂ ජනරාල්, ශ්‍රී ලංකා ආයෝජන මණ්ඩලය
18. මේජර් ජනරාල් (විශ්‍රාමික) සුදන්ත රණසිංහ මැතිතුමා  
අධ්‍යක්ෂ ජනරාල්, ආපදා කළමනාකරණ මධ්‍යස්ථානය
19. මහේෂ් ගම්මම්පිල මැතිතුමා  
අධ්‍යක්ෂ, පොහොර ලේකම් කාර්යාලය
20. බුද්ධික මඩිහසේවා මැතිතුමා  
සාමාන්‍යාධිකාරී, ලංකා ඛනිජතෙල් නීතිගත සංස්ථාව
21. රොහාන් සෙනෙවිරත්න මැතිතුමා  
අතිරේක සාමාන්‍යාධිකාරී, ලංකා විදුලිබල මණ්ඩලය
22. මනෝ සේකරම් මැතිතුමා  
අධ්‍යක්ෂ මණ්ඩල සාමාජික, ශ්‍රී ලංකා තොරතුරු හා සන්නිවේදන තාක්ෂණ නියෝජිතායතනය
23. මේජර් ජනරාල් (විශ්‍රාමික) සුමේධ පෙරේරා මැතිතුමා
24. සංජීව් ගුණවර්ධන මැතිතුමා  
විධායක නිලධාරී, ඊ.ඩබ්ලිව්. ක්‍රේසි සහ සමාගම
25. සමන්ත කුමාරසිංහ මැතිතුමා  
අධිපති, නේවර්ස් සිතුවම් ආයතනය

- 26. මහේෂ් අමලියන් මැතිතුමා  
සභාපති, මාස් හෝල්ඩිංග්ස්
- 27. ආචාර්ය රවී ලියනගේ මැතිතුමා  
සභාපති, රයිගම් මාර්කටින් සර්විසස් (පුද්ගලික) සමාගම
- 28. පද්මලාල් විතානගේ මැතිතුමා  
කළමනාකාර අධ්‍යක්ෂ, සැන්මික් සමූහ ව්‍යාපාරය
- 29. එස්.බී. දිවාරත්න මැතිතුමා  
විශ්‍රාමික නියෝජ්‍ය භාණ්ඩාගාර ලේකම්
- 30. අශ්‍රාමිකයන් ලේකම් හා මුදල්, ආර්ථික සහ ප්‍රතිපත්ති සංවර්ධන, මාර්ග සහ මහාමාර්ග, රාජ්‍ය පරිපාලන, ස්වදේශ කටයුතු, පළාත් සභා හා පළාත් පාලන, වැවිලි කර්මාන්ත හා අපනයන කෘෂිකර්ම, කර්මාන්ත හා සැපයුම් කළමනාකරණ, විදුලිබල හා බලශක්ති, කාන්තා හා ළමා කටයුතු සහ සමාජ ආරක්ෂණ, මහවැලි, කෘෂිකර්ම, වාරිමාර්ග සහ ග්‍රාමීය සංවර්ධන, නාගරික සංවර්ධන, ජල සම්පාදන සහ නිවාස පහසුකම්, ආරක්ෂණ, අභ්‍යන්තර වෙළඳ, ආහාර සුරක්ෂිතතාවය සහ සාර්භෝගික සුබසාධන, විදේශ සබඳතා යන අමාත්‍යාංශයන්හි ලේකම්වරු

වෙත,

ඉහත ශිංසන පූර්වකවය

සමස්ත ලෝකය පුරාම ව්‍යාප්ත වී ඇති කොරෝනා වසංගත තත්ත්වය (COVID 19) හමුවේ ශ්‍රී ලංකාව ඉතා සාධනීය අයුරින් එකී තත්ත්වයන් මැඩපවත්වමින් හා සාමාන්‍ය ජන ජීවිතය යථා පරිදි පවත්වා ගැනීමට බාධාවක් අවමවන සේ සියලු මහජන සේවාවන් අඛණ්ඩව පවත්වාගෙන යාම සඳහා සියලුම රාජ්‍ය මෙන්ම පෞද්ගලික අංශයන් ද, රාජ්‍ය මැදිහත් වීම තුළ නිසි ක්‍රමවේදයන් යටතේ කළමනාකරණය කරමින් සිටින බව සැලකිල්ලට ගනිමින් ද,

ගෝලීය වසංගත තත්ත්වය හමුවේ සමස්ත ලෝක ප්‍රවණතාවයන් වෙනස්වී ඇති පසුබිමක, විදේශ සැපයුම් ඇණහිටීමේ තත්ත්වයන් තුළ දේශීය ආහාර නිෂ්පාදනය ඇතුළු සියලුම දේශීය කර්මාන්ත නගාසිටුවීම මෙන්ම හැකි සෑම අංශයකම අපනයනයන් ප්‍රවර්ධනය කිරීම ප්‍රමුඛව නව ආර්ථික වැඩපිළිවෙලක් ස්ථාපිත කිරීම අත්‍යවශ්‍යවන බැවින් ද,

පසුගිය කාල වකවානුව තුළ දේශීය ආර්ථික ශක්තින්, ජාත්‍යන්තර සිද්ධාන්තයන් තුළ නිසි ඇගයීමකට ලක් නොවීම හේතුවෙන්, ග්‍රාමීය ජනතාව, වතු ප්‍රජාව හා නාගරික අඩු ආදායම්ලාභී ජනතාවගේ නිපුණතාවයන්, සුවිශේෂීතාවයන් හා ශක්තාවයන් මෙන්ම, දුර්වලතා හා අභියෝගයන් තුළ නිසි තක්සේරුවට ලක් නොවීම නිසා එම ජනතා අපේක්ෂාවන් බිඳ වැටීමට ඉඩ නොදී, ජනතා අපේක්ෂාවන් ශක්තිමත් කරලමින් තාක්ෂණික, පර්යේෂණ හා නව නිපැයුම් කෙරෙහි වත්මන් රජයේ ප්‍රමුඛ අවධානය යොමුවී ඇති හෙයින් ද,

