

EXCHANGE RATES 06.06.2025

Currency	Buying Rate	Selling Rate
Australian Dollar	189.6166	199.3190
Canadian Dollar	214.5478	223.0531
Chinese Yuan (Renminbi)	40.2313	42.7924
Euro	335.7228	348.5339
Japanese Yen	2.0431	2.1199
Singapore Dollar	227.5741	237.4829
Sterling Pound	398.9380	413.0253
Swiss Franc	356.7357	372.8066
US Dollar	294.9831	303.4025

Country	Currency	Indicative Rate
Bahrain	Bahrain Dinar	793.8000
Kuwait	Kuwait Dinar	975.5982
Oman	Oman Rial	777.3868
Qatar	Qatar Riyal	82.1314
Saudi Arabia	Saudi Arabian Riyal	79.7938
UAE	UAE Dirham	81.4885

Source: CBSL

Civic groups challenge Power Bill in Court

The proposed Bill could derail Sri Lanka's fragile economic recovery, push Electricity prices even higher, and diminish Investor confidence

This week, several civic activists and civic organisations filed fundamental rights petitions in the Supreme Court challenging the controversial 'Sri Lanka Electricity (Amendment) Bill'. They accuse the proposed legislation of undermining public accountability and constitutional rights, while jeopardising much-needed reforms to the country's struggling electricity sector.

The petition, filed by Mahinda Vidhura Bandara Ralapanawe – a prominent energy expert and sustainability advocate – alleges that several provisions of the Bill violate fundamental rights enshrined in the Constitution, including the right to equality, freedom of information, and the right to engage in lawful occupations and movements.

Ralapanawe argues that the Bill seeks to reverse critical reforms enacted through the Sri Lanka Electricity Act, No. 36 of 2024, which was introduced to modernise the power sector in line with Sri Lanka's commitments under the IMF programme and global climate obligations.

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Thai Airways eyes regional growth Sri Lanka a key hub, says Thai Airways Bangkok-Colombo route vital for tourism and trade

BY ISHARA GAMAGE

Finance Today this week met Thikhamporn Benyaapikul, Team Lead for Bangladesh, Nepal, Pakistan, Sri Lanka, and the Middle East at Thai Airways, to discuss the airline's plans for Sri Lanka.

The following are key extracts from the conversation: 1. How important is Sri Lanka as a destination in Thai Airways' regional strategy?

We see Sri Lanka as a valued destination for both Thai tourists and business travellers. Sri Lanka plays a strategic role in Thai Airways' regional network and shares deep cultural and historical ties with Thailand.

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Futurecrafting digital sorcery: SLIM launches DIGIS 2.5



The Sri Lanka Institute of Marketing (SLIM) has officially announced the launch of SLIM DIGIS 2.5, the country's premier platform recognising innovation and impact in digital marketing.

SLIM DIGIS has firmly established itself as the benchmark for digital excellence in Sri Lanka. This year's edition embraces a bold new identity under the theme 'Futurecrafting Digital Sorcery'. Following overwhelming participation last year, which attracted 265 entries from over 15 industries, this year's edition is poised to make an even greater impact.

"SLIM DIGIS continues to evolve with Sri Lanka's digital ecosystem. This year, we aim to inspire as much as recognise,



Prof. (Dr.) Dewasiri N. Jayantha President of SLIM



Dr. Dilhan Sampath Jayatilake - Vice President - Education & Research, SLIM



Mr. Enoch Perera Vice President - Events & Sustainability, SLIM



Mr. Anuk De Silva Project Chairperson - SLIM DIGIS



Mr. Shalendra Mendis Head of Jury of SLIM DIGIS

Marketers today are modern sorcerers – blending data, creativity and technology to enchant audiences and drive real transformation," said Prof. (Dr) Dewasiri N. Jayantha, President of SLIM. SLIM DIGIS 2.5 expands its award categories to reflect the growing depth and breadth of digital marketing. Key categories include AI Integration, Digital

Creative Content, Performance Marketing and Ad Tech. New highlights this year are Best Use of Immersive Technologies and Best Use of Data & Predictive Intelligence. "At SLIM DIGIS 2.5, we're not just celebrating digital excellence – we're actively shaping its next chapter," said Enoch Perera, Vice President – Events, SLIM. "With new categories and a bold,

future-focused lens, this year's awards will spotlight the trailblazers redefining how brands engage, perform and innovate in the digital space." "SLIM DIGIS continues to be a vital platform for recognising digital marketing excellence in Sri Lanka. It not only celebrates innovation but also encourages the industry to push creative and strategic

boundaries," added Dr Dilhan Sampath Jayatilake, Vice President – Education and Research, SLIM.

Leading the charge is Project Chairperson Anuk De Silva, who is curating the event with a focus on inspiration, inclusion and industry advancement. "This year, we're recognising visionary minds pushing digital boundaries. With DIGIS 2.5, we celebrate how the digital landscape is being reimagined through intelligent insights, immersive storytelling and boundless innovation," said Anuk De Silva.

Shalendra Mendis, Head of Jury, added, "The most powerful ideas today are born at the intersection of tech, creativity and bravery. DIGIS 2.5 will celebrate campaigns that sparked trends – not followed them. Sri Lanka's boldest digital minds – this is your stage!"

