

NEWS ROUND UP

Wednesday, August 01, 2019

Contents

Sri Lanka opens up to the world to boost tourism	2
SLFFA calls for balanced view on controversial containers	2
PM says SL fast returning to normalcy post-Easter Sunday setback	3
BOC enforces legal action against MTD Walkers' debenture default	4
Finance Ministry warns 'Enterprise Sri Lanka' applicants of scams	5

Sri Lanka opens up to the world to boost tourism

Sri Lanka will open up to the world from today, with the implementation of a free visa-on-arrival scheme for six months in order to boost tourism, which is suffering following the Easter Sunday terror attacks.

The launch of the initiative was formally announced yesterday by Tourism Minister John Amaratunga, at a forum chaired by Prime Minister Ranil Wickremesinghe and attended by industry professionals and diplomats.

The 49 countries whose citizens are eligible for free-visa-on-arrival are: Austria; Australia; Belgium; Bulgaria; Canada; Cambodia; China; Croatia; Cyprus; Czech Republic; Denmark; Estonia; Finland; France; Germany; Greece; Hungary; India; Indonesia; Iceland; Ireland; Israel; Italy; Japan; Latvia; Lithuania; Luxembourg; Malaysia; Malta; Netherlands; New Zealand; Norway; Philippines; Poland; Portugal; Romania; Russia; Singapore; South Korea; Slovak Republic; Slovenia; Spain; Sweden; Switzerland; Thailand; the United Kingdom; and the United States of America.

The Government expects a substantial increase in tourist arrivals through this move, though there will be a loss of revenue for the Department of Immigration and Emigration.

"We will review the initiative after six months. If it is not beneficial, we will suspend this program. This is just a trial," Minister Amaratunga said.

Sri Lanka...

Immigration and Emigration Controller General Pasan Ratnayake said they estimate a loss of Rs. 4.3 billion for the next six months. He also said that the Government would have incurred a loss of Rs. 1.5 billion during the first three months post-Easter Sunday terror attacks due to the drastic drop in tourist arrivals.

Justifying the move, Sri Lanka Tourism Promotion Bureau (SLTPB) Chairman Kishu Gomes said that increase in arrival numbers was just one aspect of the program, and most importantly it sends out the message to the world that Sri Lanka is a tourism-friendly nation.

"Numbers need to come and that is the end game, but the other benefit is that going out to the rest of the world and saying we are a tourism-friendly country. I think that positive vibe will certainly help us achieve our desired goals," Gomes added.

Immigration and Emigration Controller General Ratnayake encouraged all tourists to submit applications online on the Department's official website www.eta.gov.lk for electronic travel authorisation (ETA), to avoid delays at the airport, while noting the airport will also have an on-arrival visa facility.

He also said that the Immigration and Emigration Department was revisiting application procedure, and that there will be more simplified application forms introduced in the near future. (Daily FT)

SLFFA calls for balanced view on controversial containers

The Sri Lanka Logistics and Freight Forwarders Association (SLFFA) yesterday said it was concerned about the negative publicity surrounding a controversial shipment that had been categorised as waste, and cautioned it could seriously impact the regulation of Sri Lanka's logistics industry.

Referring to a shipment of cargo that was imported for recycling and re-shipping, which was highlighted as a shipment of garbage, the organisation said, "We are of the view that the information which has

been published was released without any detailed and clear investigation, which could create a serious impact on the reputation of Sri Lanka and its logistics industry.”

Business such as entrepôt trade, multi-country consolidation and transshipment have been taking place in Sri Lanka for decades and within the Port of Colombo. In 2013, the logistics hub concept was created, similar to Dubai and Singapore, to create offshore operations where international and local investors can invest and provide logistics services to global clients and supply chains, bringing in much-needed foreign exchange and employment for Sri Lanka.

This consignment was imported under the Finance Act – Commercial Hub Regulations No. 1, gazetted in 2013, a part of which had already been re-exported by Hayleys Free Zone, whilst the remainder had been lying in premises in Katunayake, exposed to the elements. Under the commercial hub regulations, greater authority lies with the Board of Investment (BOI) in granting approvals, whereas certain exemptions are permitted from the Customs Ordinance. However, Customs has the authority under the Hub Act to examine any suspicious items, or a container under this law, by informing the BOI. Customs has also issued Departmental Order DOPL 934 of 7 July 2014, outlining the process to be followed.

The Sri Lanka Logistics and Freight Forwarders Association (SLFFA) observed that certain sections with vested interests have called for the withdrawal of the hub regulations, whilst allegations and counter-allegations are being levelled. Any attempts made to discredit the logistics industry, its members, and the progressive hub law, by a few interested parties and institutions, should be fully condemned.

SLFFA reiterated that a balanced view needs to be taken on this matter, bearing in mind that activities such as entrepôt trading activity, multi-country consolidation and transshipment activities by sea and air are all essential activities, vital for maintaining/enhancing Sri Lanka Ports/Airports as a transshipment hub.

Hence SLFFA called on the concerned authorities to:

Thoroughly investigate the transaction in a transparent manner, and deal with any errant parties who have violated the provisions of the Hub Act, Customs Ordinance, and environmental laws in carrying out this transaction appropriately according to the provisions of the law.

