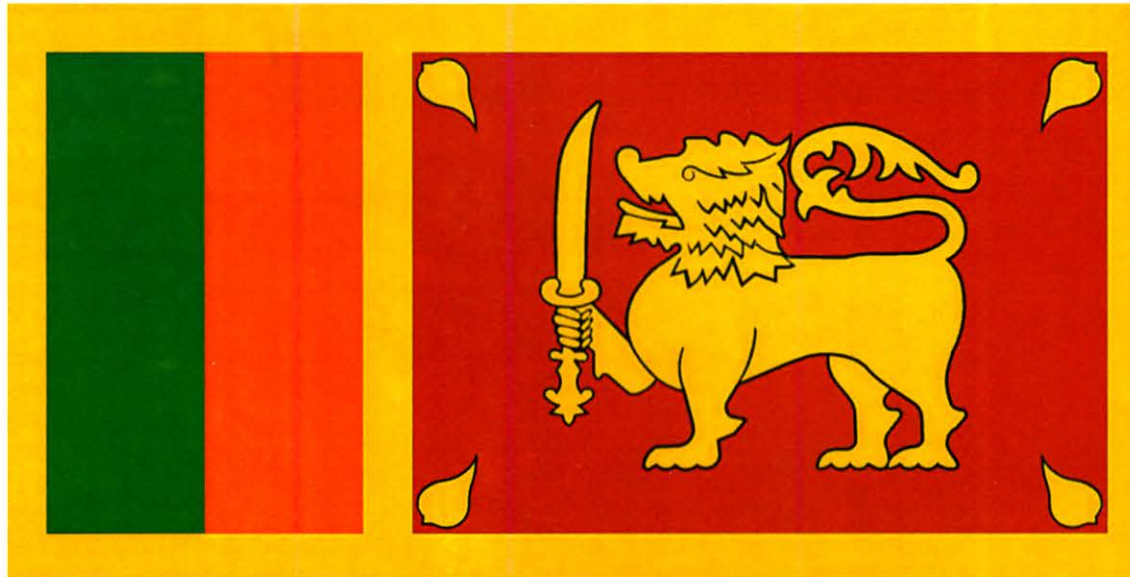


A Rolling Budget & Five Year Plan to Turn Around the Post-COVID19 Economy of Sri Lanka.



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Formulated by Former Chairman SLPA, Ranjith Wickramasinghe
31st, July 2020

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About the Author - Ranjith Wickramasinghe

- Chairman Sri Lanka Ports Authority.
- Chairman Ceylon Shipping Corporation.
- Head of Group Finance, Planning & Budgeting for Zambia Consolidated Copper Mines Limited (ZCCM is quoted in the NYSE, and a billion dollar company in 1984 that contributed to 95% of foreign exchange to Zambia and comprising of 30 subsidiary companies worldwide).
- Finance Director George Steuarts & Co.
- Chartered Management & Certified Accountant.
- Accredited Director Sri Lanka (1st batch of Sri Lankans to be awarded).
- Presently operating as an Independent Consultant and Financial Advisor.



SRI LANKA

Colombo establishes role as hub port

IT is now a little more than a decade since that momentous day in October 1983 when Ranjith Wickramasinghe was elected to the post of Chairman of the Sri Lanka Ports Authority (SLPA), the government-owned body responsible for the ports of Sri Lanka.

What day of glory was it for the Chairman? It was the day when the SLPA, under his leadership, began to establish its role as a hub port for the island.

At the time, the SLPA was a small, struggling organization. It had a few ships, a few warehouses, and a few employees. But under the leadership of Ranjith Wickramasinghe, it began to grow.

He started by improving the infrastructure of the ports. He built new wharves, new warehouses, and new roads. He also improved the services of the ports, making them more efficient and more reliable.

As a result, the SLPA began to attract more ships and more cargo. It became a hub port for the island, and its role as a hub port became increasingly important.

Today, the SLPA is a large, successful organization. It has a fleet of ships, a fleet of warehouses, and a fleet of employees. It is a hub port for the island, and its role as a hub port is becoming increasingly important.

Ranjith Wickramasinghe is the Chairman of the Sri Lanka Ports Authority. He is a member of the Parliament of Sri Lanka. He is also a member of the Ceylon Shipping Corporation.

Colombo Port expands to handle rising traffic

Colombo Port, the main port of Sri Lanka, is expanding to handle the rising traffic. The port is being upgraded with new wharves, new warehouses, and new roads. The expansion is expected to be completed by the end of the year.

The port is currently handling about 10 million tons of cargo per year. This is expected to increase to 15 million tons by the end of the year.

The expansion is being funded by the government. It is expected to create about 1,000 new jobs.

Minister congratulates CSC Chairman for winning Star Performer Award

The Minister of Shipping and Maritime Affairs, Mr. M. M. Ashraff, has congratulated the Chairman of the Ceylon Shipping Corporation, Mr. Ranjith Wickramasinghe, for winning the Star Performer Award.

The award was presented to Mr. Wickramasinghe at a ceremony held in the Ministry of Shipping and Maritime Affairs. The award was given for his outstanding contribution to the shipping industry in Sri Lanka.

Mr. Wickramasinghe has been Chairman of the CSC since 1983. Under his leadership, the CSC has achieved significant success. It has expanded its fleet, improved its services, and increased its revenue.

Mr. Wickramasinghe is a member of the Parliament of Sri Lanka. He is also a member of the Ceylon Shipping Corporation.

P&O deal: financial, commercial aspects finalised

The financial and commercial aspects of the proposed joint venture between the Sri Lanka Ports Authority and P&O have been finalised. The deal is expected to be signed soon.

The joint venture is expected to create about 1,000 new jobs. It is also expected to increase the revenue of the SLPA.

The deal is being funded by the government. It is expected to be completed by the end of the year.

Colombo Port expands to handle rising traffic

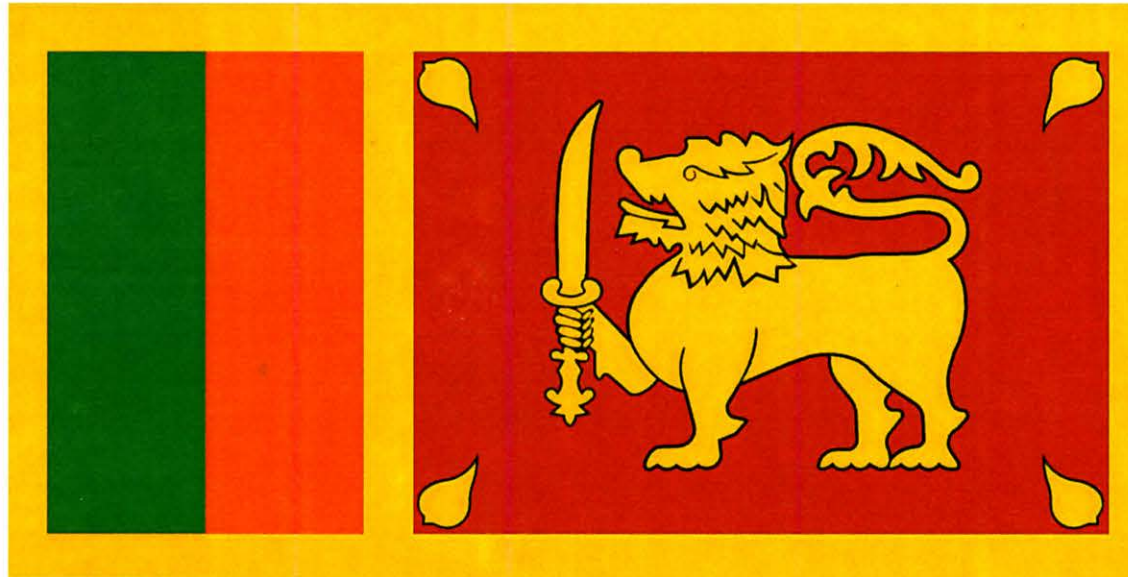
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Ceylon Shipping Corporation Chairman, Ranjith Wickramasinghe, with Minister of Shipping and Maritime Affairs, Mr. M. M. Ashraff, after the award ceremony.

We are a Resilient Nation



Most citizens, even across the political divide, say that Sri Lanka, once a prosperous country even ahead of Singapore and second to Japan, has been declining over the last 70 years.

However I wish to state ...

Sri Lanka has made gains in literacy, socially, demonstrated it's resilience - quickly rebounding after the a 30 Year War, the 2004 Tsunami, the 2019 Easter Sunday Bombings, and in 2020 effectively containing the COVID19 community spread, for which President Gotabaya Rajapaksa and the nation were commended by the World Health Organization (WHO).

Sri Lanka - A Resilient Nation

Sri Lanka tsunami



On 26 December 2004, **Sri Lanka** became a victim of the Indian Ocean **Tsunami**. It caused widespread destruction around the coastal belts of countries close to Indonesia, where the earthquake which triggered the tidal wave took place. In **Sri Lanka**, more than 35,000 people lost their lives and thousands were left homeless.

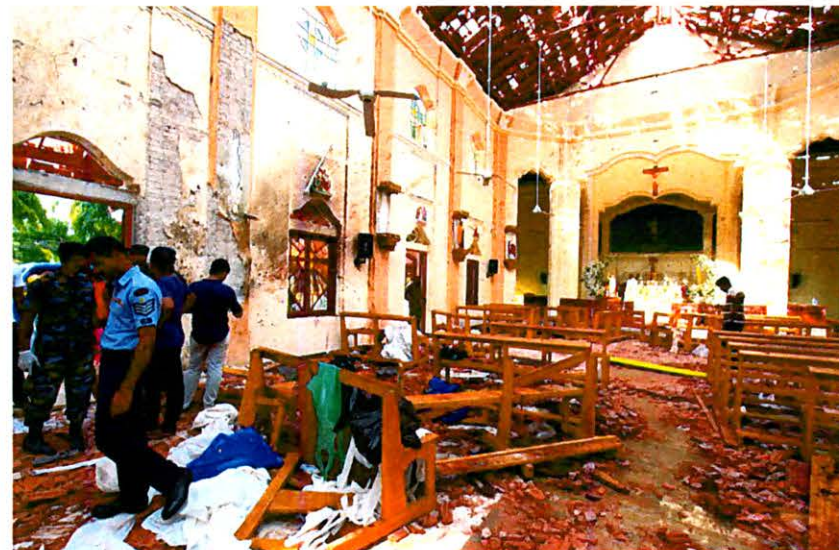


Photo: Children, highly vulnerable to COVID-19, look to the future with optimism. Credit: Dilrukshi Handunnetti.

Sri Lanka Has Been Successful in Countering COVID-19



Terrorist War in Sri Lanka



Easter Sunday Terrorist Bombings 2019

The Turnaround Strategy

Sri Lanka (SL) withstood the tsunami in 2004 and posted an 8% real GDP growth post war in 2010/2011. The economy then grew to 9% in 2012, and dropped to 5% by 2014. Thereafter the economy continued to slide: 4% by 2016/2017, in 2018 fell to 3%, and further falling to 2% growth after the Easter Sunday terrorist bomb in 2019.

Covid19 then impacted heavily on the global economy (now estimated to reduce global growth by 3%) and virtually bringing the Sri Lankan economy overnight to a halt by 2020 March, pushing our economy to a negative territory, estimated at -6% (Minus), if nothing is done.

SL Lost foreign income from Tourism, Apparel Exports, Expatriate Remittances, Other Exports, and capital flight, the annualized loss is estimated at US\$ 16 Billion (Bn) equivalent to about 20% of our Gross Domestic Product (GDP).

We are a resilient nation and have the inner-strength to recover and turnaround this nation as has been demonstrated previously. The fastest way to arrest the **decline** - from a "contraction to recession, then from depression to stagflation", and **turnaround the economy** is to accelerate our agricultural growth, where the sector contribution to GDP which has now fallen to 7% from 13% achieved in 2008. We have the resources to accelerate the agriculture sector contribution to 15% by 2025 with minimum Government investment by strengthening the rural economy with private sector/citizen participation. Strengthening of the rural production is essential to ensure food security.

Basic essence of the Turnaround plan

(A) Accelerate the rurally based production of tea, rubber, coconut, paddy, other dry food crops, spices, fruits, vegetables, cotton, fishery and livestock; import substitution/local production of sugar, milk powder, fertilizer, pharmaceuticals and fabric for apparels; diversification of under utilized resources from Apparel, Tourism and other sectors to strengthen crop purchasing and distribution, which now has a vacuum causing crops to perish, pushing the farmers to poverty, and raising the consumer retail prices, to over 200% on farm gate prices; acceleration of value added export of Tea, Rubber, Coconut, Spices, Fruits, Vegetables, Fishery, Minerals, Gems, Batiks, hand woven fabrics, Handicrafts recycled plastic and paper products. These measures will wipe out the trade deficit of US\$ Bn 8 to surplus of US\$ Bn 1 by 2024 by increasing the exports from 2019 US\$12 Bn to US\$31 Bn by 2025, and benefiting from the import substitution, and increase agricultural, fishery and livestock output, well over 100% by 2025. Manufacturing and service sectors too will benefit equally from the value addition increased output. Tourism is expected to recover fully by 2023, Apparel by 2025, while expat income will not fully recover.

(B) SL has invested Rs 9 Trillion (Tn) into State Owned Business Enterprises (SOBE), received dividends of Rs 27 Billion in 2019, 0.3% return on investment (ROI). Increase target dividend to 4%.