Be part of Sri Lanka's premier digital awards. Submit your entries before 30 June and let your work shape the future of marketing. Entries open on 1 June and close on 30 June, with submission guidelines and entry kits available online. For more information, contact Gangani on 070 326 6988 or visit www.slim.lk/slim-digis.

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FINANCE TODAY

CareEdge offers fresh approach to credit ratings for nations

INDIA'S CAREEDGE GLOBAL EYES SRI LANKA FOR SOVEREIGN RATING

New player promises fair, affordable ratings for emerging economies

BY ISHARA GAMAGE

CareEdge Global IFSC Ltd., India's first international credit rating agency based in Gujarat's GIFT City, is seeking to expand into Sri Lanka by offering sovereign credit rating services – a move that could provide the island nation with a new and potentially more affordable perspective on its credit profile.

In an exclusive interview with Finance Today, Revati Kasture, CEO of CareEdge Global IFSC and a veteran of India's financial sector, said the company is prepared to approach the Sri Lankan Government to offer an independent, unsolicited sovereign rating.

"We have already given unsolicited rating to 39 countries – 24 emerging markets and 15 developed economies – since our launch in October 2024," Kasture said. "Several of our ratings have led to realignments by other global credit rating agencies, which demonstrates the strength and predictive power of our methodology."

A solicited rating is requested and supported by the issuer; an unsolicited rating is given independently, using only public data without issuer cooperation.

CareEdge Global, a wholly-owned subsidiary of Care Ratings Ltd., marks the group's foray into global sovereign and cross-border ratings. While Care Ratings has a strong presence in India, Africa, and Nepal, CareEdge Global targets emerging economies underserved by traditional credit assessors.

A Fresh Lens on Sovereign Ratings What distinguishes CareEdge Global, according to Kasture, is its unique methodology – developed with input from former Standard & Poor's leaders, economists, and financial experts. Unlike traditional agencies that lean heavily on subjective judgement, CareEdge relies on an 80% data-driven model.

"Many global CRAs rely on up to 45% subjective assessments. We cap ours at 20%," she said. "We incorporate modern metrics such as renewable energy share, CO₂ emissions, and purchasing power parity – indicators that reflect real economic resilience."

The methodology also considers capital formation and economic scale. "GDP growth



Revati Kasture

and per capita income are not enough. We assess the size of the economy and how much is being reinvested into it," she added.

Why Sri Lanka?

Kasture said CareEdge Global is eager to introduce its model to Sri Lanka. While the country is not currently rated by the firm, discussions may begin shortly.

"We have expressed interest in rating Sri Lanka's sovereign debt, offering a bold, fair, and forward-looking alternative as the country continues its post-crisis recovery," she said.

A CareEdge official noted that Sri Lanka must stay on course, referencing progress under the IMF programme – including currency stabilisation, tax reforms, and a steep drop in inflation from over 70% to below 1%. However, global uncertainties, such as U.S. tariff decisions, remain a concern.

CareEdge is currently in preliminary discussions with local authorities but has yet to submit a formal proposal. The firm believes its regional experience makes it well suited to assess Sri Lanka's creditworthiness and sees future potential for Sri Lankan corporates to tap cross-border financing via GIFT City, subject to regulatory clearance.

Sugar importers warn against tax hike Say consumers will be compelled to pay the price

Sugar importers have urged President and Finance Minister Anura Kumara Dissanayake not to increase the existing sugar import tax, warning that it would lead to a steep rise in prices and cause serious disruptions in the market.

An importer said currently, the tax on imported sugar stands at Rs 50 per kilo – a rate that was originally imposed during the previous Government. Before that, the tax had been as low as 25 cents per kilo. According to industry sources, Sri Lanka imports about 60,000 metric tonnes (MT) of sugar every month, generating around Rs 3 billion in Government revenue through the existing tax.

They claimed the current tax rate was introduced to protect local sugar manufacturing companies like Pelawatte and Sewanagala. However, they said a few large-scale importers who currently hold about 60,000 MTs of sugar in storage are now lobbying the Government – through intermediaries – to raise the tax further, from Rs 50 to Rs 80 per kilo.

If the tax is raised by Rs 30, they said those holding the existing stock will gain an additional Rs 1.8 billion in profit without any added cost. However, small and medium-scale importers, who have already run out of stock and are waiting for new shipments, said they would be placed at a serious disadvantage, as they cannot match the pricing tactics of larger players who have the capacity to store massive volumes.

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ADB backs New Credit Guarantee Body to boost SME financing in SL

The Asian Development Bank (ADB) reaffirmed its support for Sri Lanka's small and medium-sized enterprises (SMEs) with the launch of the National Credit Guarantee Institution Limited (NCGIL), aimed at addressing longstanding challenges in SME access to formal finance.

Speaking at the official launch event in Colombo, ADB Director General Leah Gutierrez hailed the establishment of NCGIL as a milestone in the development of Sri Lanka's financial sector. The new institution is designed to help bridge the significant financing gap faced by SMEs, which account for over 75% of the country's active enterprises, 52% of GDP, and 45% of employment.