ලෝක ආර්ථික ප්‍රවණතාවයන් තුළ, ඉදිරියේ දී ශ්‍රී ලංකාව ළඟා කර ගත යුතු සමස්ත ආර්ථික සංවර්ධන ඉලක්ක හා එක්සත් ජාතීන්ගේ සංවිධානය විසින් පිළිගෙන ඇති සංවර්ධන, පරිසර සංරක්ෂණය, පුනර්ජනනීය බලශක්ති, වස විසඳවලින් තොර ආහාර නිෂ්පාදන පුළුල් කිරීමේ අභිලාෂයන් මෙන්ම දුප්පත්කම හා ඇති නැති පරතරය වැඩිවීමේ ප්‍රවණතා අවම කරගනිමින් දියුණු මට්ටමේ සමබර සමාජ හා ආර්ථික සංවර්ධනයක් ඇති කිරීමේ අවශ්‍යතාව පැහැදිලිව හඳුනාගෙන ඇති හෙයින් ද,

සුරක්ෂිතවූත්, සෞභාග්‍යමත්වූත් දේශයක් සඳහා එකී සංවර්ධන ආර්ථික ඉලක්ක සාක්ෂාත් කර ගැනීමේ දී දුප්පත්කම ප්‍රධාන පසුගාමී සාධකයක් බව ද, එහෙයින් ජනතා කේන්ද්‍රීය ආර්ථිකයක් පදනම් කරගත් ග්‍රාමීය ප්‍රජාව සවිබල ගැන්වීමේ ක්‍රමෝපායන්හි අවශ්‍යතාවය ද පෙර නොවූ විරූ ලෙස පැන නැගී ඇති බැවින් ද,

"සෞභාග්‍යයේ දැක්ම" රාජ්‍ය ප්‍රතිපත්ති රාමුව මගින් දේශය ගොඩනැංවීම සඳහා සැලසුම් කර ඇති වැඩපිළිවෙල තුළ ජාතික සංවර්ධන වැඩසටහන් මැනවින් පෙළඹැස්වීමේ අවශ්‍යතාවයට ප්‍රමුඛත්වයක් දිය යුතු හෙයින් ද,

ග්‍රාමීය හා ප්‍රාදේශීය මට්ටමින් සෞඛ්‍ය පහසුකම් හා අධ්‍යාපන පහසුකම් පුළුල් කරමින්, ජනතාවගේ සෞඛ්‍යය, ගුණාත්මක ආහාර පරිභෝජනය හා පරිසර සංරක්ෂණය මෙන්ම, ශිෂ්‍යයන්ගේ නිපුණතා හා කුසලතා දියුණු කිරීමේ වැඩපිළිවෙල සඳහා වෙනම ජනාධිපති කාර්ය සාධක බලකායන් පිහිටුවා සෞඛ්‍ය, අධ්‍යාපන හා නිපුණතා අවස්ථා පුළුල් කිරීමට ප්‍රමුඛත්වය දී ඇති හෙයින් ද,

මධ්‍යම රජයේ අමාත්‍යාංශ, පළාත් සභා, දිස්ත්‍රික් ලේකම් කාර්යාල, ප්‍රාදේශීය ලේකම් කාර්යාල වශයෙන් ස්ථාපිත රාජ්‍ය යාන්ත්‍රණය ඔස්සේ සුළු හා මධ්‍ය පරිමාණ ව්‍යාපාර පුනර්ජීවනය කරමින් හා ග්‍රාමීය, වතු හා අඩු ආදායම්ලාභී ජනතාව ව්‍යවසායකයන් වශයෙන් දේශීය ආර්ථික බල ගැන්වීමේ ක්‍රියාදාමයට සාජුව සම්බන්ධ කර ගැනීම සඳහා උචිත පරිදි බැංකු හා මූල්‍ය ආයතන හරහා මූල්‍යමය ප්‍රතිපාදනයන් වෙත ළඟා වීමට ඇති අවස්ථා පුළුල් කර නව ආර්ථික ප්‍රවේශයන් සහිත අනන්‍ය ආර්ථික රාමුවක් ස්ථාපිත කිරීම අත්‍යවශ්‍ය බැවින් ද,

ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ජනාධිපති ධුරන්ධර ගෝඨාභය රාජපක්‍ෂ වන මම, ඔබතුමන්ලාගේ විවික්ෂණභාවය, සාමාර්ථය සහ විශ්වාසවන්තභාවය කෙරෙහි මහත් වූ හක්තිය හා විශ්වාසය තබමින්, පූර්වෝක්ත ඔබතුමන්ලා, එනම්,