(C) SL has invested heavily into the Colombo Port City, Lotus Tower, Mattala Airport, Hambanthota Port, New South Port of Colombo, Colombo Hyatt. Potential income US\$ 1 Bn annually.

(D) Private sector investments to Shangri-La, ITC, Cinnamon Life, Marina Mall, Abans City, etc. Potential benefit to economy to be incorporated.

(E) Government recurrent expenditure in 2019 standing at 17% of GDP needs to be brought to 12% by 2025, assisting in the reduction of budget deficit now running at 10% of GDP.

(F) Government Tax Revenue in 2019 standing at 12% of GDP needs to be brought to 10% as the economy grows by 2025.

(G) Public investment is expected to increase from 2019 level of 4% of GDP to 5% by 2025.

(H) Renegotiate interest rates - potential reduction US\$ 100 million from the current level of US\$ 1,100 Million.

(I) Use the Trincomalee fuel tank farm and use the unused Trincomalee port to lay up the ULCC tankers now laid up else where. Potential income of US\$ 0.5 Bn.

(H) Expand the provision of maritime security services to vessels sailing in SL Exclusive Economic Zone (EEZ) and set up joint ventures for deep sea fishing in our EEZ. Potential US\$ 1.4 Billion annually.

(I) Petroleum Exploration Commercialization - SL has estimated off shore reserves in Mannar, etc for 60 years. Potential saving US\$ 4 Billion per year in Imports.

(J) Taking advantage of our location in the east-west shipping lane, we should negotiate foreign direct Investments (FDI) to relocate production lines as joint ventures arising out of the the post Covid19 global supply chain realignment away from China announced by USA, Japan, India and Australia. The Government Should invite China to relocate some of their assembly & distribution to SL as joint ventures.

It is also proposed that the Government canvass with foreign countries, the World bank, International Maritime Organisations (IMO), United Nations, etc to exchange/write off our external Debt now standing at US\$ 60 Billion against the damages caused to our resources in our land and the sea around by the pollution offloaded during the 85,000 crossings made annually by foreign ships and aircrafts using our EEZ and the land. Pending these discussions obtain a moratorium against repayment dues for 2020 and 2021, and also request for an interest free funding advance of US\$ 4 Billion for 2021 and 2022 until our Covid impacted depleted economy recovers. These measures whilst keeping the exchange rates, interest rates and inflation steady, will enable to **double** the Median Household Income (MHI) from the present level of Rs 40,000 per household of 4 persons by 2025, and Rolling Budget & Five Year Plan Targets given are expected to turnaround the Sri Lankan economy to a GDP growth of 2% by 2022, 4% by 2023, 6% by 2024 and 8% in 2025, and reduce the budget deficit to 4% of GDP by 2022, and a substantial increase in external reserves, and a substantial reduction in external debt. The provision of "holding hands approach - Development Banking support" to the enterprises and the Digitalization of the economy is a prerequisite to achieving this growth. Development bank lending must be based on enterprise cash flows rather than on co-lateral, which the commercial banks are required to follow to protect their depositors. It would also be necessary to reduce the electricity tariff and fuel prices, and enhance the fixed deposit maximum limit to senior citizen's interest effective 2021. (Please see the executive summary - deliverables to the people).

Executive Summary

1) Sri Lankan Economy Turnaround Plan - Executive Summary (based on 2019 values)

[illegible]

New Revenue Streams Proposed to Turn Around the Sri Lankan Economy

2) New Revenue Streams Proposed

for immediate implementation and estimated impacts there on have been incorporated to my five financial plan below;

- a) Increase value added tea exports - estimates included in plan (potential by 2023 - US\$ Bn 2)
- b) Expand value added rubber exports - tires , gloves, etc. - FDI potential US\$ Bn 2, Export potential US\$ 2 Bn, estimates included in the plan
- c) Expand value added coconut based food exports - potential US\$ Bn 1 , included in the plan
- d) Branded SL spice, vegetable, fruit exports - potential US\$ Bn 2 ,estimates included in the plan
- e) Local manufacture of sugar, milk powder and fertilizer - potential savings of US\$ 1 Bn - estimates included in the plan.
- f) Expand fish and sea food exports - deep sea fishing, etc. - potential US\$ Bn 1 ,estimates included in the plan
- g) Export of value added gems & jewelry - potential US\$ Bn 1 estimates included in the plan.
- h) Expand manufacture of Pharmaceuticals -potential US\$ Bn 0.5 included in the plan
- i) FDI from global supply chain realignment - potential US\$ Bn 2 per annum - estimates included in the plan.
- j) export of value added Ilmanite e.g. convert to Titanium dioxide, Graphite to Grapheme fetching eight times more than bulk export prices - potential US\$ Bn 0.5, included in plan.
- k) Fifty of large State Owned Business enterprises (SOBE) which has a asset base of Rs 9,155 Bn now provide a return of less than 0.003%.
SOBE's must be restructured and targets given to pay dividends, to recover at least the subsidies of Rs 200 Bn given annually to Samurdhi, senior citizens, etc, included in plan.

For internal discussion and early implimentation, and effects not incorporated to the plan below.

- l) reduce government recurrent expenditure to 10% of GDP and optimize use of capital expenditure - potential saving Rs 100 - 200 Bn per year.
- m) renegotiate interest rates on foreign loans - potential US\$ 100 million per annum.
- n) Encourage SL dual citizens to reside in SL, potential 50,000 families, can bring in foreign remittances of US\$ 900 million per annum.
- o) Petroleum and Gas exploration, and commercialization - SL has estimated reserves to supply 60 years needs of SL, saving the annual import cost of US\$ 4 Billion per annum..
- p) Obtain income from - Colombo Port City, Hambanthota port , Mattala airport., Lotus Tower, Hyatt and Colombo New South Port , etc. - potential US\$ 1000 Million per annum.
- q) Trincomalee oil tank farm lease- potential US\$ 100,000 per annum
- r) Lay up for VLCC Tankers in Trincomalee - potential US\$ 400 million per annum
- s) Expand security services to EEZ sea lanes - potential US\$ 400 million per annum.
- t) Set up joint ventures to exploit the resources of our EEZ - Deep sea fishing, ocean wave energy, sea bed mineral - potential benefit US \$ 1000 million per annum

For international dialog, discusion and early negotiation, and effects not incorporated to the plan below.

u) Exchange/write off the SL external debt of US\$ 60 Billion against the pollution damage caused by foreign ships & aircrafts using our 200 mile Exclusive Economic Zone (EEZ).

Foreign carriers consisting of 45,000 aircrafts, 30,000 cargo ships and 4,500 super tankers use/cross our EEZ annually, off loading their pollution on Sri Lanka.

Sri Lankan Flag Carrier usage in aviation & shipping of other countries owned EEZ space is minuscule (0.1%) compared to what the foreign carriers had used our zone.

Ships and Tankers in the busy east west sea lane navigates gracing Hambanthota, 8 miles away from SL, there by saving sailing time to their advantage, whilst leaving the pollution vessels create on the shores of SL. Foreign aircrafts crossing over do the same damage to SL. It is estimated that **foreign countries profit to the tune of US\$ 10 Billion per year.**

by the gains they made on reduced voyage travel time, whilst releasing 10 million tons of CO2 emissions on Sri Lanka, damaging our resources (values estimated are subject to further review).

CO2 emissions of SL as per World Bank was reported as 18 million tons in 2016, compared to the world pollution at 36,000 million tons.

SL Government must canvass with foreign countries, World Bank, UN, IMO, etc. to **exchange/write off our foreign debt now standing at US\$ 60 Billion against the damage caused to our resources.**

v) Obtain a bridging loan/advance of US\$ Bn 4 each for 2020 and 2021, a moratoria on debt due for 2020 and 2021, pending eventual write off against pollution damage.

w) obtain carbon credits for SL acting as a Carbon Sink to the world. An assessment is needed, to assess CO2 emissions and absorption by SL. - significant potential, Government to negotiate.

x) Accelerate the work on the Continental Shelf (CS), which would enable SL to own the sea bed mineral resources for a further 150 miles around our EEZ - enormous future potential

Value Added Rubber, Tea, Cinnamon, Pepper, Spices, Vegetable & Fruit Export Potential

**Airplane Tires
Don't Explode on
Landing Because
They Are Pumped!**



Spices (Bulk raw
& powdered
form and Value
added
Products)

Cardamom



Spices (Bulk raw
& powdered
form and Value
added
Products)

Cinnamon – Bales / Cut
Pieces / Quilling



Spices (Bulk raw
& powdered
form and Value
added
Products)

Mace



Spices (Bulk raw
& powdered
form and Value
added
Products)

Nutmeg



Spices (Bulk raw
& powdered
form and Value
added
Products)

Black Pepper



Spices (Bulk raw
& powdered
form and Value
added
Products)

White Pepper



Due to the country's diverse climatic regions, **Sri Lanka** produces a wide variety of **fruits**, nuts, and vegetables. The manufacturing and **exporting** of more than 9000 tonnes of produce annually solidify **Sri Lanka** as a major **exporter** of fruits, nuts, and vegetables.



Extending Roots

Value Added Coconut, Gem & Jewelry, Minerals & Fishery Export Potential



Extra virgin coconut oil, Cocon...
pinterest.com



Frozen King Coconut W...
crownco.co.lk



Organic coconut products from Sri L...
srilankabusiness.com



Lanka Exports - Coconu...
lankaexports.com



FRESH COCONUTS - C...
greenglobalimpex.com



AC Coir Export is Export oriented Sri...
accoirexports-si.com



Quality Coconut Oil products in sri la...
cococeylon.lk

Value Added Coconut Exports



2015-03-11

Gem & Jewelry Exports

Sri Lanka's coloured stone industry which is the fourth largest export earner in the island

<https://www.chemicalsafetyfacts.org/>

Titanium Dioxide | Use, Benefits, and Chemical Safety Facts

Titanium dioxide works as a UV filtering ingredient in sunscreen – it helps protect a person's skin by blocking absorption of the sun's ultraviolet ...



Is titanium dioxide safe?

What is titanium dioxide used in sunscreen?

Are there any health concerns associated with exposure to titanium dioxide?

Why is titanium dioxide used in toothpaste?

www.safecosmetics.org/ - get-the-facts

Titanium Dioxide - Safe Cosmetics

Titanium dioxide (TiO₂) is used in a variety of personal care products, including sunscreens, pressed powders, and loose



What is graphene used for



Potential graphene applications include lightweight, thin, and flexible electric/phononics circuits, solar cells, and various **medical**, chemical and **industrial** processes enhanced or enabled by the use of new graphene materials.

Wikipedia

Potential applications of graphene - Wikipedia

What is graphene used for

Properties of graphene

Graphene vs diamond

Mineral Exports

Which Indian state is the largest exporter of fish?

According to the National Fisheries Development Board the Fisheries Industry generates an export earnings of Rs 334.41 billion.

Distribution.

Rank	State	Total production (lakh metric tonnes)
1	Andhra Pradesh	34.5
2	West Bengal	17.42
3	Gujarat	8.35
4	Kerala	6.85