"Bank credit to SMEs in 2023 was only LKR 704 billion, just 9% of total private sector lending by licensed banks. This indicates a large unmet demand for credit," Gutierrez noted. NCGIL will issue partial credit guarantees to incentivise banks and financial institutions to lend to SMEs, especially those lacking sufficient collateral. Since its operational launch in January 2025, NCGIL has already issued LKR 426 million in guarantees covering 116 SMEs.



Leah Gutierrez

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BEYOND THE NUMBERS: REAL COSTS AND BENEFITS OF MIGRATION FOR MIGRANT MOTHERS

BY YASHORA GUNAWARDENA

A recent IPS study brings out the reality of Sri Lankan Female Migrant Workers (FMWs), particularly those engaged in domestic work across the Middle East. These women juggle multiple roles across various locations, handling extra tasks, often beyond their contractual obligations. Despite the heavy workload, they often do not receive even their agreed-upon payment, which delays the timely transfer of money to their families, making it difficult for them to meet basic needs such as food, education, health and housing, ultimately leading to a shortfall in the country's expected foreign exchange inflows, diminishing the broader economic gains of labour migration in Sri Lanka.

Trends in Migration

The female migration pattern in Sri Lanka has fluctuated notably over recent years. In 2018, considered a normal year before the economic crisis, women made up 38.6% (81,499) of total departures for foreign employment. However, in 2023, during the peak of Sri Lanka's economic crisis, their share increased to 44.7% (135,048). Although women made up less than half of all migrant departures (44.7%) in 2023, they accounted for 80.3% of the total complaints (6,051 out of 7,535) received by the Sri Lanka Bureau of Foreign Employment (SLBFE), indicating that complaints are proportionally higher among female migrants. Among these, wage-related grievances stand out. Of particular concern is that in 2023 alone, the SLBFE documented 694 complaints about wage non-payment, over half of which were lodged by FMWs. But behind the statistics, personal struggles often go unnoticed, and these untold stories deserve to be heard.

Why Women Migrate: The Dreams Behind the Journey

For many FMWs, migration is not just a choice but, a necessity, beginning with the goal of escaping poverty, supporting their families, or securing a better future. The reasons women migrate are varied and deeply personal. But, for migrant mothers, the journey takes on an even deeper meaning. Unlike other migrant women, they carry not only the weight of their struggles to strive for their survival but, also the dreams for the future of their children.

Many migrant mothers with school-aged children endure long working hours, difficult working conditions, and emotional sacrifices to build a better future for their children. For them, education is often seen as the pathway out of this vicious cycle of poverty. Education, something that many migrant mothers may have missed, motivates them to convert every penny earned into funds to invest in better quality education as revealed, by the UN Women Asia-Pacific study notes that many female migrant workers send money home explicitly for school-related costs such as books, tuition, and transport, despite the loneliness, overwork, or even abuse they may face abroad.

Unpaid Wages, Unfulfilled Promises

The issue of non-payment of wages goes far beyond simply not receiving wages for hard work. When the financial goals created by missing wages turns a mother's sacrifice into a painful struggle, thus delaying her dreams of seeing her children receive proper education.

One such example from IPS's recent study highlights the real struggles behind these statistics. It is about a woman with two school-aged children who migrated to Oman to work as a domestic worker, hoping to give her children a better life through the income she would earn. However, once in Oman, she was not paid her salary for several months. She pleaded for her overdue payments as her children's schooling depended entirely on the remittances she had planned to send back home.

Sri Lanka Targets Highest Foreign Employment Departures by 2025

The SLBFE plans to facilitate 340,000 foreign employment opportunities this year, marking the highest number of total departures for foreign employment in Sri Lanka's history.

Source: Sri Lanka Bureau of Foreign Employment (2025)



In Sri Lanka, when FDWs face such issues while working abroad, they, or their next of kin (NOK), can make a complaint to the SLBFE. When such complaints are received, the SLBFE reviews the details and then conducts an inquiry, involving both the NOK of the migrant worker and the employer. A major issue in this context is that the recruitment agent, the FDW's husband, acting as her NOK, revealed that she had not received her salary for three consecutive months.

This situation is not isolated. Delayed or unpaid wages among domestic workers in the Gulf countries are commonplace. A major issue in this context is that the recruitment culture for FDWs from Sri Lanka to the Middle East involves the employer paying an upfront incentive to the FDW before she takes up employment overseas. This shifts the expectation by the employer

that the FDW needs to continue working, no matter what the situation. But this particular family's situation was especially vulnerable. In this case, the husband, who was unemployed at the time due to health reasons, explained that they had no other source of income. The family had been relying solely on her expected earnings to fund their children's education.

Mother's Absence Costs More Than Earnings

While remittances bring clear financial benefits, it is crucial to look beyond the economic lens and consider what migration truly costs mothers and families, as it leaves a deep void in the upbringing of a child who must grow up without the daily care of a mother.

For the children left behind in the country of origin, the concerns primarily centre on

"their social, educational, behavioural, and psychological development".