1. බැසිල් රාජපක්ෂ මැතිතුමා  
ජනාධිපති විශේෂ නියෝජිත
2. ආචාර්ය නන්දලාල් වීරසිංහ මැතිතුමා  
ජ්‍යෙෂ්ඨ නියෝජ්‍ය අධිපති, ශ්‍රී ලංකා මහ බැංකුව
3. ප්‍රතිනන් ජනරාල් ශ්‍රී චන්ද්‍ර සිල්වා මැතිතුමා  
ආරක්ෂක මාණ්ඩලික ප්‍රධානී / සුධ හමුදාපති
4. ඩී.සී. වික්‍රමරත්න මැතිතුමා  
වැඩ බලන පොලිස්පති
5. මේජර ජනරාල් (විශ්‍රාමික) ශාන්ත දිසානායක මැතිතුමා  
සභාපති, පාරිභෝගික කටයුතු පිළිබඳ අධිකාරිය
6. ජේ.ඒ. කුමාර එම්. පෙරේරා මැතිතුමා  
සභාපති, සමුපකාර තොග වෙළෙඳ සංස්ථාව
7. සුසන්ත රත්නායක මැතිතුමා  
සභාපති, ශ්‍රී ලංකා ආයෝජන මණ්ඩලය
8. ජයන්ත ද සිල්වා මැතිතුමා  
සභාපති, ශ්‍රී ලංකා තොරතුරු හා සන්නිවේදන තාක්ෂණ නියෝජිතායතනය
9. කීමාලි ප්‍රනාන්දු මැතිතුමා  
සභාපති, ශ්‍රී ලංකා සංචාරක සංවර්ධන අධිකාරිය
10. ජයම්පති මොල්ලිගොඩ මැතිතුමා  
සභාපති, ශ්‍රී ලංකා තේ මණ්ඩලය
11. ප්‍රභාත් සුබසිංහ මැතිතුමා  
සභාපති, අපනයන සංවර්ධන මණ්ඩලය
12. ඒ. විමලවීර මැතිතුමා  
කම්කරු කොමසාරිස් ජනරාල්
13. එස්. සිංහජයවර්ධන මැතිතුමා  
සමුපකාර සංවර්ධන කොමසාරිස්
14. රියර් අද්මිරාල් (විශ්‍රාමික) ආනන්ද පිරිස් මැතිතුමා  
අධ්‍යක්ෂ ජනරාල්, සිවිල් ආරක්ෂක දෙපාර්තමේන්තුව
15. මේජර ජනරාල් (විශ්‍රාමික) ජී. විජිත රවිප්‍රිය මැතිතුමා  
අධ්‍යක්ෂ ජනරාල්, ශ්‍රී ලංකා රේගුව



16. බන්දුල තිලකසිරි මැතිතුමා  
අධ්‍යක්ෂ ජනරාල්, සමෘද්ධි සංවර්ධන දෙපාර්තමේන්තුව
17. සංජය මොහොට්ටාල මැතිතුමා  
අධ්‍යක්ෂ ජනරාල්, ශ්‍රී ලංකා ආයෝජන මණ්ඩලය
18. මේජර් ජනරාල් (විශ්‍රාමික) සුදන්ත රණසිංහ මැතිතුමා  
අධ්‍යක්ෂ ජනරාල්, ආපදා කළමනාකරණ මධ්‍යස්ථානය
19. මනේෂ් ගම්මම්පිල මැතිතුමා  
අධ්‍යක්ෂ, පොහොර ලේකම් කාර්යාලය
20. බුද්ධික මඩිහනේවා මැතිතුමා  
සාමාන්‍යාධිකාරී, ලංකා බනිජනලේ නීතිගත සංස්ථාව
21. රොහාන් සෙනෙවිරත්න මැතිතුමා  
අතිරේක සාමාන්‍යාධිකාරී, ලංකා විදුලිබල මණ්ඩලය
22. මනෝ සේකරම් මැතිතුමා  
අධ්‍යක්ෂ මණ්ඩල සාමාජික, ශ්‍රී ලංකා තොරතුරු හා සන්නිවේදන තාක්ෂණ නියෝජිතායතනය
23. මේජර් ජනරාල් (විශ්‍රාමික) සුමේධ පෙරේරා මැතිතුමා
24. සංජීව ගුණවර්ධන මැතිතුමා  
විධායක නිලධාරී, ඊ.ඩබ්ලිව්. ක්‍රේසි සහ සමාගම
25. සමන්ත කුමාරසිංහ මැතිතුමා  
අධිපති, නේවර්ස් සික්‍රට් ආයතනය
26. මනේෂ් අමලියන් මැතිතුමා  
සභාපති, මාස් හෝල්ඩිංග්ස්
27. ආචාර්ය රවී ලියනගේ මැතිතුමා  
සභාපති, රයිගම් මාර්කටින් සර්විසස් (පුද්ගලික) සමාගම
28. පද්මලාල් විතානගේ මැතිතුමා  
කළමනාකාර අධ්‍යක්ෂ, සැන්මික් සමූහ ව්‍යාපාරය
29. එස්.බී. දිවාරත්න මැතිතුමා  
විශ්‍රාමික නියෝජ්‍ය භාණ්ඩාගාර ලේකම්
30. අමුණාහා ලේකම් හා මුදල්, ආර්ථික සහ ප්‍රතිපත්ති සංවර්ධන, මාර්ග සහ මහාමාර්ග, රාජ්‍ය පරිපාලන, ස්වදේශ කටයුතු, පළාත් සභා හා පළාත් පාලන, වැවිලි කර්මාන්ත හා අපනයන කෘෂිකර්ම, කර්මාන්ත හා සැපයුම් කළමනාකරණ, විදුලිබල හා බලශක්ති, කාන්තා හා ළමා කටයුතු සහ සමාජ ආරක්ෂණ, මහවැලි, කෘෂිකර්ම, වාරිමාර්ග සහ ග්‍රාමීය සංවර්ධන, නාගරික සංවර්ධන, ජල සම්පාදන සහ නිවාස පහසුකම්, ආරක්ෂක, අභ්‍යන්තර වෙළඳ, ආහාර සුරක්ෂිතතාවය සහ පාරිභෝගික සුබසාධන, විදේශ සබඳතා යන අමාත්‍යාංශයන්හි ලේකම්වරු

ආර්ථික පුනර්ජීවනය හා දරිද්‍රතාවය තුරන් කිරීම සඳහා වන කාර්ය සාධක බලකායෙහි සාමාජිකයින් ලෙස මතු දැක්වෙන කාර්යයන් ක්‍රියාත්මක කිරීම සඳහා මෙයින් පත් කරමි.

1. ලෝකය පුරා ව්‍යාප්තවී ඇති කොරෝනා වසංගත තත්ත්වය තුළ ශ්‍රී ලංකාවට ඇති ආර්ථිකමය හා සාමාජීය අභියෝගයන් හා අවස්ථාවන් කෙරෙහි සුවිශේෂී අවධානය යොමු කරමින්, සෞභාග්‍යයේ දැක්ම ප්‍රතිපත්ති ප්‍රකාශය තුළ අන්තර්ගත කරුණු පදනම් කරගනිමින් නව ප්‍රවේශයන් ඔස්සේ ශ්‍රී ලංකාවට අනන්‍ය වූ ආර්ථික රාමුවක් සකස් කිරීම මගින් නිෂ්පාදන ආර්ථිකයක් සඳහා අදාළ ආයතන සමග ඒකාබද්ධව පහත සඳහන් කරුණු කෙරෙහි ප්‍රමුඛ අවධානය යොමු කරමින් අවශ්‍ය මග පෙන්වීම ලබා දීම.