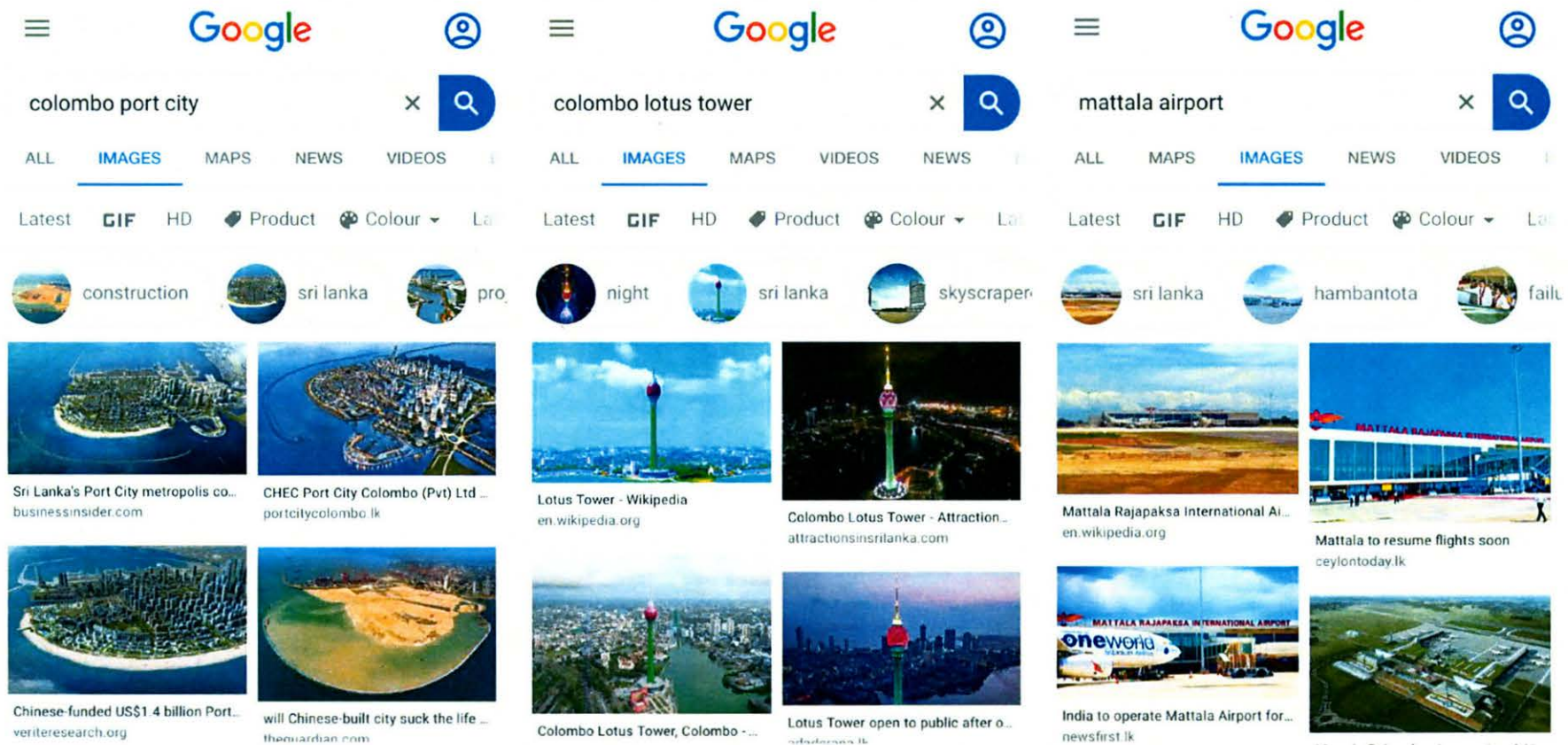
1 more row

https://en.m.wikipedia.org/wiki/Fishing_in_India

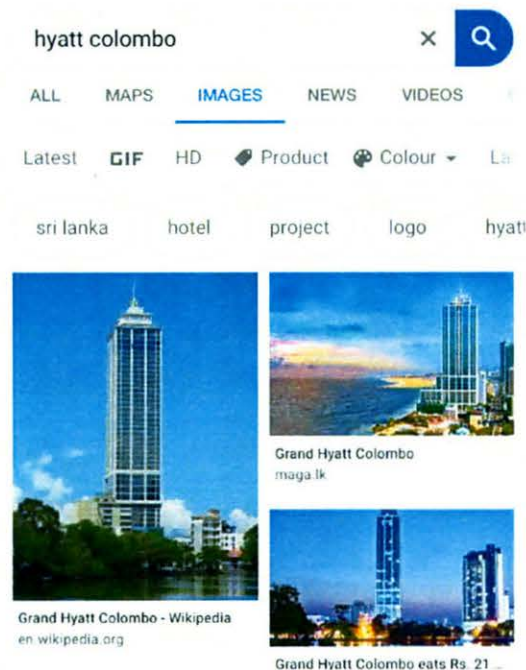
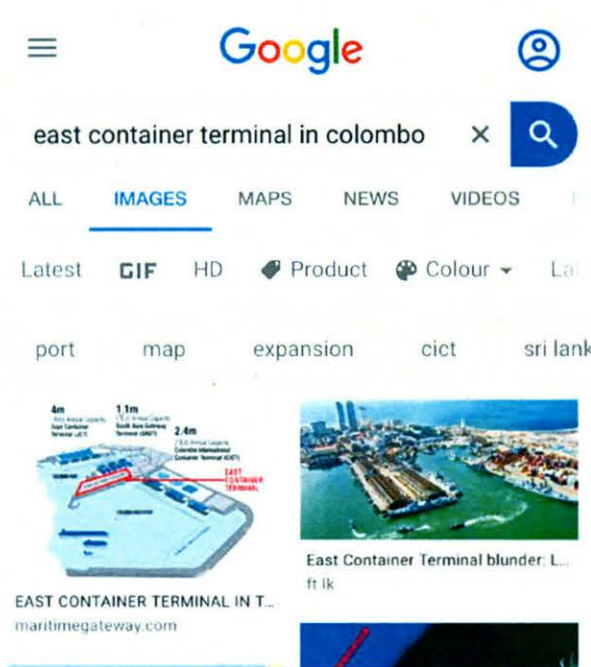
Fishing in India - Wikipedia

Indian Fish Exports are US\$5 Bn, compared to Sri Lanka fish exports of US\$ 0.3 Bn.

Infrastructure Investments Requiring Returns



Infrastructure Investments Requiring Returns



Trincomalee Natural Harbour - Layup VLCCs



Trincomalee Fuel Tank Farm

THE STATE OF STATE ENTERPRISES IN SRI LANKA – 2019

Sri Lanka has a total of 527 State Owned Enterprises out of which regular information is only available for 55. These SOE's accumulate billions of losses annually due to sheer mismanagement. The precedence of corruption in the highly bureaucratic systems that govern SOEs are also a case for alarm. What is the state of our state owned enterprises?

State Owned Business Enterprises Requires Higher ROI

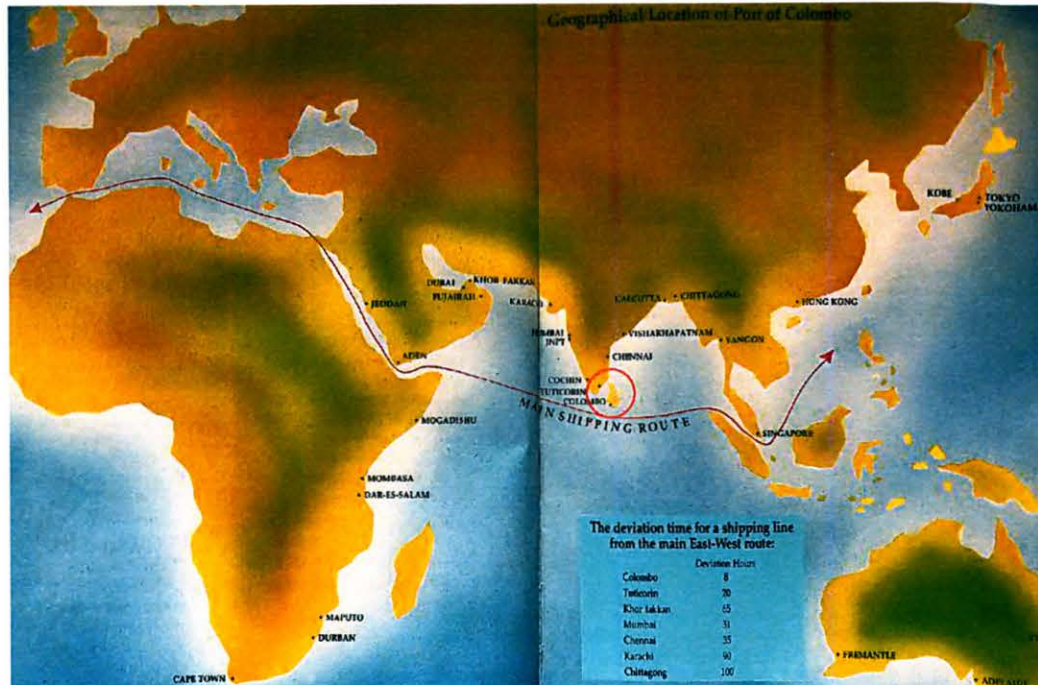
Table 7.1 | Asset Base of SOEs

Sector	Number of SOEs	Total Assets as at 31.12.2018 (Rs. billion)	Total Assets as at 31.12.2019* (Rs. billion)	Growth (%)
Energy	2	1,199.71	1,240.25	3.4
Water	1	514.38	625.93	21.7
Ports	1	441.37	458.10	3.8
Commuter Transportation	1	18.34	21.76	18.7
Aviation	2	168.40	185.61	10.2
Construction	3	41.38	40.99	-0.9
Banking and Finance	7	5,461.98	6,093.86	11.6
Insurance	4	223.57	244.27	9.3
Lotteries	2	9.56	11.95	25.0
Livestock	2	27.22	26.88	-1.2
Plantations	6	13.44	12.78	-4.9
Non-Renewable ReSource	3	4.73	6.57	38.8
Health	4	34.18	46.74	36.8
Media	3	8.10	7.98	-1.5
Marketing and Distribution**	11	83.27	91.64	10.1
Total	52	8,249.63	9,115.33	10.5

Sources : SOEs and Department of Public Enterprises
Provisional
* Excluding Ceylon Fisheries Corporation

At 3% ROI, the government should receive Rs. 270 Bn annually as dividends, compared to Rs. 27 Bn received in 2019. By 2025 SL should see an ROI of 4% amounting to approximately Rs. 360 Bn.

Potential Revenue Streams from East-West Shipping Lane



Provide security to ships passing through our EEZ.

- 35,000 cargo ships and 5,000 tankers pass per year.
- Potential earnings to SL estimated at US\$ 0.4 Bn.

East-West Shipping Lane

Realignment of Global Supply Chain Security

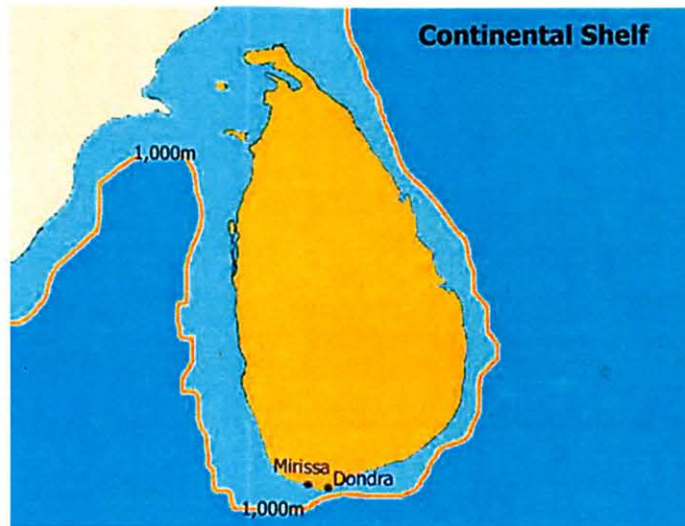
Taking advantage of Sri Lanka's location in the middle of East-West shipping lane, the Government should canvas with the foreign countries, specially the US, Japan, Australia and India, who have indicated that they would like to relocate their supply chain requirements away from China.

An ideal opportunity is now available to Sri Lanka to facilitate those relocation requirements.

Sri Lanka should also discuss opportunities with China of hosting assembly and distribution operations from China into Sri Lanka as joint ventures to mitigate these global supply chain realignments.

Potential FDI: US\$ 2 Bn. Per annum.

Potential Revenue Streams from Continental Shelf



The **continental shelf** surrounding Sri Lanka extends from the present coastline to 150m bathymetry line. It is corresponding with palaeo dropped sea level during the Last Glacial Maximum. This submerged surface can be identified as "First Planated Surface" (Katupotha, 2013).

Within the Continental Shelf now being deliberated, Sri Lanka based on a statement of understanding agreed is entitled to an extensive area of it's seabed in the southern part of the Bay of Bengal.

With the deposits of Silt from the Ganges over centuries. This area is believed to be rich in Hydrocarbon and other resources. Great potential exists here for Sri Lanka to benefit from joint ventures brining in the technical know-how.



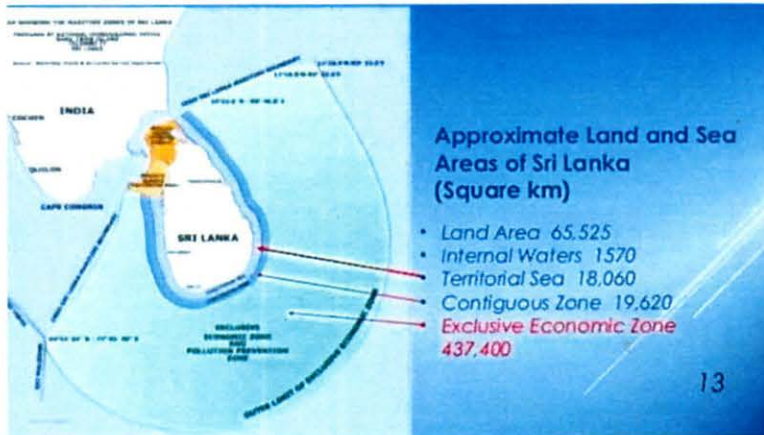
☐ Only offshore petroleum.

☐ In 3 basins,
1. Mannar.
2. Cauvery.
3. Southern.

Estimated reserves to supply 60 years needs of Sri Lanka.

Saving an annual import cost of US\$ 4 Bn per annum.

Potential Revenue Streams from EEZ by Offsetting External Debt



EEZ of Sri Lanka

Sri Lanka possesses a territorial sea of 21,500 km² and an **Exclusive Economic Zone (EEZ)** of up to 200 nautical miles (370 km) from the coastal line an extent of 517,000 km². Sri Lanka has the rights to the resources in the water column, seabed and subsurface in the EEZ. Dec 31, 2013

Negotiate to offset External Debt of US\$ 60 Bn against damage done to our economy by foreign carriers offloading pollution into our EEZ and land from crossings. Also obtain a bridging loan/advance (interest free) of US\$ 4 Bn each in 2020 and 2021 until our depleted economy recovers.

Annual Crossings:

- 45,000 Aircraft
- 5,000 ULCC Tankers
- 35,000 Cargo Ships

During the crossings, 16 million tons* of CO₂ emissions are offloaded on to Sri Lanka.



270,000 tons, MT New Diamond burning/polluting, 22 miles off SL - Sept 2020

Sri Lanka as a country had only released 18 million tons of CO₂ (2016 World Bank Study) compared to the global emissions of CO₂ at 36,000 million tons.