Indeed, academic challenges exist broadly, as evidenced by the fact that nearly 50% of students in Sri Lanka fail their O/L examinations, even with the presence of both parents. However, the absence of a mother due to migration can compound these challenges. Since the mother is away, it hurts a child's life in many ways, as no one can replace a mother's love and care. For instance, a real-life case reflecting these concerns is that of a mother from Badulla who had spent over 20 years working in the Middle East. During her long absence, her husband became an alcoholic. One of her daughters was unable to get through the O/L exam, and her other daughter ran away with a boy. As such, the absence of a mother, along with not having proper care at home and poor money

management, can cause the children's education to fall apart, turning the mother's dream into a fading hope.

This is not just one story; there are many similar incidents all around us. These real-life stories align closely with the findings from the other studies supporting the idea that the absence of a primary caregiver, particularly the mother, can lead to educational development and emotional distress due to inadequate protection, particularly when fathers or other caregivers cannot provide the necessary support, leading to increased vulnerability among these children.

SLBFE officers confirm this pattern through Kils conducted for IPS's latest study.

"The social impact of mothers migrating and leaving their children behind is significant, as it heavily impacts their

education and safety. They also reported that children often struggle without their mother's guidance and emotional support, leading to a loss of focus in their studies and reduced motivation.

These stories are just one or two of many, touching on the financial and emotional toll on many mothers who sacrifice every coin to give a better life for their children. Therefore, the personal struggles of migrant mothers who hide behind the figures usually go unnoticed.

Balancing Hope with the Hardships of Migration

The SLBFE has set plans to facilitate 340,000 foreign employment opportunities by 2025, marking the highest number of total departures for foreign employment in Sri Lanka's history. It is important to recognise the broader economic and social costs associated with migration, even as Sri Lanka increasingly relies on sending record numbers of workers abroad as a strategy to reduce domestic unemployment and boost foreign exchange earnings.

Instances of non-payment not only cause hardship for families but, also hurt the national economy. Emotional and educational setbacks for children left behind can have long-term impacts on Sri Lanka's human capital development.

These stories of FMWs serve as a powerful reminder of the paradox of migration: Hopes for a better life versus the cost of emotional and financial hardships. This paradox underscores the urgent need for stronger policy measures to ensure that migration is safe, fair, and truly beneficial, both for the workers and for national development.

Recommendations

To address financial challenges faced by migrant mothers due to delayed wages:

1. **Maintain employer accountability frameworks with wage protection mechanisms** for the employers:
 - **Establish a Wage Protection System (WPS):** The Ministry of Labour and Social Affairs and the Qatar Central Bank launched WPS, an electronic system, to track and record the worker wage payment process in Qatar. As such, to ensure timely salary payments, the SLBFE can maintain a database that enables recruitment agencies/employers to report on the payment status at 3- or 6-month intervals each year and upload verified payment slips as supporting documentation to ensure accuracy of the status.
 - **Public Disclosure of Defaulters:** By reviewing the database, the SLBFE can publicly disclose the names of employers and recruitment agencies who fail to meet payment deadlines, thereby increasing transparency and encouraging timely payments.
 - **Good Employer/Agency List:** Employers who remit their payments on time can be placed on a 'good employer/agency list', which serves as a positive reputational marker, motivating employers to maintain fair labour practices.

To address the educational and emotional challenges faced by children of migrant mothers:

2. **Focus on Family Support Initiatives:** The SLBFE is currently granting scholarships for children of migrant workers. Rather than relying solely on scholarships, a revolving fund or emergency grant system in place can be accessed more quickly when wage delays are detected. The fund could be set up by the SLBFE in collaboration with local or international partners, such as private sector companies or organisations focused on migrant welfare.

Sri Lanka can monitor these sensitive issues, such as the impact of migrating mothers and the sacrifices made for their children's education. Protecting the well-being of migrant workers is not just a social imperative; it also supports national goals of reducing unemployment and increasing foreign exchange earnings. By aligning worker protection with economic development, Sri Lanka can fully realise the benefits of labour migration for families, ensuring that the sacrifices made in vain, and their hope for their children's future can blossom into something real.

Navigating global trade shifts: Sri Lanka exports for global success

BY SHIRAN FERNANDO

Sri Lanka has weathered a relentless succession of economic shocks in recent years. The turmoil began with the constitutional crisis in 2018, followed by the tragic Easter Sunday attacks in 2019. As the country began charting a path to recovery, the Covid-19 pandemic in 2020 dealt a severe blow, compounding existing vulnerabilities and ultimately contributing to a sovereign debt crisis driven by both external shocks and domestic policy missteps. The years 2023 and 2024 were marked by difficult, but determined efforts towards stabilisation and recovery, laying the groundwork for a potential economic resurgence in 2025. With economic growth on the back on track, a new external threat of tariff-related trade disruption has emerged.

The Rationale Behind Reciprocal Tariffs

President Trump has consistently prioritised addressing the United States' trade imbalances, a cornerstone of his first-term agenda. While initial efforts focused on China, recent rhetoric, particularly in the run-up to the next Election and early in his second term has broadened to include other countries with which the U.S. runs significant trade deficits. This policy shift is driven by the U.S.'s combined trade and services deficit, which now exceeds USD 1 trillion, or approximately 3-4% of GDP. Under the existing framework, the U.S. trade deficit equities finances itself through capital inflows by way of investment in U.S. equities, debt instruments, and other assets.