- i. දේශීය කර්මාන්තකරුවන්, ව්‍යවසායකයින් දිරි ගන්වන පුළුල් ජනතා කේන්ද්‍රීය ආර්ථිකයක් ස්ථාපිත කිරීම සඳහා ඒකාබද්ධ මෙහෙයුම් ක්‍රියාත්මක කිරීම. එහි දී දේශීය ගොවි නිෂ්පාදන, කෘෂිකාර්මික නිෂ්පාදන සහ අනෙකුත් කුළු හා මධ්‍ය පරිමාණ කර්මාන්ත නව තාක්ෂණය එක්ව කටයුතු කිරීම හා අපනයන දිරිගැන්වීමටත්, ආනයන ආදේශන නිෂ්පාදන පුළුල් කිරීම හා නිෂ්පාදන ආර්ථිකය විවිධාංගීකරණය කිරීමට අවශ්‍ය ක්‍රියා මාර්ග සකස් කිරීම මගින් වෙළෙඳ පරතරය අඩු කර ගැනීම.
- ii. වී, ධාන්‍ය, එළවළු, පළතුරු, මාළු, මස්, කිරි හා බිත්තර නිෂ්පාදන ගොවිපල කටයුතු සඳහා ගොවීන්ට අවශ්‍ය පහසුකම් සැපයීම.
- iii. තේ, රබර්, පොල්, කුරුඳු, ගම්මිරිස්, ආදී අපනයන වැවිලි නිෂ්පාදන, ගුණාත්මක බවින් ඉහළ තේ, පොල්තෙල්, කුළුබඩු වැනි නව තාක්ෂණික උපයෝගීත්වය තුළ අගය එකතු කිරීම මගින් උපරිම ආර්ථික දායකත්වයකට යොමු කිරීම හා අපනයනයට යොමු කිරීම සඳහා තේ මණ්ඩලය හා අපනයන සංවර්ධන මණ්ඩලය සමග සම්බන්ධීකරණය කිරීම.
- iv. ආහාර හා අනෙකුත් අත්‍යවශ්‍ය ද්‍රව්‍ය සැපයීම් ජාලය විධිමත් කිරීම පිණිස ලංකා සතොස, සතොස, සමුපකාර පද්ධතිය හා මාක්ලෙඩ් ආයතන ජාලය පුළුල් කිරීම සඳහා නව තාක්ෂණික ක්‍රමවේදයන් හඳුන්වා දීම හා අනෙකුත් අවශ්‍ය පහසුකම් සැපයීම හා සම්බන්ධීකරණය කිරීම.
- v. සාම්ප්‍රදායික කර්මාන්තයන්ට නව තාක්ෂණය එකතු කරමින් වෙළෙඳපොළට උචිත වන සේ නව්‍යකරණයට ලක්කිරීම. තවදුරටත් සාම්ප්‍රදායික රාමුවෙන් මඛබව ගොස් පවතින ගෝලීය ආර්ථික තත්ත්වයන් හමුවේ නව ආදායම් උත්පාදන මූලාශ්‍රයන් ඇති කිරීම හා අපනයනය ඉලක්ක කොට ගත් කිරි, බිත්තර, පොල්, කුළුබඩු, වියළි කරවල හා කල්තබා ගත හැකි ආහාර ආශ්‍රිත අහාර නිෂ්පාදන සහ රෙදිපිළි, මුඛ ආවරණ හා සනීපාරක්ෂක නිෂ්පාදන, ගෘහ භාණ්ඩ, විසිතුරු භාණ්ඩ හා පොහොර නිෂ්පාදන ක්ෂේත්‍ර වැඩි දියුණු කිරීම සඳහා පියවර ගැනීම.
- vi. නාගරික, අර්ධ නාගරික, ග්‍රාමීය හා වතු ආශ්‍රිත දුප්පත් හා අඩු ආදායම්ලාභී ජනතාව ගේ ජීවන තත්ත්වය නගා සිටුවීම සඳහා එම වර්ගීකරණය තුළ එක් එක් ජන කොටස්වලට අනන්‍ය වූ ආදායම් උත්පාදන ක්‍රමවේදයන් හඳුන්වා දීම. ඒ සඳහා අදාළ අනෙකුත් ආයතන සම්බන්ධීකරණය කරමින් අවශ්‍ය මූල්‍යමය ප්‍රතිපාදන, උපදෙස් හා අනෙකුත් පහසුකම් සැපයීම, ක්‍රියාත්මක කිරීම හා පසු විපරම් කිරීම.
- vii. පරිපාලන දිස්ත්‍රික්කවල නව ආර්ථික නිෂ්පාදන සාපේක්ෂ වාසි තත්ත්වයන් තුළ හඳුනා ගැනීම හා එම දිස්ත්‍රික්කවල නිෂ්පාදන ක්ෂේත්‍රයන් බලගැන්වීම මගින් ගොවි නිෂ්පාදන, කෘෂිකාර්මික, කාර්මික හා සේවා කටයුතු පුළුල්කර ස්වයං රැකියා ඇතුළු රැකියා ප්‍රවර්ධනය හා දිළිඳු බව තුරන් කිරීම සඳහා අවශ්‍ය ක්‍රමවේදයන් සැකසීම.
- viii. බිම් මට්ටමේ සේවයෙහි යෙදෙන සියලුම ක්ෂේත්‍රගත නිලධාරීන්ගෙන් විධිමත් හා එලදායි සේවයක් ලබා ගැනීම සඳහා සුදුසු ක්‍රමෝපායන් සකස් කොට ක්‍රියාත්මක කිරීම.
- ix. නිවැරදි තොරතුරු හා දත්ත මත පදනම් වූ සේවා සැපයීමක් සහ සේවා සැපයීම ද්විකරණය වැළැක්වීම සඳහා ICTA හා එක්ව ජාලගත කරන ලද මධ්‍යගත තොරතුරු හා දත්ත ඒකකයක් ස්ථාපිත කිරීම සඳහා අවශ්‍ය පියවර ගැනීම.
- x. සංචාරක කර්මාන්තය සඳහා හැකිතාක් දේශීය නිෂ්පාදන සැපයීම මගින් එම කර්මාන්තයන්හි දේශීය එකතු කළ අගය වැඩි කිරීමේ වැඩ පිළිවෙළවල් සංචාරක මණ්ඩලය සමග සම්බන්ධීකරණය කිරීම.
- xi. බිම් මට්ටමේ නිෂ්පාදකයින් හා ව්‍යවසායකයින් සෘජුවම ප්‍රධාන ආර්ථික ප්‍රවාහය වෙත සම්බන්ධ කිරීම සඳහා අවශ්‍ය තාක්ෂණික ක්‍රමවේදයන් හඳුන්වා දීම හා දැනුවත් කිරීම සිදු කිරීම.
- xii. කොවිඩ් - 19 වසංගත අවදානම් තත්ත්වය පහව යනතුරු ශ්‍රම බලකායෙන් බහුතරයකට නිවසේ සිට රාජකාරි කටයුතු කිරීමට සිදුවන බැවින්, එම කාණ්ඩය තුළින් උපරිම ආර්ථික ඵලදායීතාවයක් ලබා ගත හැකිවන පරිදි මෙහෙයවීම සඳහා නිකුත් කර ඇති වක්‍රලේඛන උපදෙස්වලට අනුකූල වෙමින් නිසි ක්‍රමවේදයන් සකස් කිරීම සහ එහි සාධනීය තත්ත්වයන් ඉදිරියටත් ක්‍රියාත්මක කිරීමට හැකිවන පරිදි ජනතා කේන්ද්‍රීය විජිට්ල් පාලන ක්‍රමයක් සැකසීමට අවශ්‍ය පියවර ගැනීම.