Sri Lankan government must canvas with foreign countries, the World Bank, UN, IMO etc., to exchange/write-off external debt against the damage to our resources.

* Values are estimated and subject to further review

DASH BOARD - MAJOR PARAMETERS OF THE ECONOMY

2019 Demography

Life Expectancy - 75 yrs
 Literacy rate 92.5%
 Computer Literacy 30%
 Dependency Ratio - 48%
 - over 65 yrs - 12%
 Unemployment - 4.8% (2019)
 Labour Force - 52% (2019)
 below 14 years - 25%

Rain Fall (mm)

Year	Rain Fall (mm)
2010	1992
2014	2375
2018	1994
2019	2054

Temperature °C

Min	Max	Min	Max
24	31	18	26
23	32	17	26
24	32	17	26
24	32	17	26
24	32	17	26
Low Country		Hill Country	

Inflation %

Year	Inflation %
2010	6.2
2014	3.2
2018	4.3
2019	4.3

Population 21 Mn (2019) - Growth down to 0.6% in 2019 from 1% last decade.
 Median Household Income (MHI) Rs 43,511 in 2016 per month (ave 3.8 pm)
 MHI - Estimated to be down to Rs 40,000 / 4 persons per house

PEOPLE

Poverty - Average Daily Calorie Intake - Kilocalories 218 in 2007
 in 2019 down to 2095 - no estimates at 2000 mts.

PRODUCTION GROSS DOMESTIC PRODUCT (GDP)

Year	GDP Rs Tn
2010	6.4
2014	10.4
2018	14.4
2019	15.0

Year	GDP US\$ Bn	Growth %	Per Capita US\$	Agriculture %
2010	57	8	2400	13%
2014	79	5	3821	8%
2018	88	3	4079	8%
2019	84	2	3852	7%

US\$ Bn	Act 2018	Act 2019	Est 2020	Bud 2021	Target 2022	Target 2023	Target 2024	Target 2025
Exports	12	12	8	11	16	20	25	31
Imports	22	20	15	17	20	23	24	28
Trade Balance	(10)	(8)	(7)	(6)	(4)	(3)	(1)	(3)
Tourism	4	4	2	3	4	5	6	7
Expat Rem	7	8	4	5	6	6	7	8
INFLOW	1	2	(1)	2	6	12	18	24
Interest (Current)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Loan Repayment (d)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
ISB	3	2	1					
FDI		3	3	2	2	2	2	2
Loans	1		1					
TOTAL RESERVES	9	10	8					
EXTERNAL RESERVES	7	8	6					
TOTAL External DEBT	52	56	60					

EXTERNAL TRADE US\$ Billions (Bn)

GOVERNMENT FINANCE RS TRILLIONS (Tn)

	Act 2018	Act 2019	Est 2020	Bud 2021	Target 2022	Target 2023	Target 2024	Target 2025
Tax Revenue	1.7	1.7	1.5	1.6	1.6	1.7	1.8	1.8
Non Tax Rev	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Govt Revenue	1.9	1.9	1.8	1.9	1.9	2.0	2.1	2.1
Rec. Expenditure	2.1	2.3	2.5	2.3	2.2	2.1	2.1	2.1
Bills/Covid		0.4	0.5	0.1				
Public Inv.	0.6	0.6	0.4	0.3	0.4	0.4	0.4	0.5
Govt. Exp.	2.7	3.3	3.3	2.7	2.6	2.5	2.5	2.6
Budget Deficit	(0.8)	(1.4)	(1.5)	(0.9)	(0.6)	(0.5)	(0.4)	(0.5)
- as a % of Rev	39%	72%	86%	46%	33%	27%	26%	23%
- as a % of GDP	5%	9%	10%	6%	4%	3%	3%	3%
TOTAL DEBT	12	13	15					
% of GDP	83%	89%	100%					

DEBT BUILT UP - RS Tn	Value
Debt in 2005	2.2
Deficits	1.7
\$ Rate movement	0.7
Debt 2010	4.6
Deficits	2.0
\$ rate move	0.8
Debt 2014	7.4
Deficit	3.0
\$ rate Move	1.6
Debt 2018	12.0

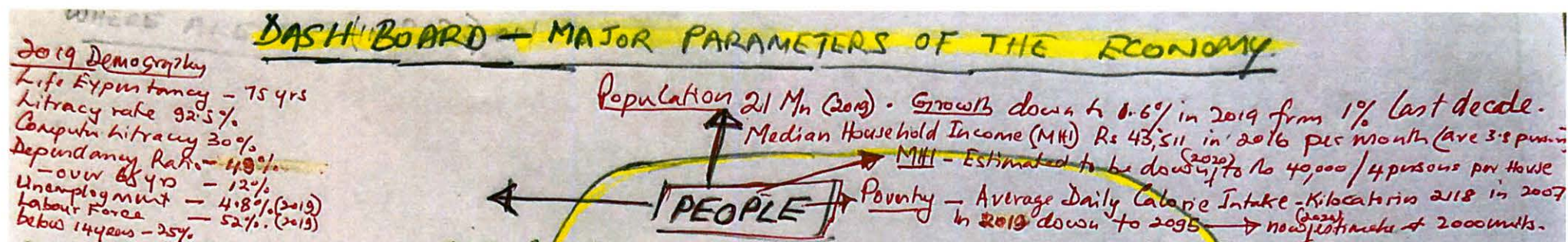
% OF GDP - TARGETS	2019	2020	2021	2022	2025
12%	12%	10%	11%	11%	10%
1%	1%	2%	2%	2%	2%
13%	13%	12%	12%	12%	12%
15%	15%	16%	15%	14%	13%
2%	2%	3%	1%	-	-
4%	4%	3%	2%	2%	2%
22%	22%	18%	16%	16%	16%
-9%	-9%	-10%	-6%	-4%	-3%

IMPACT OF COVID 19

LOST TOURISM INCOME US\$ Bn 4 per annum.
 LOST APPAREL EXPORTS US\$ Bn 5 per annum.
 LOST EXPAT REM US\$ Bn 4 per annum.
 LOST OTHER EXPORTS US\$ Bn 3 per annum.
 CAPITAL FLIGHT US\$ Bn 1
 LOST 400,000 JOBS
 STIMULUS PACKAGE Rs 200 Bn
 ESTIMATED IMPACT FOR 2020 ON GDP EQUIVALENT -10%

Rayin Wickramaratne
 31st July 2020

Parameters of the Economy: People



Parameters of the Economy: Production/National Output

Rain Fall (mm)		Temperature °C				Inflation %		Rs = US\$		GDP Rs Tn		GDP US\$ Bn		Growth %		Per Capita		Agriculture sector	
Year	Range	Min	Max	Min	Max	%	Rs	US\$		2010	2014	2018	2019	%		US\$		%	
2010	1992	24	31	18	26	6.2	113			6.4		37		8		2400		13%	
2014	2375	23	32	17	26	3.2	180			10.4		79		5		3821		8%	
2018	1994	24	32	17	26	4.3	162			14.4		88		3		4075		8%	
2019	2054	24	32	17	26	4.3	179			15.0		84		2		3852		7%	
		Low Country		Hill Country															

PRODUCTION
GROSS DOMESTIC PRODUCT (GDP)

Parameters of the Economy: External Trade

US\$ Bn	Act 2018	Act 2019	Comp 2020	Bud 2021	Target 2022	Target 2023	Target 2024	Target 2025
Exports	12	12	8	11	16	20	25	31
Imports	22	20	15	17	20	22	24	28
Trade Balance	(10)	(8)	(7)	(6)	(4)	(2)	+1	+3
Tourism	4	4	2	3	4	8	10	13
Expat Rem	7	8	4	5	6	6	7	8
INFLOW	1	2	(1)	2	6	12	18	24
Interest (Current debt)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Loan Repayment (d.)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
ISB	3	2	1					
FDI			3	3	2	2	2	2
Loans	1		1					
	2	0	0	1	4	10	16	22
TOTAL RESERVES	9	10	8					
EXTERNAL RESERVES	7	8	6					
TOTAL External DEBT	52	56	60					

EXTERNAL TRADE
US\$ Billions(Bn)

Parameters of the Economy: Government Finance

RS TRILLIONS (Tn)								
GOVERNMENT FINANCE								
	ACT 2018	ACT 2019	COVID 2020	BUD 2021	TAR 2022	TAR 2023	TAR 2024	TARGET 2025
Tax Revenue	1.7	1.7	1.5	1.6	1.6	1.7	1.8	1.8
Non Tax Rev	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Govt Revenue	1.9	1.9	1.8	1.9	1.9	2.0	2.1	2.1
Rec. Expenditure	2.1	2.3	2.5	2.3	2.2	2.1	2.1	2.1
Bills/Covid.		0.4	0.5	0.1				
Public Invnt.	0.6	0.6	0.4	0.3	0.4	0.4	0.4	0.5
Govt. Exp.	2.7	3.3	3.3	2.7	2.6	2.5	2.5	2.6
Budget Deficit	<0.8>	<1.4>	<1.5>	<0.9>	<0.6>	<0.5>	<0.4>	<0.5>
- as a % of Rev	39%	72%	86%	46%	33%	27%	20%	23%
- as a % of GDP	5%	9%	10%	6%	4%	3%	3%	3%
TOTAL DEBT	12	13	15					
% of GDP	83%	89%	100%					

% OF GDP-TARGETS					
2019	2020	2021	2022	2023	2025
12%	10%	11%	11%	10%	
1%	2%	2%	2%	2%	
13%	12%	12%	12%	12%	
15%	16%	15%	14%	13%	
2%	3%	1%	-	-	
4%	3%	2%	2%	2%	
22%	22%	18%	16%	16%	
-9%	-10%	-6%	-4%	-3%	

DEBT BUILT UP - RS Tn	
Debt in 2005	2.2
Deficits	1.7
\$ Rate movement	0.7
Debt 2010	4.6
Deficits	2.0
\$ rate move	0.8
Debt 2014	7.4
Deficit.	3.0
\$ rate Move	1.6
Debt 2018	12.0

Parameters of the Economy: Impact of COVID19

<u>IMPACT OF COVID 19</u>	
LOST TOURISM INCOME	USD Bn 4 per annum.
LOST APPAREL EXPORTS	USD Bn 5 per annum.
LOST EXPAT REM	USD Bn 4 per annum.
LOST OTHER EXPORTS	USD Bn 3 per annum.
CAPITAL FLIGHT	USD Bn 1
LOST 400,000 JOBS	STIMULUS PACKAGE Rs. 0.5 Tn
ESTIMATED IMPACT FOR 2020 ON GDP EQUIVALENT -10%	

Rs. 0.5 Tn

1. 2019 Growth Rate had come down to 2% from 8% in 2010, 6% in 2014, and 3% in 2018.
2. It is estimated that in 2020 with the above Impact of COVID the growth rate will come down to -6% ... If nothing is done.

India June quarter GDP contracts a record 24% due to COVID-19

BY S VENKAT NARAYAN
OUR SPECIAL CORRESPONDENT

NEW DELHI, August 31: The Indian economy contracted by a record 23.9% in the June quarter, highlighting the extent of damage inflicted by the coronavirus pandemic and the ensuing lockdowns. July infrastructure data added to signs of a slowing recovery as Asia's third largest economy faces a surge in coronavirus infections.

Data released by the National Statistical Office showed manufacturing, construction and trade sectors saw massive contraction of 39.3%, 50.3%, 47% respectively.

Surprisingly, government expenditure, as represented by public administration services, also contracted 10.3%.

As expected, the only silver lining in the GDP print was the performance of the farm sector which grew 3.4% in the June quarter. Favourable monsoon rains, improved availability of water in reservoirs for irrigation, higher kharif sowing, large procurement of food grains, and robust rabi production seems to have provided support to agriculture growth.

P 2 >>

SWOT ANALYSIS

STRENGTHS

- 1) Young literate human resource and a Resilient Nation.
- 2) Strategic location
- 3) Good weather for Agriculture.
- 4) Biodiversity
- 5) World heritage sites/rains
- 6) Sun, Sea & Sand beaches, Doves & Whales.
- 7) Tea, Rubber, Coconut Plantations & Paddy fields.
- 8) An Ancient cascading irrigation - tanks, Bisokotuwa Sluice gates, Canals.
- 9) Mountains, Plains, water falls, National parks
- 10) Forest cover to absorb pollution (Carbon Sink)
- 11) Ancient Culture with Colonial Strengths
- 12) SL is the Seat of World Buddhism.
- 13) A great CRICKETING Nation.
- 14) Buffalos, Whales, Tigers and Elephants.
- 15) An Exclusive Economic Zone (EEZ) - Nine times the land mass & a much larger Continental Shelf (CS)
- 16) We have the Island known as "PEARL OF INDIAN OCEAN"

WEAKNESSES

- 1) Falling growth rates and household income.
- 2) Increasing debt and interest
- 3) Continuing budget deficit & devaluation.
- 4) Increasing government expenditure, outstripping growth.
- 5) Increasing external trade deficit and reduction of External Reserves.
- 6) Mismanagement, Fraud & Corruption - White Collar Crime / Bond Scams, etc.
- 7) Drugs & Criminal activity and juvenile delinquency.
- 8) Lack of Transparency & Accountability and Controls.
- 9) Low returns on Public & Investments
- 10) Low returns on State owned Business Enterprises.
- 11) Poor tax collection.
- 12) Poor productivity & efficiency.
- 13) Poor garbage collection & insufficient environmental Protection.
- 14) Lack of DEVELOPMENT BANKING Support to accelerate economy growth.