Sri Lanka, which recorded a trade surplus of around USD 2 billion in 2024 with the U.S., was among the countries flagged. On 2 April, the U.S. announced a 44% reciprocal tariff on Sri Lankan exports, calculated based on the scale



At the same time, Sri Lanka must seize this moment to diversify its export markets and expand its product base. While the path ahead will be challenging, history shows that moments of crisis often offer the clearest mandate and the greatest opportunity for transformative change

of the bilateral trade imbalance. Though labelled a "reciprocal tax," the measure functions as a proportional import tariff, directly linked to the size of the surplus Sri Lanka holds in its trade with the U.S.

Uncertainty results in global economic growth slowdown

With the uncertainty over the future of US tariffs, it results in overall uncertainty for the global economy which is not a positive driver for growth. This was visible in the IMF April 2025 update where they cut global growth by 0.5% with a steep reduction in country forecasts for Sri Lanka's key exports like the UK, Europe and the US. South Asia has not been spared with a reduction in growth forecasts by the World Bank in its April 2025 projection relative to October 2024.

Ensuring continuity of GSP+

Sri Lanka also has to ensure the continuation of schemes like the EU GSP+ which provides competitiveness for Sri Lanka's exports and is the second largest export market. In 2024, total trade between Sri Lanka and the European Union reached Euro 3.7 billion with Sri Lanka enjoying a positive trade balance of Euro 1.7 billion.

Turning Crisis into Opportunity: Advancing Sri Lanka's Second-Generation Reforms

Sri Lanka's first wave of structural reforms since 2022 spurred by the debt crisis and the IMF programme led to landmark legislation such as the Central Bank Act, Public Financial Management Act, Anti-Corruption Act, Electricity Act, and the Economic Transformation Act. Today, the external tariff shock presents a new, urgent opportunity to build on that momentum and advance a second generation of reforms essential for long-term stability and growth.

Priority areas include phasing out para-tariffs, creating a transparent and

rules-based tariff regime, addressing non-tariff barriers, and accelerating trade facilitation measures such as modernising the outdated Customs Ordinance and fully operationalising the National Single Window.

At the same time, Sri Lanka must seize this moment to diversify its export markets and expand its product base. While the path ahead will be challenging, history shows that moments of crisis often offer the clearest mandate and the greatest opportunity for transformative change.

The Role of the Ceylon Chamber in Navigating Trade Shifts

The Ceylon Chamber of Commerce has taken a proactive role in preparing both industry and policymakers to respond to the evolving global trade landscape. In March 2025, the Ceylon Chamber contributed a policy paper to the roundtable series hosted by the Lakshman Kadirgamar Institute, helping shape the Government's deliberations. It also had representation on the Presidential Committee formed to guide Sri Lanka's strategic response following the '2 April' tariff announcement.

Looking ahead, the Ceylon Chamber will host a high-level Seminar on 11 June, titled 'Navigating Global Trade Shifts: Positioning Sri Lanka's Exports for the Future.' The event will feature a Keynote Address by K.A. Vimalendrarajah, Secretary, Ministry of Trade, Commerce, Food Security and Cooperative Development, and a presentation by Dr. Asanka Wijesinghe, Research Fellow at the Institute of Policy Studies. A dynamic panel discussion will follow, exploring key themes such as the new anti-dumping regulation and sectoral insights from industries including Apparel and Seafood.

Shiran Fernando, Chief Writer: Policy Adviser at The Ceylon Chamber of Commerce

Reimagining public health through fresh perspectives: Reflections on World Vape Day 2025

BY JITHENDRA ANTONIO

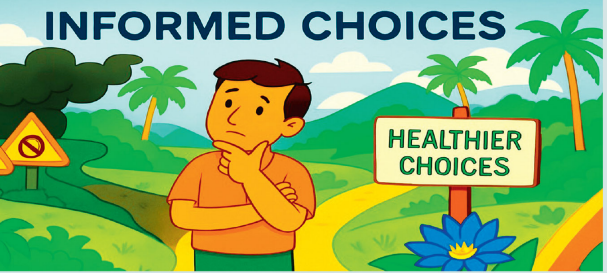
As we commemorate World Vape Day 2025 on 30 May, it's imperative to acknowledge the pivotal role, harm reduction strategies have played in accelerating the decline in smoking rates globally. Countries that have embraced vaping and other safer nicotine products, such as Sweden and New Zealand, are witnessing unprecedented success.

The Science Behind Harm Reduction

Research from reputable health authorities confirms that vaping is less harmful than smoking and more effective than traditional nicotine replacement therapies. For example, Public Health England (2019) states that e-cigarettes are 95% less harmful to one's health than regular cigarettes. This was reiterated by the Office of Health Improvement and Disparities in the UK Department of Health and Social Care. The evidence is clear: when adults have access to regulated vaping and oral nicotine products, smoking rates decline more rapidly, lives are saved, and health inequalities are reduced.