- xiii. කොවිඩ් - 19 අවදානම තුළ මතුව ඇති නව ගෝලීය ආර්ථික ප්‍රවණතා තුළින් ආර්ථිකමය වාසිදායක අවස්ථාවන් හඳුනා ගැනීම සහ ඒ තුළ අගය එකතු කළ අපනයන නිෂ්පාදන දිරිගැන්වීම් සඳහා වන ක්‍රමවේදයන් සැලසීම.
- xiv. රැකියා ලක්ෂයේ වැඩසටහන සඳහා හඳුනාගත් දුප්පත් පවුල් ලක්ෂයක් වෙත තීරණය කිරීමේදී ජීවනෝපාය මාර්ග වැඩසටහන් ලබා දීම සහතික කිරීම පිණිස කඩිනම් කෘෂි නිෂ්පාදන වැඩපිළිවෙලවල් සඳහා යොමු කිරීම මගින් ඔවුන් ස්ථිරව ආදායම් ලබන පවුල් බවට පත් කිරීම මෙන්ම ජාතික නිෂ්පාදනය පුළුල් කිරීම.
- xv. මූලික වශයෙන් ග්‍රාමීය, වතු හා අර්ධ නාගරික ප්‍රදේශ ආශ්‍රිතව ජීවත් වන ජනතාවට ගුණාත්මක මාර්ග පද්ධතියක් සැපයීම සඳහා වන කී.මී. ලක්ෂයක ග්‍රාමීය මාර්ග සංවර්ධන වැඩසටහන මහාමාර්ග අමාත්‍යාංශය, පළාත් සභා හා ප්‍රාදේශීය සභා සමග සම්බන්ධීකරණය කරමින් ඉදිකිරීම් ක්ෂේත්‍රය මගින් රැකියා සහ වැඩි කිරීම.
- xvi. ග්‍රාමීය, වතු හා අර්ධ නාගරික ප්‍රදේශවල ජනතාව සැමීමකට පත්වන අයුරින් ජල සැපයුම් 150,000 ක් ලබා දීම සහතික කරනු වස් නාගරික සංවර්ධන, ජල සම්පාදන සහ නිවාස පහසුකම් අමාත්‍යාංශය සහ ජල සම්පාදන මණ්ඩලය සමග සම්බන්ධීකරණය.
- xvii. ග්‍රාමීය වැව් ප්‍රතිසංස්කරණය කරමින් වගා කටයුතු, පරිභෝජනය හා පරිසර සංරක්ෂණය වෙනුවෙන් ජල සංචිත වැඩි කිරීම මෙන්ම, පුරන් කුඹුරු අස්වැද්දීම සහ වී වගා කළ නොහැකි පුරන් කුඹුරුවල එළවළු, පලා වර්ග, සත්ස්ව ආහාර සඳහා තණබිම්, මල් වගා කටයුතු දියුණු කිරීම සඳහා අවශ්‍ය පියවර ගැනීම.
- xviii. සුළු පරිමාණ ව්‍යාපාර සංවර්ධනය, ස්වයං රැකියා, ගෘහාශ්‍රිත කර්මාන්ත සංවර්ධන මූලාරම්භයන් ප්‍රමුඛත්වයෙහි සලකමින් දුප්පත් හා අඩු ආදායම්ලාභී ජන කොට්ඨාසයන් වෙත මූල්‍ය පහසුකම් සලසා ගැනීම පිණිස මුදල්, ආර්ථික සහ ප්‍රතිපත්ති සංවර්ධන අමාත්‍යාංශය, ප්‍රාදේශීය සංවර්ධන බැංකුව, සමෘද්ධි බැංකුව, සමුපකාර බැංකු, නිවාස සංවර්ධන හා මූල්‍ය සංස්ථාව හා ක්ෂුද්‍ර මූල්‍ය ආයතන සමග සම්බන්ධීකරණය කරමින් අඩු ආදායම්ලාභීන්ට ව්‍යවසායකයින් වෙත මුදල් පහසුකම් ගලායන ක්‍රම හඳුනා ගනිමින් මූල්‍ය පහසුකම් ලබා ගැනීම පහසු කිරීම.
- xix. දුප්පත් හා අඩු ආදායම්ලාභී ජනතාව අතරින් හඳුනා ගනු ලැබූ කෘෂිකාර්මික හා ව්‍යාපාර සංවර්ධනය සඳහා නිස් අවුරුදු බදු පදනම මත දීර්ඝ කාලීන බදු බලපත්‍ර ලක්ෂයක් ලබා දීම සඳහා ඉඩම් අමාත්‍යාංශය, ඉඩම් කොමසාරිස් දෙපාර්තමේන්තුව හා "බිම් සවිස" වැඩසටහන සමග සම්බන්ධීකරණය.
- xx. දේශීය වෛද්‍ය පහසුකම් හා දේශීය මාෂධ නිෂ්පාදන පුළුල් කිරීම හා බටහිර අත්‍යවශ්‍ය මාෂධ නිෂ්පාදනය හා සෞඛ්‍ය හා සතිපාරක්ෂණ ඇඳුම් හා උපකරණ නිෂ්පාදනය දිරිගැන්වීම සඳහා ආයුර්වේද කොමසාරිස් දෙපාර්තමේන්තුව හා මාෂධ නිෂ්පාදන නීතිගත සංස්ථාව සමග සම්බන්ධීකරණය කිරීම.
- xxi. රැකියා අවස්ථා වැඩිවන අයුරින් ධජලන් ආයෝජන ව්‍යාපෘති (Flagship Projects) නිරෝධායන වැඩ පිළිවෙලට අනුකූල වෙමින් කඩිනමින් ක්‍රියාත්මක කිරීමට ආයෝජන මණ්ඩලය හා නාගරික සංවර්ධන අධිකාරිය සම්බන්ධ කරමින් අවශ්‍ය පහසුකම් සැලසීම.
- xxii. බිම් මට්ටමෙහි සේවා සැපයුම් දුප්පත් හා අඩු ආදායම්ලාභී ප්‍රජාව වෙත නිසි පරිදි ලබා ගැනීමට පහසුකම් සැලසී ඇති බව සහතික කිරීම පිණිස පළාත් පාලන ආයතන, දිස්ත්‍රික් ලේකම් කාර්යාල, ප්‍රාදේශීය ලේකම් කාර්යාල සහ අනෙකුත් රජයේ ආයතන සම්බන්ධීකරණය.
- xxiii. රජයේ සහ පෞද්ගලික බිජ හා පැල තව්‍යන් ගොවිපලවල් දිරිගැන්වීම සහ කෘෂිකාර්මික කටයුතු සඳහා අවශ්‍ය බිජ, පැලෑටි, පොහොර, උපකරණ ලබා දීමට කෘෂිකර්ම දෙපාර්තමේන්තුව, ගොවිජන සේවා දෙපාර්තමේන්තුව, සමෘද්ධි අධිකාරිය, සමුපකාර ගොවි සමිති, ගොවි සංවිධාන, පෞද්ගලික බිජ නිෂ්පාදන ආයතන මෙහෙය වීම හා අවශ්‍ය පහසුකම් සැලසීම.
- xxiv. ගෙවතු වගාව, කාබනික පොහොර නිෂ්පාදනය හා භාවිතය ප්‍රවර්ධනය කිරීම, ගෘහ වගා නිෂ්පාදන දිරිගැන්වීම, හැකි තාක් ස්වයං පරිභෝජන සැලසුමක් කෙරෙහි යොමු කිරීම සඳහා ග්‍රාමීය ව්‍යාප්ත සේවාවල නිරත වන නිලධාරීන් මෙහෙය වීම.