STRENGTHS

WEAKNESSES

OPPORTUNITIES

THREATS

OPPORTUNITIES

- 1) Set up Import Substitution on Sugar, Milk Powder, Fertilizer and pharmaceuticals and appliances, etc.
- 2) Increase Value added exports on Tea, Rubber, Coconut, Minerals, Gems
- 3) Commercialize the Petroleum & Gas reserves at Mannar basin, Kaveri Basin and Lanka Basins - Reserve Est. of 60 Bn.
- 4) Kick start Covid19 effected Apparel, Tourism, Skills export, etc and provide diversification opportunities to them to enhance rural food production.
- 5) Increase Value added export of Fish, Spices, Vegetables, Fruits and Support Creating a Sri Lankan Branding and increase renewable energy.
- 6) Negotiate to write off our national external debt of 45 Bn Go against the pollution damage caused to our agriculture and ocean economy by the 40,000 ships & 4,000 aircrafts passing through our EEZ.
- 7) Obtain FDI's via Joint Ventures to relocate production units away from China, now being displaced in the realignment of World Supply Chain.

THREATS

- 1) Food Security, Water Security, Forest Cover, Pollution Control, and National Security
- 2) Pressure of "geo-politics" due to our location in the Strategic East/West Sea lane
- 3) Reduce rural poverty and also protect the Elephants.
- 4) Natural Disasters due to Climate Change
- 5) Predatory Lending.

Ravish Wickramanulle
21st July 2020

SWOT Analysis: Our Strengths

SWOT ANALYSIS

STRENGTHS

- 1) young literate human resource and a Resilient Nation
- 2) Strategic location. 3) Good weather for Agriculture.
- 4) Biodiversity 5) World heritage sites/rains
- 6) Sun, Sea & Sand beaches, waves & whales.
- 7) Tea, Rubber, Coconut Plantations & Paddy fields.
- 8) An Ancient cascading irrigation - tanks, Bisokotuna sluice gates, canals.
- 9) Mountains, Plains, water falls, national parks
- 10) Forest cover to absorb pollution (Carbon Sink)
- 11) Ancient Culture with Colonial strength
- 12) SL is the Seat of World Buddhism.
- 13) A great CRICKETING Nation.
- 14) Buffalos, Whales, Tigers and Elephants.
- 15) An Exclusive Economic Zone (EEZ) - Nine times the land mass & a much larger Continental Shelf (CS)
- 16) We have the Island known as "PEARL OF INDIAN OCEAN"

WEAKNESSES

OPPORTUNITIES

THREATS

SWOT Analysis: Our Weaknesses

(16) We have the Island known as "PEAK OF INDIAN OCEAN"

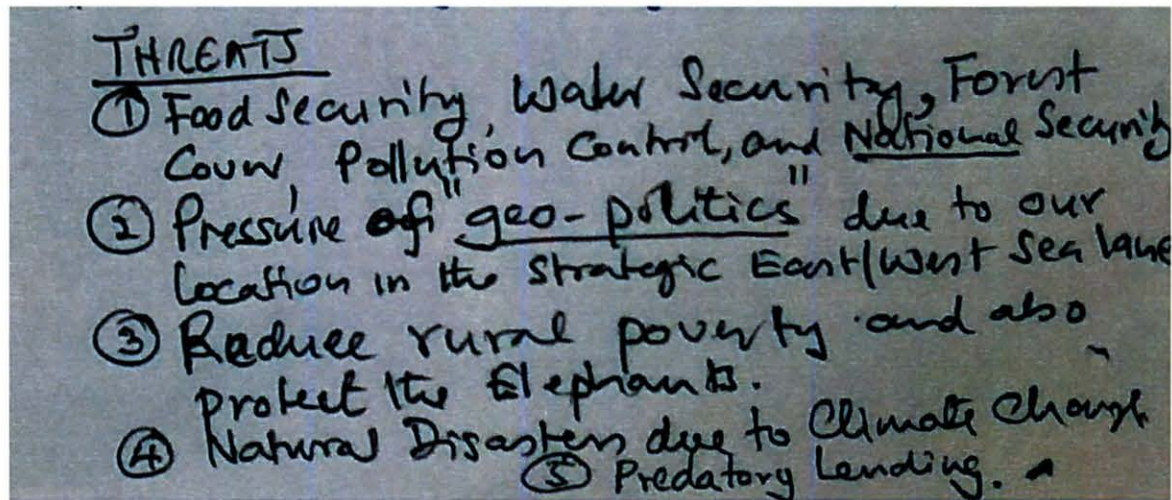
WEAKNESSES

- (1) Falling growth rates and household income.
- (2) ~~Increasing~~ debt and interest
- (3) Continuing budget deficits & devaluation.
- (4) Increasing government expenditure, overtaking growth.
- (5) Increasing external trade deficit and reduction of External
- (6) Mismanagement, Fraud & Corruption - White Collar C.
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- (8) Lack of Transparency & Accountability and Controls.
- (9) Low returns on Public ~~sp~~ Investments
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- (11) Poor tax Collection.
- (12) Poor productivity & efficiency.
- (13) Poor garbage collection & insufficient environmental Protection
- (14) Lack of DEVELOPMENT BANKING Support to accelerate eco

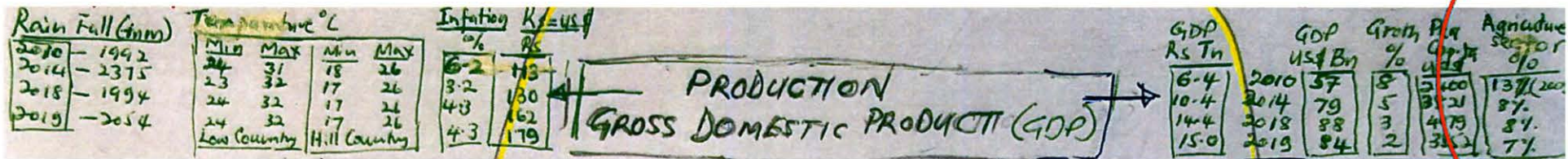
SWOT Analysis: Our Opportunities

- OPPORTUNITIES
- ① Set up Import Substitution on Sugar, Milk Powder, Fertilizer and pharmaceuticals and apparel, etc.
 - ② Increase Value added exports on Tea, Rubber, Coconut, Minerals, Gems
 - ③ Commercialize the Petroleum & Gas reserves at Mannar basin, Kaveri Basin and Lanka Basin - Reserve Est at 60 Bn.
 - ④ Kick start Covid19 effected Apparel, Tourism, Skills export, etc and provide diversification opportunities to them to enhance rural food products.
 - ⑤ Increase Value added export of Fish, Spices, Vegetables, Fruits and Support Creating a Sri Lankan Branding and increase renewable energy.
 - ⑥ Negotiate to write off our national external debt of 45 Bn 60 against the pollution damage caused to our agriculture, ^{and oceans} economy by the 40,000 ships & 4,000 aircrafts passing through our EEZ.
 - ⑦ Obtain FDI's via Joint Ventures to relocate production units away from China, now being dispersed in the realignment of Global Supply chains.

SWOT Analysis: Our Threats



Production Plan: Agriculture



	actual 2010	actual 2014	actual 2018	actual 2019	Covid19 2020	BUDGET 2021	target 2022	target 2023	target 2024	target 2025	Covid 2020	5 year plan % Inc from 2020								
Agricultural production plan																				
Tea - Kg Mn	331	338	304	300	330	380	418	460	505	556	10%	68%	(growth)					Tea - Kg Mn		
Rubber - Kg Mn	153	99	82	75	100	110	120	150	180	200	33%	100%	(get back to previous levels)					Rubber - Kg Mn		
Coconut - Nuts Mn	2584	2870	2623	3086	3000	3200	3500	4000	4500	5000	-3%	67%	(growth)					Coconut - Nuts Mn		
Paddy - MT 000	4300	3380	3930	4592	5000	5300	5500	5800	6000	6500	9%	30%	(growth)					Paddy - MT 000		
Sugar - MT 000	31	52	51	52	60	100	200	300	400	600	15%	900%	(import substitution/local prod)					Sugar - MT 000		
fresh Fish - MT 000	384	535	527	506	556	640	768	960	1,248	1,622	10%	192%	(expand deep sea fishing)					fresh Fish - MT 000		
Dry food crops MT 000's	520	725	670	596	709	914	1,314	1,635	2,085	2,597	19%	266%	(import substitution/local prod)					Dry food crops MT 000's		
Spices, corps, fruits, veg - Mt 000	0	0	1,754	1,763	1,773	2,015	2,255	2,598	2,910	3,327	1%	88%	(expand volumes & variety)					Spices, corps, fruits, veg - Mt 000		
Chicken/mutton/pork/beef MT000	116	158	258	268	295	339	407	509	661	860	10%	192%	(expand)					Chicken/mutton/pork/beef MT000		
Milk - Mn. liters	248	334	495	422	464	534	641	801	1,041	1,353	10%	192%	(growth/convert to milk powder)					Milk - Mn. liters		
Eggs - eggs Mn.	941	1,721	2,853	2,619	2,881	3,313	3,976	4,970	6,460	8,399	10%	192%	(expand)					Eggs - eggs Mn.		

External Trade Plan: Agricultural Exports

US\$ Bn

	Act 2018	Act 2019	2020	Bud 2021	Target 2022	Target 2023	Target 2024	Target 2025
Exports	12	12	8	11	16	20	25	31
Imports	22	20	15	17	20	22	24	28
Trade Balance	<10>	<8>	<7>	<6>	<4>	<2>	+1	+3
Tourism	4	4	2	3	4	5	6	8
Expat Rem	7	8	4	5	6	7	8	9
INFLOW	1	2	<1>	2	6	12	18	24
Interest (current debt)	<1>	<1>	<1>	<1>	<1>	<1>	<1>	<1>
Loan Repayment (d.)	<2>	<3>	<3>	<3>	<3>	<3>	<3>	<3>
ISB	3	2	1					
FDI	1			3	2	2	2	2
Loans		1						
	2	0	0	1	4	10	16	22
TOTAL RESERVES	9	10	8					
EXTERNAL RESERVES	7	8	6					
TOTAL External Net	52	56	60					

EXTERNAL TRADE
US\$ Billions(Bn)

Agricultural Exports -- US\$ Mn	actual 2010	actual 2014	actual 2018	actual 2019	Covid19 2020	BUDGET 2021	target 2022	target 2023	target 2024	target 2025
Tea black/green bulk, bags, pkts	1441	1628	1429	1346	1,626	1,953	2,354	2,792	3,424	4,245
Rubber -crepe, smoked, latex	173	45	32	24	30	55	65	75	85	100
Coconut -kernel, value added	166	356	311	330	300	600	800	1000	1300	1600
Spices, other crops, veg, fruit	0	0	543	500	616	932	1,389	2,026	2,747	3,833
Fish/sea food	192	252	265	263	300	500	1000	1300	1600	2000
Total	1,972	2,281	2,580	2,463	2,872	4,040	5,608	7,193	9,155	11,778
- % average growth per annum		4%	3%	-5%	17%	41%	39%	28%	27%	29%

2020	Increase					Agricultural Exports -- US\$ Mn	
Impact %	from 2020						
21%	161%	(value added increase)				Tea black/green bulk, bags, pkts	
25%	233%	(get back to previous levels)				Rubber -crepe, smoked, latex	
9%	433%	(expand/branded exports)				Coconut -kernel, value added	
23%	522%	(expand/branded exports)				Spices, other crops, veg, fruit	
14%	567%	(expand/branded exports)				Fish/sea food	
17%	310%					Total	

External Trade Plan: Industrial Exports

US\$ Bn

	Act 2018	Act 2019	COVD 2020	Bud 2021	Target 2022	Target 2023	Target 2024	Target 2025
Exports	12	12	8	11	16	20	25	31
Imports	22	20	15	17	20	22	24	28
Trade Balance	<10>	<8>	<7>	<6>	<4>	<2>	+1	+3
Tourism	4	4	2	3	4	5	6	7
Expat Rem	7	8	4	5	6	6	7	8
INFLOW	1	2	<1>	2	6	12	18	24
Interest (Current debt)	<1>	<1>	<1>	<1>	<1>	<1>	<1>	<1>
Loan Repayment (d.)	<2>	<3>	<3>	<3>	<3>	<3>	<3>	<3>
ISB	3	2	1	3	2	2	2	2
FDI	1	1	3	3	2	2	2	2
Loans	2	0	0	1	4	10	16	22
TOTAL RESOURCES	9	10	8					
EXTERNAL RESOURCES	7	8	6					
TOTAL External Net	52	56	60					

EXTERNAL TRADE
US\$ Billions(Bn)