A Call to Action for Policymakers

As we celebrate the 20th Anniversary of vaping's impact, it's crucial for policymakers to prioritise factors over fear and listen to the real experiences of people who have quit smoking. To further progress in reducing smoking-related diseases, we must ensure that individuals have access to scientifically validated, less harmful alternatives, empowering them to make informed choices about their health. These products must be regulated on a balanced approach, proportionate to the harm that is caused by them, letting the science speak over emotions is crucial to ensure effective public health policies.



By embracing and supporting harm reduction strategies and regulating vaping and other nicotine products effectively, Sri Lanka can improve public health outcomes and facilitate consumption in the legal industry rather than driving consumers towards subpar smuggled goods

Regulating Vaping Products in Sri Lanka

In Sri Lanka, policymakers can learn from the success stories of countries that have implemented evidence-based regulations.

For instance:
Regulatory framework: Establish balanced regulations and product standards for financial goals, creating value control, packaging, and labelling requirements. The United Kingdom is one example of this. The UK's regulatory framework includes sale of vaping products to people over the age of 18, limits on nicotine strength, clear health warnings and ingredient lists and ensures all products must meet safety and quality standards.

Public education: Launch public awareness campaigns to educate the public about the relative risks and benefits of vaping products. For example, in New Zealand, the Ministry of Health, Manatū Hauora, and Health New Zealand, Te

Whatu Ora, co-launched the 'Vaping Facts' website. The aim of the site is to educate the public on vaping products and their potential, and to help people switch from regular cigarettes.

Empowering Public Health with safer alternatives

By embracing and supporting harm reduction strategies and regulating vaping and other nicotine products effectively, Sri Lanka can improve public health outcomes and facilitate consumption in the legal industry rather than driving consumers towards subpar smuggled goods. As we mark World Vape Day 2025, let's prioritise evidence-based policies that save lives.

About the Writer:
Jithendra Antonio is a Consultant specialised in Data Analytics with a special focus on Sri Lanka's Future Direction, and in the fields of Sustainable Energy, ESG, Public Policy, Investment and Telecommunications. He can be reached at jithendra.antonio@gmail.com.

Strong Global Growth Lifts Conglomerate’s Performance

LOLC REPORTS Rs 41B
PROFIT, ASSETS PASS Rs 2T

Africa, finance and tea drive LOLC’s expansion

LOLC Group has reported a profit after tax of Rs 41 billion for the financial year 2024/25, an 89% increase over the previous year, supported by an operating profit of Rs 48 billion. The strong performance was driven by continued expansion in financial services, strategic international acquisitions, and improving economic conditions in Sri Lanka.

Now operating in over 25 countries, LOLC continues to solidify its status as Sri Lanka’s most internationally diversified corporate group, with businesses across financial services, agriculture, plantations, automotive, manufacturing, construction, marine, power generation, pharmaceuticals and leisure.

The Group’s total assets rose 17% to Rs 2.03 trillion, while shareholder equity increased to Rs 343 billion – a 15% rise. Its total debt-to-equity ratio improved to 1.05 times, from 1.2 times, reflecting greater balance sheet strength despite an active investment pipeline.

“We remain committed to building a globally relevant, diversified enterprise across high-growth frontier markets and Sri Lanka. These results reflect our ability to integrate acquisitions strategically, manage capital efficiently and deliver sustained value,” the company said in a statement.

African expansion reinforces global reach

LOLC’s international strategy featured significant acquisitions in Africa’s tea sector over the past year. Following its 2023 acquisition of Finlays’ Kenyan operations, the



Ishara Nanayakkara, Chairman - LOLC Holdings PLC

Group also acquired Lipton’s plantations in Kenya, Rwanda and Tanzania. These moves underline LOLC’s intention to become a key player in the global tea supply chain.

Domestically, the Group strengthened its industrial manufacturing portfolio by converting its minority stake in Sierra Cables PLC into a controlling interest. After the close of the financial year, LOLC also acquired Pussellawa Plantations and a controlling stake in Tea Smallholder Factories PLC. These steps are expected to increase vertical integration and operating leverage in the Group’s plantation holdings.

With these additions, the Group now has an annual production capacity of approximately 100 million kilograms of made tea, cultivated over nearly 100,000



Kapila Jayawardena, Group Managing Director/CEO - LOLC Holdings PLC

hectares of plantations. Financial services anchor group earnings

The financial services segment remains the primary earnings engine, contributing Rs 41 billion to the Group’s Rs 52 billion profit before tax from continuing operations.

LOLC Finance PLC led sector growth, recording a pre-tax profit of Rs 30.8 billion – a 23% year-on-year increase. The company’s loan portfolio exceeded Rs 305 billion, while customer deposits reached Rs 225 billion. The net non-performing loan ratio fell from 10.48% to 4.97%, indicating a significant improvement in asset quality and risk management. LOLC Finance maintains a robust capital base of Rs 150 billion, translating to a capital adequacy ratio above 25%, well above the regulatory minimum of 17%. The Group’s financial services

operations continue to expand across underserved and high-potential markets in South Asia, Southeast Asia, Central Asia and Africa, where demand for inclusive lending and microfinance remains strong. It is also actively exploring strategic opportunities in South America.