- xxv. කොළඹ අවට ග්‍රාමීය පළාත් ද ඇතුළත්ව දිවයිනේ සියලුම සමෘද්ධිලාභී පවුල් සම්බන්ධ කර ගන්නා නිවෙස් ආශ්‍රිතව ඇති ශීඝ්‍ර කැබලිවල පොල්, දෙල්, කොස් වැනි දිගුකාලීන වැවිලි, කෙසෙල්, ගස්ලඹු, දොවම්, දෙහි වැනි පළතුරු හා දෛනික අවශ්‍යතා සඳහා ඵලවර් වගා කිරීමේ අනිවාර්ය කිරීම හා මේ සඳහා අවශ්‍ය පැළෑටි හා වගා උපදෙස් ලබා දෙමින් එම වැඩසටහන් සමෘද්ධි සංවර්ධන දෙපාර්තමේන්තුව, ගොවිජන සේවා දෙපාර්තමේන්තුව මගින් මෙහෙය වීම.
  - xxvi. උක්ත ක්‍රමවේදයන් ඵලදායී ලෙස ක්‍රියාත්මක කිරීම සඳහා අදාළ වන පරිදි සියලුම රජයේ අමාත්‍යාංශ, දෙපාර්තමේන්තු, රාජ්‍ය සංස්ථා, ව්‍යවස්ථාපිත ආයතන, විශේෂයෙන් බැංකු, ජර්ජියන් ආයතන, තොරතුරු තාක්ෂණ ආයතන, මාධ්‍ය අංශයන්හි සහාය ලබා ගැනීම.
  - xxvii. පොද්ගලික අංශය විසින් සිදු කරනු ලබන ආයතනික සමාජ වගකීම් වැඩසටහන් (CSR) හැකි තාක් දුරට දිළිඳු බව තුරන් කිරීමේ ජාතික වැඩපිළිවෙලට සම්බන්ධ කර ගැනීමට අවශ්‍ය කටයුතු සිදු කිරීම.
  - xxviii. විවිධ ජාත්‍යන්තර බැංකු හා අරමුදල් මගින් ලබා දෙන මූල්‍ය ප්‍රතිපාදන මෙම වැඩපිළිවෙල සාර්ථක කර ගැනීම සඳහා යොදා ගැනීමට අදාළ ආයතන, විදේශ සම්පත් දෙපාර්තමේන්තුව හා ආධාර දෙනු ලබන ආයතන සමග සම්බන්ධීකරණය සිදු කිරීම.
  - xxix. ලංකා බැංකු, මහජන බැංකු, ප්‍රාදේශීය සංවර්ධන බැංකු, සමෘද්ධි බැංකු ශාඛා මගින් ගොවීන් සඳහා අවශ්‍ය ණය මුදල් ලබා දීමට දැනට ඇති විවිධ යෝජනා ක්‍රම සරල කර සෑම බැංකු ශාඛාවකින්ම කෘෂිකර්ම හා ග්‍රාමීය සංවර්ධනය සඳහා වැඩි මූල්‍ය පහසුකම් දීමෙන් මට්ටමින් ලබා දීමට අවශ්‍ය පියවර ගැනීම හා මෙහෙය වීම.
2. කොරෝනා වසංගත තත්ත්වය හමුවේ සාමාන්‍ය ජන ජීවිතය යථා පරිදි පවත්වා ගෙන යාම සඳහා සෞඛ්‍ය හා අධ්‍යාපන කාර්ය සාධක බලකායන් හේ ක්‍රියාකාරීත්වය ද සැලකිල්ලට ගෙන, අදාළ සියලුම ආයතන සම්බන්ධීකරණය කරමින් පහත සඳහන් අංශයන් කෙරෙහි ප්‍රමුඛ අවධානය දක්වමින් නිෂ්පාදන බෙදාහැරීමට අවශ්‍ය පියවර ගැනීම.