Industrial Exports -- US\$ Mn	actual	actual	actual	actual	Covid19	BUDGET	target	target	target	target
	2010	2014	2018	2019	2020	2021	2022	2023	2024	2025
Food/ beverage/tobacco/value added	245	289	462	447	500	700	1000	1500	2000	2500
textile & garments apparel	3356	4930	5318	5596	2000	3000	4000	5000	6000	7000
petroleum products	263	338	622	521	300	400	600	700	800	900
ceramic products	40	41	31	30	25	30	35	50	60	70
rubber products, tires, gloves, etc.	558	890	875	866	800	1000	1500	2000	2500	3000
leather products	60	139	148	103	100	150	200	250	300	350
mechanical appliances	259	343	435	400	350	400	500	800	1000	1300
gems, diamonds, jewelry	409	394	278	306	250	400	600	800	1000	1200
transport equipment	144	152	120	146	120	150	200	250	250	350
printing equipment	246	52	32	48	40	50	60	70	80	90
other industrial equipment	517	694	937	963	800	1000	1100	1200	1300	1400
mineral	24	59	34	34	40	60	200	500	800	1000
unclassified	199	15	18	18	15	20	25	30	34	40
Total	6320	8,336	9,310	9,478	5,340	7,360	10,020	13,150	16,124	19,200
increase %				2%	-44%	38%	36%	31%	23%	19%
Total Exports	8,292	10,617	11,890	11,941	8,212	11,400	15,628	20,343	25,279	30,978
increase %		7%	3%	0%	-31%	39%	37%	30%	24%	23%

Covid19	5 year plan									
2020	Increase									
Impact %	from 2020									
12%	400%	(Cnut value added increase)								
-64%	250%	(recovery)								
-42%	200%	(recovery & price)								
-17%	180%	(recovery)								
-8%	275%	(tires/gloves local prod)								
-3%	250%	(recovery)								
-13%	271%	(recovery)								
-18%	380%	(recovery)								
-18%	192%	(recovery)								
-17%	125%	(recovery)								
-17%	75%	(growth)								
18%	2400%	(value added)								
-17%	167%									
-44%	260%									
-31%	277%									

External Trade Plan: Imports

US\$ Bn

	Act 2018	Act 2019	2020	Bud 2021	Target 2022	Target 2023	Target 2024	Target 2025
Exports	12	12	8	11	16	20	25	31
Imports	22	20	15	17	20	23	24	28
Trade Balance	(10)	(8)	(7)	(6)	(4)	(3)	(1)	(3)
Tourism	4	4	2	3	4	5	6	8
Expatriate Remittances	7	8	4	5	6	6	7	8
INFLOW	1	2	(1)	2	6	12	18	24
Interest (Current)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
debt	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Loan Repayment (d)	3	2	1	1	2	2	2	2
ISB	1	1	1	1	1	1	1	1
FDI	1	1	1	1	1	1	1	1
Loans	2	0	0	1	4	10	16	22
TOTAL RESERVES	9	10	8					
EXTERNAL RESERVES	7	8	6					
TOTAL External Debt	52	56	60					

EXTERNAL TRADE
US\$ Billions(Bn)

Imports - US\$ Mn	actual	actual	actual	actual	Covid19	BUDGET	target	target	target	target
	2010	2014	2018	2019	2020	2021	2022	2023	2024	2025
sugar/milk/fish	810	1,019	887	743	543	373	273	173	73	23
dry foods/potatoes/onions/chillies	446	614	719	685	354	275	208	163	123	112
vehicles/consumables	1,320	2,611	3,703	2,842	1,575	1,394	1,416	1,445	1,481	1,618
Intermediate goods	8,347	11,900	12,863	11,650	8,584	9,840	12,030	13,680	15,515	17,930
investment goods	3,222	4,359	4,881	4,744	3,844	5,054	5,774	6,594	7,414	8,334
Total Imports	14,145	20,503	23,053	20,664	14,900	16,936	19,701	22,055	24,606	28,017
increase %		11%	3%	-10%	-28%	14%	16%	12%	12%	14%

Covid19	5 yr plan									
2020	% inc									
Impact %	from 2020									
-27%	-96%	(locally produced)								
-48%	-68%	(locally produced)								
-45%	3%	(reduction of personal vehicles)								
-26%	109%	(fabric, fertilizer locally produced)								
-19%	117%	(growth)								
-28%	88%									

Imports - US\$ Mn										
sugar/milk/fish										
dry foods/potatoes/onions/chillies										
vehicles/consumables										
Intermediate goods										
investment goods										
Total Imports										

External Trade Plan: Tourist Arrivals

Handwritten table titled "EXTERNAL TRADE US\$ Billions (Bn)" showing financial data from 2018 to 2025. The table is divided into two main sections: "Actual" (2018-2020) and "Target" (2021-2025). A red circle highlights the "Tourism Expat Rem INFLOW" row.

	Act 2018	Act 2019	Act 2020	Bud 2021	Target 2021	Target 2022	Target 2023	Target 2024	Target 2025
Exports	12	12	8	11	16	20	25	31	31
Imports	22	20	15	17	20	22	24	28	28
Trade Balance	(10)	(8)	(7)	(6)	(4)	(2)	(1)	(3)	(3)
Tourism Expat Rem INFLOW	7	8	4	5	6	6	7	8	8
Interest (Cur. Accr.)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Loan Repayment (d.)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
ISB	3	2	1	3	2	2	2	2	2
FDI	1	1	1	3	2	2	2	2	2
Loans	2	0	0	1	4	10	16	22	22
TOTAL RESERVES	9	10	8						
EXTERNAL RESERVES	7	8	6						
TOTAL EXTERNAL DEBT	52	56	60						

	actual 2010	actual 2014	actual 2018	actual 2019	Covid19 2020	BUDGET 2021	target 2022	target 2023	target 2024	target 2025
Tourist arrivals - 000's	654	1,527	2,334	1,913	800	1,250	1,600	2,000	2,500	3,000
- % average growth per annum			13%	-18%	-58%	56%	28%	25%	25%	20%
Tourist earnings - US\$Mn	575	2,431	4,381	3,607	1,600	2,503	4,320	7,560	10,500	12,600
- % average growth per annum			20%	-18%	-56%	56%	73%	75%	39%	20%
number of rooms/keys	14,714	18,510	24,757	24,831	30,000	40,000	50,000	60,000	70,000	70,000
number of beds	28,978	36,883	52,237	52,393	63,300	84,399	105,499	126,599	147,699	147,699
Ave revenue per guest	879	1,592	1,877	1,886	2,000	2,002	2,700	3,780	4,200	4,200
No of guest days- 000	5,886	13,743	25,674	19,130	11,200	17,500	28,800	42,000	52,500	63,000
AVE no of guests per room	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
no of room days occupied -000	4,204	9,816	18,339	13,664	8,000	12,500	20,571	30,000	37,500	45,000
100% capacity - room days-000	10,577	13,462	19,067	19,123	23,104	30,806	38,507	46,209	53,910	53,910
occupancy %	40%	73%	96%	71%	35%	41%	53%	65%	70%	83%
Avg. duration nights per guest	9	9	11	10	14	14	18	21	21	21
receipt / day per tourist - USD	88	160	174	181	143	143	150	180	200	200

2020 Impact %	Increase from 2020	
-58%	275% (recovery)	Tourist arrivals - 000's
-56%	688% (higher arrivals & rate)	Tourist earnings - US\$Mn
21%	133% (growth)	number of rooms/keys
21%	133% (growth)	number of beds
6%	110%	Ave revenue per guest
-41%	463% (higher arrivals & longer stay)	No of guest days- 000
0%	0%	AVE no of guests per room
-41%	463% (higher arrivals & longer stay)	no of room days occupied-000
21%	133% (growth)	100% capacity - room days-000
	(recovery)	occupancy %
40%	50% (long stay increase)	Avg. duration nights per guest
-21%	40% (higher rate per day)	receipt / day per tourist - USD

External Trade Plan: Expat Remittances

Handwritten table titled "EXTERNAL TRADE US\$ Billions (Bn)" showing various trade and financial metrics from 2018 to 2025.

	Act 2018	Act 2019	Act 2020	Bud 2021	Target 2022	Target 2023	Target 2024	Target 2025
Exports	12	12	8	11	16	20	25	31
Imports	22	20	15	17	20	22	24	28
Trade Balance	<10>	<8>	<7>	<6>	<4>	<2>	+1	+3
Tourism	4	4	2	3	4	5	6	7
Expat Rem INFLOW	7	8	4	5	6	6	7	8
Interest (Current)	1	2	<1>	2	6	12	18	24
Loan Repayment (d.)	<1>	<1>	<1>	<1>	<1>	<1>	<1>	<1>
ISB	3	2	1	3	2	2	2	2
FDI	1	1	1	3	2	2	2	2
Loans	2	0	0	1	4	10	16	22
TOTAL RESERVES	9	10	8					
EXTERNAL RESERVES	7	8	6					
TOTAL External Net	52	56	60					

	actual	actual	actual	actual	Covid19	BUDGET	target	target	target	target									
	2010	2014	2018	2019	2020	2021	2022	2023	2024	2025									
Expat remittances - US\$Mn	4,116	7,018	7,015	6,717	4,500	5,000	5,700	6,500	7,200	8,000									
- % average growth per annum			0%	-4%	-33%	11%	14%	14%	11%	11%									
-number of expat - total	267,507	300,703	211,459	203,186	170,000	195,000	230,000	268,000	305,000	326,000									
- % average growth per annum			-7%	-4%	-16%	15%	18%	17%	14%	7%									
professional	3,057	5,372	7,210	9,860	9,000	12,000	15,000	20,000	25,000	30,000									
middle level	6,884	20,778	7,748	5,725	10,000	15,000	20,000	25,000	30,000	35,000									
clerical / related	7,923	29,267	10,021	9,163	12,000	16,000	22,000	29,000	35,000	35,000									
skilled	71,537	73,162	67,053	62,719	78,000	90,000	110,000	130,000	150,000	160,000									
semi skilled	4,932	3,977	2,770	2,950	6,000	7,000	8,000	9,000	10,000	11,000									
unskilled	60,422	79,519	51,719	51,200	25,000	25,000	25,000	25,000	25,000	25,000									
house maids female	112,752	88,628	64,938	61,569	30,000	30,000	30,000	30,000	30,000	30,000									
	267507	300703	211459	203186	170000	195000	230000	268000	305000	326000									
Avg. per worker/expat - us\$	15,387	23,339	33,174	33,058	26,471	25,641	24,783	24,254	23,607	24,540									

Covid	5 year plan																		
2020	% inc																		
imp %	from 2020																		
-33%	78%	(growth in professionals, etc)																	
-16%	92%	(redn of unskilled/h-maids)																	
-9%	233%	(higher growth)																	
75%	250%	(higher growth)																	
31%	192%	(higher growth)																	
24%	105%	(recovery)																	
103%	83%	(recovery)																	
-51%	0%	(reduction)																	
-51%	0%	(reduction)																	
-16%	92%																		
-20%	-7%																		

Government Finance Plan: Fiscal Indicators

RS TRILLIONS (Tn)

GOVERNMENT FINANCE

	2018	2019	2020	2021	2022	2023	2024	2025
Tax Revenue	1.7	1.7	1.5	1.6	1.6	1.7	1.8	1.8
Non Tax Rev	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Govt Revenue	1.9	1.9	1.8	1.9	1.9	2.0	2.1	2.1
Rec. Expenditure	2.1	2.3	2.5	2.3	2.2	2.1	2.1	2.1
Bills/Covid		0.4	0.5	0.1				
Public Inv.	0.6	0.6	0.4	0.3	0.4	0.4	0.4	0.5
Govt. Exp.	2.7	3.3	3.3	2.7	2.6	2.5	2.5	2.6
Budget Deficit	(0.8)	(1.4)	(1.5)	(0.9)	(0.6)	(0.5)	(0.4)	(0.5)
- as a % of Rev	39%	72%	86%	46%	33%	27%	20%	23%
- as a % of GDP	5%	9%	10%	6%	4%	3%	3%	3%
TOTAL DEBT	12	13	15					
% of GDP	83%	89%	100%					

% OF GDP-TARGETS					
2019	2020	2021	2022	2023	
12%	10%	11%	11%	10%	
1%	2%	2%	2%	2%	
13%	12%	12%	12%	12%	
15%	16%	15%	14%	13%	
2%	3%	1%	-	-	
4%	3%	2%	2%	2%	
22%	22%	18%	16%	16%	
-9%	-10%	-6%	-4%	-3%	

DEBT BUILT UP-RS Tn

Debt in 2005	2.2
Deficits	1.7
\$ Rate movement	0.7
Debt 2010	4.6
Deficits	2.0
\$ rate move	0.8
Debt 2014	7.4
Deficit	3.0
\$ rate Move	1.6
Debt 2018	12.0

Govt. Fiscal Indicators	actual 2010	actual 2014	actual 2018	actual 2019	covid19 2020	BUDGET 2021	target 2022	target 2023	target 2024	target 2025
Population growth %			1.1	0.61	0.61	0.61	0.61	0.61	0.61	0.61
Population - Thousands	20,675	20,778	21,670	21,803	21,937	22,071	22,207	22,343	22,480	22,618
GDP - Rs. Bn	6,413	10,361	14,450	15,016	15,000	15,150	15,453	16,071	17,035	18,398
GDP - US\$ Bn	57	79	89	84	75	76	77	80	85	92
Per capita GDP - US\$	2,400	3,821	4,103	3,852	3,419	3,419	3,479	3,596	3,789	4,067
GDP growth %	8.0%	6.5%	3.2%	2.3%	-2.0%	1.0%	2.0%	4.0%	6.0%	8.0%
Exch. rate US\$ to SL RS - end year	111	131	183	182	200	200	200	200	200	200
Exch. rate US\$ to SL RS - average	113	131	163	179	200	200	200	200	200	200
Inflation rate CCPI %	6.2%	6.1%	4.3%	4.3%	4.0%	4.0%	4.6%	4.4%	4.2%	4.0%
prime lending rate AWPR %	9.3%	6.4%	12.1%	9.7%	8.5%	7.0%	8.0%	8.0%	9.0%	9.9%
treasury bill rate %	7.6%	6.0%	11.2%	8.5%	7.5%	8.0%	8.5%	9.0%	9.0%	9.5%
treasury bond %	8.3%	8.9%	10.7%	9.0%	8.0%	8.4%	8.9%	9.3%	9.4%	9.8%
deposit rate AWDR %	6.2%	6.2%	8.8%	8.2%	7.0%	7.0%	7.0%	7.0%	8.0%	8.5%