Continue the drive to further enhance the liberalisation/facilitation of the logistics process, in particular the Customs process, in areas such as entrepôt trading activity, multi-country consolidation and transshipment activities by sea and air, and refrain from arbitrarily clamping down on various sections of logistics service providers purely on account of this incident. (Daily FT)

PM says SL fast returning to normalcy post-Easter Sunday setback

Prime Minister Ranil Wickremesinghe yesterday assured that Sri Lanka’s security is fast returning to normalcy, and the Government is focused on fast-tracking the revival of tourism.

“Since the unfortunate and tragic incidents that took place on Easter Sunday, we have taken all the necessary precautions to ensure safety in the country. Sri Lanka is on its way back to normalcy. We would now like to promote Sri Lanka as a destination which is safe for people to visit,” the Premier said, at a press briefing attended by Tourism Development Minister John Amaratunga and State Tourism Development Minister Ranjith Aluvihare, along with the tourism industry and foreign diplomats.

He also assured that all persons involved in the ISIS-inspired attack are under custody, and that those who associated with them, numbering around 200, are currently being questioned under the provisions of the Prevention of Terrorism Act (PTA).

Focusing on tourism, Wickremesinghe pointed out that the Government has introduced a number of relief measures to the industry, and reduced rates for travellers visiting Sri Lanka.

"Many measures have been taken, including free visas on arrival, reduction in taxes to lower room rates, reduction in ground handling charges and fuel charges for airlines at the airport, and the grant of financial moratorium to stakeholders affected in the tourism industry. All these measures will make it easier for travellers, and certainly more profitable for airlines to come in," he said.

The Premier noted that though waiving of visa fees would cause a drop in the Immigration Department's revenue, increased tourism numbers help boost the economy. "Firstly, remember there has been a drop in Government revenue. When more tourists come in, the economy will pick up, thereby whatever you use on that, you can make up on the revenue. Secondly, as the numbers increase that too will be looked after," he pointed out.

Wickremesinghe stressed that the Government is looking at the tourism industry as one of its main income earners. "A large number of people live off tourism. The tourism sector been one of the biggest employment creators, and we want all of them to carry on, but at the same time we want to give the tourists a good holiday," he said.

Reiterating that the Government is satisfied with security returning to normalcy to encourage tourism, the Prime Minister said all key religious traditional festivals, including the iconic Kandy Perahera, the Feast of Our Lady of Madhu, and Hindu Vel chariots will be held during the months of August and September.

He urged all diplomatic missions to persuade their nationals that Sri Lanka is safe to travel to, thereby lending their support to the revival of tourism. (Daily FT)

BOC enforces legal action against MTD Walkers' debenture default

Bank of Ceylon (BOC) has announced the enforcement of legal action against the default on debenture obligations by MTD Walkers Plc.

The Bank said it has handed over the documents pertaining to the matter to the Attorney General's Department on 24 July in order to institute legal action against MTD Walkers for non-payment of interest due from the company to the investors, leading to an event of default. The disclosure to the CSE was to confirm BOC has made arrangements to enforce obligations pursuant to the Trust Deed dated 22 July 2015 through institution of legal action against MTD Walkers PLC as the Trustee to the debenture issue, and as per the resolution passed at the meeting of Debenture Holdings of MTD Walkers held on 2 May 2019.

Interest including penalties worth Rs. 126 million was due and payable on 31 March 2019 and the resolutions passed included the non-payment to be considered to be an event of default, and that the principal sum and interest on the debentures become payable immediately.

In 2015 MTD Walkers issued Rs. 2.9 billion worth of two types of debentures with 30 September 2019 as maturity date. It had repaid Rs. 1 billion out of Rs. 2.1 billion Type A debentures whilst there had been no settlement thus far on Rs. 886.7 million worth of Type B debentures.

MTD Walkers said that it was unable to meet the payment on the original date of payment due to the prevailing depressed market conditions and difficulties in the collection of funds.

It is in discussion with the Central Bank and some of the bankers to restructure bank facilities with a view to include the payment of debenture interests. (Daily FT)

Finance Ministry warns 'Enterprise Sri Lanka' applicants of scams

The Finance Ministry yesterday said it had received reports that several organised groups of fraudsters had exploited the letterhead of the Ministry to send letters to loan applicants and institutions who had applied for loans under the Government's Enterprise Sri Lanka saying that their loans had been approved.

According to this scam, these organised fraudster groups are said to have informed the unsuspected loan applicants who are seeking interest relief loans under Enterprise Sri Lanka program that their loans had been approved and requested them to pay a certain percentage of the expected loan in order to release the loan in full, the Finance Ministry said in a statement.

"This Ministry already possesses evidence to prove that a group including an individual named Jayampathi Karunamuni, who is posing as the Director of the Clearance Unit of Loans of the Development Finance Department of the Ministry of Finance, and another individual posing as Chandra Jayasinghe are said to have sent these fraudulent letters," the Ministry said. "There is no such a division in the Finance Ministry."

Under the Enterprise Sri Lanka loan scheme, only loan applications are registered by the Ministry of Finance. Apart from that, the Finance Ministry neither releases loans nor makes recommendations for any expectants.

The Ministry also reiterated that it did not charge any money for its role in this regard. The loans under Enterprise Sri Lanka are granted by State and private commercial banks only.

Therefore, the general public is requested to negotiate only with the permanent staff serving in the premises of the respective commercial banks with regard to obtaining loans under 'Enterprise Sri Lanka'.

"If any group or an individual demands any money saying that your loan has been approved, you are hereby noticed to inform of such fraudulent groups or individuals to the nearest Police station," the Finance Ministry added. (Daily FT)