- අ. කෘෂිකර්මික නිෂ්පාදන හා අනෙකුත් අත්‍යවශ්‍ය පාරිභෝගික ද්‍රව්‍ය පාරිභෝගිකයන්ට සෘජුව ලබා දීම සඳහා පියවර ආරම්භ මධ්‍යස්ථාන, ලංකා සනොස, සමුපකාර වෙළඳ ජාලය, කාගිල්ස්, කීල්ස්, ආර්පිකෝ, ලාෆ් හා ප්‍රාදේශීය වෙළඳ ජාලයන් සංවිධානය කිරීම හා මෙහෙයවීම
  - ආ. ආරම්භ මධ්‍යස්ථාන හැකි තාක් බෙදා හැරීමේ මධ්‍යස්ථාන ලෙස විමධ්‍යගත කර එම ලැබෙන ගොවි නිෂ්පාදන එම ප්‍රදේශවල පාරිභෝගිකයින්ට මෙන්ම නාගරික ප්‍රදේශවල පාරිභෝගිකයින්ට ගෘහ මට්ටමෙන් ලබා දීම සඳහා බෙදා හැරීමේ වැඩපිළිවෙල ශක්තිමත් කර ක්‍රියාත්මක කිරීම
  - ඇ. අත්‍යවශ්‍ය වියළි ආහාර, මාෂධ ආනයනය මෙන්ම අපනයනය කරනු ලබන තේ, සනීපාරක්ෂක ඇඳුම් වැනි අපනයනයන් පහසු කිරීම සඳහා ශ්‍රී ලංකා වරාය, ශ්‍රී ලංකා රේගුව, ආයතනික බැංකු කටයුතු සහ අනෙකුත් රාජ්‍ය නියාමන ආයතන සම්බන්ධීකරණය හා අවශ්‍ය තීරණ ක්‍රියාත්මක කිරීම
  - ඈ. සහල්, පොල්, තේ, සත්ත්ව ආහාර, දේශීයව නිපදවන සනීපාරක්ෂක භාණ්ඩ හා ආහාර ප්‍රවාහනය සඳහා අවශ්‍ය ඉන්ධන, ආරක්ෂක සේවා, බැංකු පහසුකම් ලබා දීම
  - ඉ. අත්‍යවශ්‍ය සේවා, භාණ්ඩ හා සේවා පාරිභෝගිකයින්ට ලබා දෙන ලොරි, ක්‍රී විලර්, පාසල් වෑන් රථ, බස් රථ, මෝටර් සයිකල්වල යෙදෙන රියදුරන්, කුලී රථ රියදුරන් හා දෛනික සේවා සපයන සහායකයින් හේ සෞඛ්‍ය හා සනීපාරක්ෂක කටයුතු සඳහා පහසුකම් සැලසීම හා අවශ්‍ය ඉන්ධන ලබා ගැනීමට පොලීස් ඇදීරි නීතිය පැවැත්වෙන කාලය තුළ ලංකා ඛනිජ තෙල් සංස්ථාවේ තෝරාගත් ඉන්ධන පිරවුම්හල් විවෘතව තැබීම හා අවශ්‍ය ඉන්ධන ලබා දීම
  - ඊ. පළාත් ආණ්ඩුකාරවරුන් හේ සම්බන්ධීකරණයෙන් ග්‍රාමීය හා නාගරික ප්‍රදේශවල කසල බැහැර කිරීම, මාර්ග හා පොදු ස්ථාන පවිත්‍රව තබා ගැනීම, සතිපොළවල්, වෙළඳ මධ්‍යස්ථාන සනීපාරක්ෂකව පවත්වා ගැනීම සඳහා මහජන සෞඛ්‍ය පරීක්ෂකවරුන් හේ හා අදාළ සේවකයින් හේ දායකත්වය ලබා ගනිමින් සුදුසු වැඩපිළිවෙලවල් ක්‍රියාත්මක කිරීම
  - උ. උක්ත පහසුකම් සැපයීමේ දී, කාන්තාවන්, අඩු ආදායම්ලාභී පවුල්, ආබාධිත පුද්ගලයින්, වකුගඩු රෝගීන් හා සෘජුවම අවදානමට ලක්වූ පුද්ගලයින් සඳහා විශේෂ අවධානය යොමු කිරීමට අවශ්‍ය පියවර ගැනීම