Diversified sectors support resilience

Outside of financial services, LOLC’s manufacturing and trading segment reported Rs 4.2 billion in operating profit before interest, supported by stabilising macroeconomic conditions in Sri Lanka – currency stability, lower inflation, and GDP growth.

In tourism, the Group’s leisure and entertainment operations generated Rs 2.8 billion in operating profit before interest, benefitting from recovering tourist arrivals. With inbound travel nearing pre-Covid levels, LOLC’s hospitality assets in Sri Lanka, the Maldives and Mauritius are expected to see further gains.

The Group’s plantation segment also made notable contributions. Udapussellawa Plantations PLC and Hapugastenne Plantations PLC posted pre-tax profits of Rs 883 million and Rs 614 million respectively. LOLC plans to replicate Sri Lankan operational models across its African estates.

The Group’s multi-sector portfolio has helped reduce exposure to single-market or sector-specific volatility. With strong capital management and a disciplined approach to integrating new acquisitions, LOLC says it is “well positioned to sustain its growth trajectory and unlock long-term value across geographies and industries.”

AI: Defining Technology of the Next Decade

Data Fusion Corp. CEO Shehan Ahamed Highlights AI’s Transformative Impact Across Industries

Artificial Intelligence (AI) is no longer the domain of science fiction – it has become the defining force of the digital age. Shehan Ahamed, Founder and CEO of Data Fusion Corp. Pvt Limited, underscores the profound and accelerating influence of AI.

According to Shehan, AI has transitioned from academic research to strategic Boardroom discussions, becoming essential for organisations looking to stay competitive in an increasingly data-driven world.

“AI is not the future – it is the ‘now,’” he stated. “The leaders who embrace it boldly, ethically, and strategically will shape the world to come.”

Global investment in AI is surging, with trillions of dollars fueling advancements in large language models, neural networks, and quantum computing. Companies are leveraging AI not just for automation, but to revolutionise business models, enhance decision-making, and deliver next-generation customer experiences. AI is reshaping a wide range of industries. In finance, it is enabling real-time risk assessment and intelligent trading. In healthcare, AI is accelerating diagnostic processes and supporting the advancement of precision medicine. Manufacturing is being transformed through the



integration of smart automation and predictive analytics. In logistics, AI is strengthening supply chains by enabling dynamic routing and inventory optimisation. Meanwhile, the education sector is undergoing a paradigm shift, as adaptive learning platforms redefine how knowledge is delivered and absorbed.

However, Shehan cautioned that this revolution demands responsible leadership. “As AI continues its exponential ascent, we must address the ethical implications of bias, privacy, and accountability,” he said. “Visionary governance, agile talent strategies, and trust-driven adoption will define tomorrow’s leaders.”

As one of Sri Lanka’s Technology leaders, Data Fusion Corp. is at the forefront of helping organisations harness the power of data and AI. Ahamed sees a unique opportunity for Sri Lanka to play a pivotal role in the global AI transformation. “Our nation has the talent and potential to lead,” he added.

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INDIA’S CAREEDGE...

What this means for Sri Lanka

For a country still managing debt restructuring and facing foreign investor caution, CareEdge’s entry could offer two main advantages:

Affordability – A lower-cost and less burdensome alternative to conventional sovereign ratings.

Contextual insight – A model better aligned with the realities of South Asian and African economies.

“We understand the specific challenges emerging markets like Sri Lanka face. Our platform is designed to offer a transparent, consistent, and affordable alternative to the legacy rating ecosystem,” Kasture said.

CareEdge’s presence could offer a valuable counterpoint to the “Big Three” agencies – S&P,

Moody’s, and Fitch – whose methodologies have often been criticised as outdated or Western-centric.

Kasture also highlighted that issuing ratings from GIFT City – a low-cost international financial hub – enables CareEdge to keep transaction and rating fees significantly lower, especially relevant for fiscally strained economies.

A Broader Vision: Asia and Africa First

CareEdge Global’s initial focus is on Asia and Africa – regions it believes have long been misrepresented by traditional credit models.

“India is now the world’s fourth-largest economy. It’s time we took the lead in building frameworks that better reflect today’s

geopolitical and economic realities,” Kasture said.

She reiterated the firm’s commitment to sustainability, transparency, and inclusivity in credit assessments, calling CareEdge “a new and necessary voice” in global finance.

Since its inception, CareEdge Global has rated sovereigns and more than \$3 billion in bonds slated for listing on GIFT City and other exchanges. Its methodology has been academically validated and back-tested over three decades, including in collaboration with the Indian Institute of Management.

“We are not new to ratings,” Kasture concluded. “We’ve done this for over 30 years. What we now bring is a bold, fair, and forward-looking approach to sovereign credit ratings.”

Sri Lanka a key hub,...

Thai Airways is committed to enhancing the travel experience by offering greater convenience and services that support both countries.

We resumed daily flights between Bangkok and Colombo on 31 March 2024, facilitating seamless travel between the two nations. This route supports not only tourism but also business and cultural exchanges, helping to strengthen bilateral relations, regional integration, and cooperation.