Government Finance Plan: Gov't Fiscal Operations

AS TRILLIONS (Tn)
GOVERNMENT FINANCE

	2018	2019	2020	2021	2022	2023	2024	2025
Tax Revenue	1.7	1.7	1.5	1.6	1.6	1.7	1.8	1.8
Non Tax Rev	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Govt Revenue	1.9	1.9	1.8	1.9	1.9	2.0	2.1	2.1
Rec. Expenditure	2.1	2.3	2.5	2.3	2.2	2.1	2.1	2.1
Bills/Covid.		0.4	0.5	0.1				
Public Inv.	0.6	0.6	0.4	0.3	0.4	0.4	0.4	0.5
Govt. Exp.	2.7	3.3	3.3	2.7	2.6	2.5	2.5	2.6
Budget Deficit	(0.8)	(1.4)	(1.5)	(0.9)	(0.6)	(0.5)	(0.4)	(0.5)
- as a % of Rev	39%	72%	86%	46%	33%	27%	20%	23%
- as a % of GDP	5%	9%	10%	6%	4%	3%	3%	3%
TOTAL DEBT	12	13	15					
% of GDP	83%	85%	100%					

% OF GDP-TARGETS					
2019	2020	2021	2022	2023	
12%	10%	11%	11%	10%	
1%	2%	2%	2%	2%	
13%	12%	12%	12%	12%	
15%	16%	15%	14%	13%	
2%	3%	1%	-	-	
4%	3%	2%	2%	2%	
22%	22%	18%	16%	16%	
-9%	-10%	-6%	-4%	-3%	

DEBT BUILT UP-RS Tn

Debt in 2005	2.2
Deficits	1.7
\$ Rate movement	0.7
Debt 2010	4.6
Deficits	2.0
\$ rate move	0.8
Debt 2014	7.4
Deficit.	3.0
\$ rate Move	1.6
Debt 2018	12.0

Govt. Fiscal Operations - Rs Bn	2010	2014	2018	2019	2020	2021	2022	2023	2024	2025
Tax revenue	725	1,050	1,712	1,735	1,500	1,600	1,632	1,697	1,799	1,749
Non tax revenue including grants	109	155	220	164	265	268	273	284	301	325
Government revenue	834	1,205	1,932	1,899	1,765	1,868	1,905	1,981	2,100	2,074
Recurrent expenditure	937	1,323	2,090	2,301	2,426	2,272	2,192	2,131	2,108	2,086
2019 unpaid bills / Covid19 stimulus				360	450	150	0	0	0	0
Public investment	343	473	603	614	400	300	350	390	420	460
Government expenditure - Rs. Bn	1,280	1,796	2,693	3,275	3,276	2,722	2,542	2,521	2,528	2,546
Budget deficit - Rs. Bn	-446	-591	-761	-1,376	-1,511	-855	-637	-539	-428	-472
- deficit as a % of revenue	53%	49%	39%	72%	86%	46%	33%	27%	20%	23%
- deficit as a % of GDP	7%	6%	5%	9%	10%	6%	4%	3%	3%	3%
Financing of budget deficit by										
foreign debt	243	212	465	363	400	400	300	300	200	200
domestic debt	203	378	296	1,013	1,111	455	337	239	228	272
	446	590	761	1,376	1511	855	637	539	428	472

% of GDP	% of GDP	% of GDP	% of GDP	% of GDP
2019	2020	2021	2022	2025
12%	10%	11%	11%	10%
1%	2%	2%	2%	2%
13%	12%	12%	12%	12%
15%	16%	15%	14%	13%
2%	3%	1%	0%	0%
4%	3%	2%	2%	2%
22%	22%	18%	16%	16%
-9%	-10%	-6%	-4%	-3%

Government Finance Plan: Gov't Debt

RS TRILLIONS (Tn)

GOVERNMENT FINANCE

	ACT 2018	ACT 2019	ACT 2020	BUD 2021	TAR 2021	TAR 2023	TAR 2024	TARGET 2025
Tax Revenue	1.7	1.7	1.5	1.6	1.6	1.7	1.8	1.8
Non Tax Rev	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Govt Revenue	1.9	1.9	1.8	1.9	1.9	2.0	2.1	2.1
Rec. Expenditure	2.1	2.3	2.5	2.3	2.2	2.1	2.1	2.1
Bills/Covid.		0.4	0.5	0.1				
Public Inv't.	0.6	0.6	0.4	0.3	0.4	0.4	0.4	0.5
Govt. Exp.	2.7	3.3	3.3	2.7	2.6	2.5	2.5	2.6
Budget Deficit	(0.8)	(1.4)	(1.5)	(0.9)	(0.6)	(0.5)	(0.4)	(0.5)
-as a % of Rev	39%	72%	86%	46%	33%	27%	20%	23%
-as a % of GDP	5%	9%	10%	6%	4%	3%	3%	3%
TOTAL DEBT	12	13	15					
% of GDP	83%	85%	100%					

% OF GDP-TARGETS

2019	2020	2021	2022	2023
12%	10%	11%	11%	10%
1%	2%	2%	2%	2%
13%	12%	12%	12%	12%
15%	16%	15%	14%	13%
2%	3%	1%	-	-
4%	3%	2%	2%	2%
22%	22%	18%	16%	16%
-9%	-10%	-6%	-4%	-3%

DEBT BUILT UP - RS Tn

Debt in 2005	2.2
Deficits	1.7
\$ Rate movement	0.7
Debt 2010	4.6
Deficits	2.0
\$ rate move	0.8
Debt 2014	7.4
Deficit.	3.0
\$ rate Move	1.6
Debt 2018	12.0

	actual 2010	actual 2014	actual 2018	actual 2019	covid19 2020	BUDGET 2021	target 2022	target 2023	target 2024	target 2025
Debt total - Rs. Bn	4,590	7,390	11,977	13,391	15,000	0	0	0	0	0
Debt per person - Rs	222,007	355,665	552,700	614,182	683,782					
-% of GDP	72%	71%	83%	89%	100%	0%	0%	0%	0%	0%
Loan repayments - Rs Bn			1,232	1,120	1,154	1,127	1,246	1,207	1,260	1,285
Interest - Rs Bn			852	901	888	879	864	838	815	793
Total debt service - Rs Bn			2,084	2,021	2,042	2,006	2,109	2,045	2,075	2,078
% of government revenue			108%	106%	116%	107%	111%	103%	99%	100%

forecast and targets are based on 2019 value terms

Debt built up History

Debt at end 2005 was Rs Bn 2,222.

During the intense war to 2010 the cumulative budget deficits were Rs Bn 1,682 and the US \$ rate movement of 686 Bn increased debt to Rs Bn 4,590 by end of 2010. Cumulative deficits of Rs Bn 2,045 and \$ rate movement 755 Bn increased debt to Rs Bn 7,390 end of 2014. Cumulative deficits of Rs Bn 2,962 and \$ rate movement 1,625 Bn increased debt to Rs Bn 11,977 end of 2018.

Targets for Recovery: Plantation & Dry Crops Production and Median Household Income Index (MHI) Forecast

Output

Value of Production and
Median Household Income Index

Production Targets to turn around SL / HOUSEHOLD INCOME estimates- annexure 3

Domestic production Quantities - agriculture , fisheries and livestock.

	actual	actual	actual	actual	Covid19	BUDGET	target	target	target	target
<u>Plantation crop - output</u>	<u>2010</u>	<u>2014</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Tea - Kg Mn	331	338	304	300	330	380	418	460	505	556
- % average growth per annum		1%	-3%	-1%	10%	15%	10%	10%	10%	10%
Rubber - Kg Mn	153	99	82	75	100	110	120	150	180	200
- % average growth per annum		-9%	-4%	-9%	33%	10%	9%	25%	20%	11%
Coconut -Nuts Mn	2584	2870	2623	3086	3000	3200	3500	4000	4500	5000
- % average growth per annum		3%	-2%	18%	-3%	7%	9%	14%	13%	11%
Paddy - MT 000	4300	3380	3930	4592	5000	5500	6000	6500	7200	8000
- % average growth per annum		-5%	4%	17%	9%	10%	9%	8%	11%	11%
Sugar - MT 000	31	52	51	52	60	100	200	300	400	600
- % average growth per annum		17%	0%	2%	15%	67%	100%	50%	33%	50%
fresh Fish - MT 000	384	535	527	506	556	640	768	960	1,248	1,622
- % average growth per annum		10%	0%	-4%	10%	15%	20%	25%	30%	30%
<u>Dry Crops - Mt 000</u>										
potatoes	52	83	89	101	111	131	172	202	253	330
sweet potatoes	46	51	43	35	39	46	60	70	88	105
chilies green	49	71	79	63	69	82	107	126	158	189
chilies dried	12	18	20	15	17	25	30	45	50	75
big onions	59	101	28	19	21	50	120	200	275	350
red onions	62	63	61	58	64	75	99	116	145	174
maize	162	240	270	245	270	319	417	490	613	735
green gram	12	14	10	7	10	15	20	25	30	35
black gram	10	10	12	5	6	7	9	10	13	20
kurakkan	7	9	8	5	6	10	12	14	16	20
cowpea	11	15	11	8	9	15	20	25	30	35
soya bean	7	11	2.5	2.2	3	3	4	4	6	15
gingerly	17	14	8.6	6.1	7	8	10	12	15	18
ground nuts	14	25	28	27	30	35	46	54	68	81
palm oil										
lentils					25	50	120	150	200	250
peas					10	20	30	40	60	80
coriander					3	5	10	15	20	25
turmeric					2	3	5	6	8	10
garlic					10	16	25	30	40	50
	520	725	670	596	709	914	1,314	1,635	2,085	2,597
- % average growth per annum		10%	-2%	-11%	19%	29%	44%	24%	28%	25%

Targets required to turn around Sri Lanka (2019 US\$ values)

Domestic production value - agriculture, fisheries and livestock.

	import cost		import	retail	us\$m	us\$m	us\$m	us\$m	us\$m	us\$m
usmn	mt	\$/unit	Rs/ut	Rs/ut	2020	2021	2022	2023	2024	2025
		4.60	823	1,050	1,519	1,747	1,921	2,113	2,325	2,557 Tea
		2.00	358		200	220	240	300	360	400 Rubber
		0.23	42	51	697	744	813	930	1,046	1,162 Coconut
				rice						
		279	50	93	1,397	1,536	1,676	1,816	2,011	2,235 Paddy
200	538	372	67	129	22	37	74	112	149	223 Sugar
		5,556	994	1,000	3,091	3,555	4,266	5,332	6,932	9,012 fresh Fish
				USMN	6,926	7,839	8,991	10,603	12,822	15,589 TOTAL
	rural prodn growth index				1.00	1.13	1.30	1.53	1.85	2.25
										Dry crops
34	142	239	43	202	27	31	41	48	60	79 potatoes
		278	50	120	11	13	17	19	24	29 sweet potatoes
		789	141	200	55	65	84	99	124	149 chillies green
83	53	1,578	282	403	26	39	47	71	79	118 chillies dried
85	240	353	63	167	7	18	42	71	97	123 big onions
4.2	6	700	125	279	45	53	69	81	102	122 red onions
34.8	102.5	340	61	100	91	108	141	166	208	250 maize
12	13	902	162	360	9	14	18	23	27	32 green gram
6	8	779	139	250	4	5	7	8	10	16 black gram
2	4	425	76		2	4	5	6	7	9 kurakkan
6	9	706	126	380	6	11	14	18	21	25 cowpea - red
4	8	457	82		1	1	2	2	3	7 soya bean
		1,667	298		11	13	17	20	25	31 gingerly
		3,333	597	540	99	117	153	180	225	270 ground nuts
				930	0	0	0	0	0	0 palm oil
80	177	452	81	120	11	23	54	68	90	113 lentils
24	39.4	609	109		6	12	18	24	37	49 peas
11.8	13.3	887	159		3	4	9	13	18	22 coriander
6.4	5.3	1,208	216		2	4	6	7	10	12 turmeric
35.3	31.8	1,110	199	200	11	18	28	33	44	56 garlic
				USMN	429	552	773	959	1,211	1,510 TOTAL
	rural prodn growth index				1.00	1.29	1.80	2.24	2.83	3.52