උ. සෑම බැංකු ශාඛාවක්ම ගනුදෙනුකරුවන්ගේ අවශ්‍යතා ඉටු කිරීමට හැකිවන අන්‍යවශ්‍ය බැංකු සේවාවන් ඉටු කිරීමට හා ජංගම සේවාවන් මෙන්ම තැපැල් දෙපාර්තමේන්තු සේවා ලබා ගනිමින් ජනතාවගේ සේවා පුළුල් කිරීමට අවශ්‍ය උපදෙස් නිකුත් කිරීම හා අධීක්ෂණය කිරීම

තව ද, ජනාධිපති විශේෂ නියෝජිත බැසිල් රාජපක්ෂ මැතිතුමා කාර්යසාධක බලකායේ සභාපති ලෙසත්,

අග්‍රාමාත්‍ය කාර්යාලයේ අතිරේක ලේකම් ඇන්ටන් පෙරේරා මැතිතුමා සහ ඩී.එස්. ජයවීර මැතිතුමා උත්ත කාර්යසාධක බලකායේ සම ලේකම්වරුන් ලෙසත්, පත් කරමි.

තව ද, මෙයින් පවරනු ලබන කර්තව්‍යයන් ඉටුකරලීමට අදාළව අවශ්‍ය විය හැකි පරිදි කරුණු සොයා බැලීමට සහ උපදෙස් නිකුත් කිරීමට ආර්ථික පුනර්ජීවනය හා දරිද්‍රතාවය තුරන් කිරීම සඳහා වන කාර්ය සාධක බලකාය වෙත මම මෙයින් බලය පවරමි.

තව ද, ආර්ථික පුනර්ජීවනය හා දරිද්‍රතාවය තුරන් කිරීම සඳහා වන කාර්ය සාධක බලකායේ සාමාජිකයින් වන ඔබට කලින් කලට මා හට වාර්තා ඉදිරිපත් කිරීමට මෙයින් බලය පවරමි.

තව ද, ආර්ථික පුනර්ජීවනය හා දරිද්‍රතාවය තුරන් කිරීම සඳහා වන කාර්ය සාධක බලකාය විසින් උපදෙස් නිකුත් කරනු ලැබිය හැකි නැතහොත් සේවා සැපයීම පිණිස සහාය ඉල්ලා සිටිය හැකි සියලුම රජයේ නිලධාරීන් හා එබඳු සෙසු තැනැත්තන් විසින් තත් කාර්යය සම්බන්ධයෙන් නිසි අයුරින් පිළිපැදිය හැකි එබඳු උපදෙස්වලට අනුකූලව ක්‍රියාකළ යුතු යැයි ද, ලබාදිය හැකි සියලුම සහාය සැලසිය යුතු යැයිද, සැපයිය හැකි සියලුම තොරතුරු ලබාදිය යුතු යැයි ද මම මෙයින් සියලුම රජයේ නිලධාරීන්ට සහ සෙසු තැනැත්තන්ට නියම කොට විධානය කරමි.

තව ද, කිසියම් රාජ්‍ය සේවකයෙකු හෝ කිසියම් අමාත්‍යාංශයක, රජයේ දෙපාර්තමේන්තුවක, රාජ්‍ය සංස්ථාවක හෝ වෙනත් එබඳු ආයතනයක නිලධාරියෙකු විසින් පෙරකී කාර්යසාධක බලකාය විසින් පවරන ලද රාජකාරී හා වගකීම් ඉටු කිරීම ප්‍රමාද කරන හෝ පැහැර හරින සියලු අවස්ථා මා හට වාර්තා කරන ලෙස පෙරකී කාර්යසාධක බලකායට මම මෙයින් නියම කොට විධානය කරමි.

තව ද, 2020 ජනවාරි මස 24 හා 2020 මාර්තු මස 24 දිනැති දරිද්‍රතාවය තුරන් කිරීම සහ ජීවනෝපාය සංවර්ධනය සඳහා වූ කාර්ය සාධක බලකාය සහ 2020 මාර්තු මස 23 දිනැති කොරෝනා වෛරසය ශ්‍රී ලංකාවෙන් තුරන් කිරීමේ දී වැඩි අවදානම් තත්ත්වයක් ඇති කොළඹ, කළුතර, ගම්පහ, පුත්තලම, යාපනය, මන්නාරම, කිලිනොච්චිය, වවුනියාව හා මුලතිව් දිස්ත්‍රික්කවලට ප්‍රමුඛත්වය දෙමින් එම ප්‍රදේශවලට ප්‍රාදේශීය ප්‍රදේශ හා නිෂ්පාදකයින් විසින් සපයනු ලබන ආහාර සැපයුම් සාප්පුවම් පාරිභෝගිකයින්ට ලබා දීම ඇතුළු සමස්ත ජන ජීවිතය යථා පරිදි පවත්වාගෙන යාම සඳහා අවශ්‍ය වන්නා වූ සේවාවන් අඛණ්ඩව සැලසීම මෙහෙයවීම, සම්බන්ධීකරණය හා පසු විපරම පිණිස වූ ජනාධිපති කාර්ය සාධක බලකාය ස්ථාපිත කිරීම සම්බන්ධයෙන් වූ ජනාධිපති විධානයන් මෙයින් අවලංගු කරමි.

වර්ෂ දෙදහස් විස්සක් වූ අප්‍රේල් මස 21 වන දින වූ මෙදින ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ මුද්‍රාව යටතේ කොළඹ දී දෙන ලදී.

අතිගරු ජනාධිපතිතුමාගේ අණ පරිදි,

පී.පී. ජයසුන්දර,  
ජනාධිපති ලේකම්.