2. How do you assess Sri Lanka’s potential for wellness, cultural, or religious tourism from the Thai perspective?

From Thai Airways’ perspective, in terms of leisure travel, Sri Lanka stands out as a key potential destination in the South Asian region. The country holds a strong appeal for wellness, cultural, and religious tourism. Rich in heritage, Sri Lanka offers spiritual depth and

natural beauty that resonate with Thai travellers. Its traditions, Buddhist history, and eco-tourism align well with the interests of many tourists seeking both relaxation and cultural experiences.

Sri Lanka is an ideal destination for visitors from around the world – not only for leisure holidays but also for peaceful, enriching experiences that are meaningful and restorative.

3. In your view, what makes Sri Lanka an attractive long-term partner for Thai businesses, and how can aviation act as a catalyst?

Sri Lanka is strategically located in the Indian Ocean and is open to regional trade and investment. The country is committed to developing economic reforms that encourage investors seeking opportunities in the region. In this context, Thai Airways

plays a crucial role by strengthening partnerships and enhancing air connectivity. This strong connectivity makes it easier for businesses to access Sri Lankan markets from Thailand and other regions, opening many opportunities for mutual growth across different sectors.

Thai Airways is actively working on its recovery and expansion strategies, including fleet modernisation and strengthening partnerships, to enhance its competitiveness in both the Sri Lankan market and the broader region.

We resumed daily flights between Bangkok and Colombo on 31 March 2024, facilitating seamless travel between the two nations. This route supports not only tourism but also business and cultural exchanges, helping to strengthen bilateral relations, regional integration, and cooperation.

Civic groups...

The petition highlights over a dozen clauses in the Amendment Bill as unconstitutional. One of the most contentious changes is the abolition of the National Energy Advisory Council (NEAC). Replacing this independent, professionally staffed body with a minister-appointed ad hoc committee is seen as a rollback of safeguards meant to ensure transparent and data-driven policy decisions.

Another concern raised is the vague terminology and lack of implementation clarity. The petitioner points to ambiguous phrases such as “completely unbundled” and “further unbundling” of the Ceylon Electricity Board (CEB), raising fears of confusion and regulatory loopholes.

The petition also criticises a perceived policy reversal on renewable energy. The shift in language from “decarbonisation” to “reducing carbon footprint” is seen

as weakening Sri Lanka’s climate commitments and introducing legal uncertainty.

Further, the Bill is said to diminish regulatory independence. The requirement that electricity tariffs be set “in consultation with the Ministry of Finance” is flagged as a conflict of interest, especially since the Ministry also holds stakes in State-run power companies.

Additionally, the petition objects to new restrictions on private sector participation. Clauses that limit licences and shareholding thresholds are viewed as barriers to attracting much-needed private capital into a cash-strapped sector.

Ralanawane’s petition paints a dire picture of Sri Lanka’s electricity sector, citing chronic inefficiencies, corruption, political interference, and financial losses at the CEB. He contends that reversing the 2024 reforms could derail Sri Lanka’s fragile economic recovery, push

electricity prices even higher, and diminish investor confidence.

The petition emphasises that the 2024 Act was the result of three years of expert-led, inclusive policy-making, backed by multilateral lenders such as the World Bank and the Asian Development Bank. In contrast, the Amendment Bill was reportedly formulated in just four months by a group of CEB-affiliated engineers with alleged conflicts of interest.

Ralanawane seeks a Supreme Court ruling that the Bill – or at least several of its clauses – cannot become law without a two-thirds majority in Parliament and/or a public referendum, as required under Articles 83 and 84 of the Constitution.

His legal team further argues that the Bill lacks the proportionality and reasonableness required to restrict fundamental rights, as outlined in Article 15 of the Constitution.

Sugar importers...

They added that consumers would also have to bear the cost of any tax hike, with prices of everyday items such as tea, bakery products, sweets, and beverages likely to go up.

Importers said the current Rs 50 tax is already high by global standards, and an increase at this point would create artificial shortages, distort the market, and put unnecessary pressure on the public.

Speaking further, importers said the locally produced sugar is brown sugar, which is not refined and therefore unsuitable for use in industries such as confectionery, beverages, and bakery. The public should also be aware that local production accounts for only about 10% of the country’s total sugar requirement.

ADB backs...

Funded in part by a USD 50 million ADB loan for the government’s equity contribution, NCGIL’s structure reflects a unique public-private model. ADB is also providing capacity-building support, including assistance with governance, operations, and risk management, as well as international expertise during the institution’s initial phase.

ADB’s broader support for Sri Lanka’s SME sector includes USD 440 million in credit lines since 2016, with a current ongoing facility of USD 50 million. These lines have targeted women-owned businesses, sustainable finance, and priority sectors. Through the Regional Development Bank, a further USD 50 million loan with technical assistance was provided to boost SME lending capacity.

ADB’s Trade and Supply Chain Finance Program (TSCFP) has facilitated over 3,000 transactions worth USD 7.4 billion in Sri Lanka since 2004, with USD 195 million in direct funding to five private-sector institutions.

“We are encouraged by the rapid progress NCGIL has made and look forward to continued collaboration. This initiative will not only boost access to finance but also provide valuable data to shape future SME policies,” Gutierrez said.

She also commended the digital-first approach adopted by NCGIL and its focus on women entrepreneurs and climate finance.