Value of Production & MHI Index

Targets required to turn around Sri Lanka (2019 US\$ values)												
Domestic production value - agriculture , fisheries and livestock.												
	import cost		import	retail	us\$m	us\$m	us\$m	us\$m	us\$m	us\$m		
usmn	mt	\$/unit	R\$/ut	R\$/ut	2020	2021	2022	2023	2024	2025		
		15	2,743		36.8	41.4	46.0	53.6	68.9	76.6	coffee	
		2	379		1.3	1.4	1.5	1.7	2.1	2.5	cocoa	
		13	2,271	2,000	34.2	38.1	44.4	50.7	57.1	63.4	cashew kernel	
		43	7,765		0.1	0.2	0.3	0.3	0.4	0.5	unmanufactured tobacco	
		11	1,921	3,000	236.1	268.4	322.0	375.7	429.4	483.0	cinnamon	
		6	1,089	800	146.1	182.6	200.8	231.3	255.6	304.3	pepper	
		6	1,072	3,800	35.9	41.9	47.9	53.9	59.9	65.9	clove	
		6	1,074		0.5	0.6	0.7	0.9	1.2	1.5	cardamom	
		11	1,883		57.9	63.1	68.4	73.7	84.2	94.7	nutmeg and mace	
		1	144		0.0	0.0	0.0	0.0	0.1	0.1	cereals	
		3	455		0.0	0.0	0.0	0.0	0.0	0.0	sesame seeds	
		3	625		0.0	0.1	0.1	0.1	0.1	0.1	areca nut	
		4	729		0.1	0.1	0.1	0.1	0.1	0.1	beetle leaves	
		19	3,444		0.0	0.0	0.0	0.1	0.1	0.1	essential oils	
		7	1,278		0.0	0.0	0.0	0.1	0.1	0.1	other spices	
		1	142		0.1	0.1	0.1	0.1	0.1	0.1	other agri	
		1		120	1,006	2,271	2,538	2,939	3,206	3,606	vegetable	
		1		150	176	253	285	317	422	528	fruit	
				USMN	1,731	3,162	3,555	4,098	4,588	5,228	TOTAL	
		rural prodn growth index			1.00	1.83	2.05	2.37	2.65	3.02		
		import cost		import retail	us\$m	us\$m	us\$m	us\$m	us\$m	us\$m		
usmn	mt	\$/unit	R\$/ut	R\$/ut	2020	2021	2022	2023	2024	2025	live stock	
				70	182	209	251	313	407	529	milk	
				15	241	278	333	416	541	704	eggs	
				430	595	684	820	1,026	1,333	1,733	chicken meat	
				1,000	12	13	16	20	26	34	mutton	
				800	55	64	76	95	124	161	pork	
				1,500	276	318	381	477	620	800	beef	
				USMN	1,361	1,565	1,878	2,347	3,051	3,967	TOTAL	
		rural prodn growth index			1.00	1.15	1.38	1.73	2.24	2.92		
				USMN	10,446	13,118	15,197	18,006	21,672	26,293	GRAND	
				rs bn	1,870	2,348	2,720	3,223	3,879	4,706	TOTAL	
		rural prodn growth index			1.00	1.26	1.45	1.72	2.07	2.52		
		MHII - Rs/month			40,000	50,231	58,194	68,949	82,987	100,600		

Present State of Our Economy

Gross Domestic Product (GDP) in 2019 was Rs Billion 15,016 (Bn) or US\$ Bn 84 , contributed by agriculture 7%, industry 27%, services 57% and tax-subsidies 9%. The sectoral growth had slowed to 0.6%, 2.7% and 2.3% respectively. Unemployment levels had increased from 4.4% to 4.8% , and labour force from 51.8 to 52.3% by 2019. Covid has wiped out 400,000 jobs.

Interest rates - SDFR reduced in July 2020 to 4.5% from 7% in 2019, and SLFR reduced to 5.5% from 8% in 2019, and SRR was reduced to 2% in June 2020 as a Covid19 stimulus package. CBSL, further offered a moratorium for settlement of debt, refinancing facility of Rs Bn 150 at 4% interest with a credit guarantee. SRR reduction provided Rs Bn 200 liquidity for lending. Simultaneously, the Government advanced Samurdhi Trust Funds of Rs 10,000 each for vulnerable households and affected self-employed persons, estimated at Rs Bn 50 for 5 million persons.

Population growth slowed from 1.1 to 0.6% in 2019 to 21.803 Mn, while those employed amounted to 8.181 Mn, of which 1.434 Mn were in the public sector, & dependency ratio was 49.4%. Dependents, over 65 were 11.7%, under 14 years were 25%. Literacy was 75% & 30% was computer literate. Life expectancy is 75 years.

An average household consisted of 3.8 persons, and it had a Median household income (Mhi) of Rs 43,511 per month as per a survey done in 2016. Considering the stagnation and the fall of per capita GDP after 2016 survey , and compounded by 2020 devastation of Covid19 on the SL economy , it could be estimated that the Mhi at present is below Rs 40,000 per month. Correspondingly, on the Poverty - Nutrition Index the " Average Daily kilo Calorie Intake value of 2095 recorded in the 2016 survey would have fallen to levels of near malnutrition. ?? In terms of access to basic infrastructure, there had been no real increase, except internet 11Mn/cellular 32Mn users, on postal, roads, ports, or Power, except private fossil generations, (installed capacity MW 4217, - thermal/coal MW 2182 (50%), hydro MW 1809 (45%), solar/wind MW 226 (5%)- maximum demand MW 2669, generation GWh 15,881, at a high cost of Rs 24 /KWh. and a marginal growth in drinking and pipe borne water. No increase on state sector Health (77,000 beds/22,000 doctors) and Education (11,000 schools/4.3 Mn students/260,000 teachers) . National roads remained at 120,000 km, private three wheelers, motor cycles, cars increased to 7 Mn (carrying capacity 11 Mn). No increase on Buses - 112,000 , Capacity limited to 5 Mn. Goods transport vehicles - lorries 375,000 & dual purpose 439,000, and 375,000 tractors, showed no increase. Urban speed dropped to 15 Km per hour. No increase to rail track, Km.... No increase on fishing fleet, at 50,000 boats. No increase on agricultural hectareage. Welfare subsidy increased from Rs Bn 106 in 2019, to post Covid19 Rs Bn 150 for 3 million beneficiaries..

Annual Rainfall increased to 2054mm in 2019 from 1944 and 1757mm in 2018 & 2017. Temperature (centigrade) - Low/High In Hill-Country, was 17/24, Low-Country was 24 /32.

Agricultural Sector production has dropped in Tea , Rubber, Fresh Milk, and Fish. Paddy and Coconut showed significant increases. Slight increases seen in Fruits, Vegetables and Spices.

SL Forest Cover had reduced from 40% in 1920 to 18% in 2019, dwindling forest cover to 1,951,000 hectares comprising of closed canopy, sparse forest and mangroves that must be retained.

Sri Lanka was ranked 130 on the "World Happiness Index" (out of 156), Economic Freedom Index: 112, Logistics: 94, Doing Business: 99, Corruption: 93, Hunger 66, Human Development: 71.

Strategy for Strengthening the Economy

Rural Economy

- A) Rural agricultural economy must be strengthened to self sufficiency in our food - rice, coconut, potatoes, onions, tomatoes, chilies, maize, manioc, yams, kos, del, cow and buffalo milk, lime, salt, fruits, spices and vegetables. Surplus to be exported as branded products.
- B) Fresh fish production from the sea and inland, dry fish, sprats, and livestock must be doubled over the next three years.
- C) Tea, Rubber, Coconut, palm oil, sugar cane, cinnamon, tobacco and other commercial scale agriculture crops must also be doubled in 5 years for exports.
- D) Rural areas must be connected to the markets with roads, and introduce techniques to reduce damage to produce during transportation.
- E) Refrigeration, storage & warehousing facilities, fertilizer, water, schools, solar lighting, medical clinics must be provided to the rural areas.
- F) Take measures to protect and further develop the tank and irrigation systems and strengthen the "wewai dagabai gamaie pansalai" concept
- G) Review the rural housing development plans, with emphasis on "Value for money" concept. Provide training & certification to farmers, fisherman - award medals of excellence.
- h) Resolve the perennial problems of the farmer : elephant fencing, pest control, and a mechanism to sell their produce at farm-gate at guaranteed prices.
- i) Install canning and preservation facilities to absorb excess farmers crop for local consumption and exports.
- j) Diversification to compensate loss of earnings of post Covid19 Apparel and Tourism sector and further strengthen the rural development and national food security as a synergy.

These measures essential to improve food security, prevent the urban drift, and double rural household income in 3 years, now standing at Rs. 40,000 to Rs 80,000 per month by 2025.

Knowledge Economy

- A) increase the intake to universities and diploma courses to meet the needs of the job market locally and overseas.
- B) introduce senior tech courses to cater to the A/level drop outs.
- c) introduce certified junior courses for O/level drop outs to cater to the job market
- D) introduce certified skilled artisan courses for other school leavers
- e) provide certification for unskilled trades and ensure that all workers, including house maids to the middle east are trained and certificated.
- f) cater to the special needs of the global IT and post Covid19 health care specialists job market and other innovations in consultation with specialists.
- g) increase the intake to universities and diploma courses to meet the needs of the job market locally and overseas.

This plan will give youth quick employment, increase expat remittances into the country, enable growth in local production, construction, and services .

Urban Economy

urban citizens support our service and construction sector, and plans must be put in place to reduce the traffic congestion on roads, reduce the travel time, provide affordable housing, schools, medical and social facilities, garbage removal, and take measures to prevent urban pollution. Much of the problems can be solved with minimum Government investment, with efficient management using "simple solutions to complex problems"

Strategy for Strengthening the Economy

Real Estate and Transport Infrastructure Development .

review the plans of Mega polis and Road development authority in consultation with the stakeholders. Cinnamon life, Shangri-La, port city, etc.

Innovations and Advanced Technology

Digitalize the economy immediately, and provide assistance to young innovators to obtain royalty for their intellectual property and help them to commercialize their innovations. Encourage local research into artificial intelligence, drone technology and 3D techniques and the 5G, WIFI, and assist commercialization for such projects.

Import Substitution and Backward Integration

Provide plans for increased production of milk powder, sugar, rice, fertilizer, and the backward integration of the garment industry. Also, identify the needs of the other industries.

Services and Infrastructure

Permit reputed payment gateways to access Sri Lanka so that self employed entrepreneurs , are able to receive foreign currency for services billed.

Expand - petroleum refining, electricity generation from renewable sources, airports, container handling, fishery harbours, schools, hospitals, roads, expressways, elevated light railway transit and rail connections between ports, etc.

Local Manufacture

Provide incentives to encourage higher production, especially to the micros, SMEs' and cottage industry in consultation with the stakeholders.

BOI Operations and FDI's

Bring about higher productivity and expansion of projects under BOI, and expand manufacture of rubber tires and gloves. Get new FDI's from realignment of supply chain away from China, now being considered by USA, Japan, India, etc. Also discuss with China to move some their production to SL as joint ventures to satisfy the global trend.

Foreign Funded Projects

Negotiate foreign funding for infrastructure projects with multilateral and bilateral agencies needed for the development on economical terms, devoid of predatory lending.

Environmental protection measures are given in annexure , with emphasis for power generation from renewable sources, e.g. solar, wind, bio mass, and retention of forest cover.

Plans and targets for hospitals, schools, roads, railways, ports, airports, and restructure of Sri Lankan air, CEB, CPC and other SOE's are given in the annexure

Strategy for Strengthening the Economy

Accountability and Transparency

The plan of each Ministry must spell out the five year budget with measurable Deliverables - Key Performance Index (KPI's) to turn around SL as given in the plan, then report the progress made, scrutinized by the Treasury, posted in the public web, explaining the variances and corrective action taken, to the public at each quarter. Cabinet Ministers must be made accountable for all KPI's under their purview, with the ultimate responsibility lying with the Prime Minister and the President. All government contracts, must be put on the public web for transparency.

PS -The recent Gazetting of the functions of the new 28 Cabinet Ministries and 40 State Ministries and their appointments augur well with the principles highlighted above.

Prerequisite

All schools in Sri Lanka must teach Sri Lankan history, all three languages - Sinhala, Tamil, English, provide knowledge on agriculture, fishery, crafts, traditional foods, digital technology, protecting the environment and to abide by the laws of the country. The school curriculum must be structured to needs of the industry, commerce, the job market, and higher education. Further, Sri Lanka a Sinhala Buddhist majority country must protect all the citizens - Sinhala, Tamil, Muslim, and all the places of worship- Buddhist, Hindu, Muslim, Christian and any other. Establish dignified relationships devoid of predatory lending with all countries, and follow a non aligned policy. An express channel must be kept open to the President to pass on concerns that could lead to major national security, religious or communal issues in the country.

Conclusion

We can bounce back

On a concluding note I wish to state that our ancestors had pumped water to Sigiriya, irrigated paddy fields to self sufficiency via man made tanks and sluice gates and canals, and evidence is being uncovered that King Ravana 7000 years ago may have used "Mercury Vortex Technology" to fly his Dadumonara from Thambapanni (SL) to Baratha (India). Though we as a Nation had lost our way, leading to the present predicament, and now exacerbated by the impact of Covid19, however we have that old DNA in our blood, and we can turn around Sri Lanka with **Capable, Strong, Selfless, Accountable, Dependable and Trustworthy Leaders - Prime Minister & Cabinet of Ministers, and who loves this country and works hard for our country, protect all its citizens, creating "unitariness in diversity", and under a new Government of President Gotabaya Rajapaksa.**

The above plan has been formulated by the undersigned, and the actual data has been obtained from the Central Bank of Sri Lanka and Ministry of Finance publications, newspapers, etc. Errors and omissions are expected (E&OE).

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The content above report and annexure below are the Author's research, concepts and strategies formulated by him, as his Professional & Social Responsibility, done on is own initiative for the benefit of our Nation.

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