

NEWS ROUND UP

Friday, November 16, 2018

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Sirisena agrees to fresh vote today

The standoff between President Maithripala Sirisena and United National Party (UNP) led Parliamentarians showed signs of easing yesterday with the Executive agreeing to accept the decision of the Legislature if the vote for no confidence motion is taken following 'Parliamentary conventions and proper process' and Clause No. 1 of the document is omitted.

Representatives of parties who supported the no confidence motion against Prime Minister Mahinda Rajapaksa and the Government appointed by Sirisena after the shock sacking of sitting Premier Ranil Wickremesinghe on 26 October met the President yesterday with hopes of ending the ongoing battle between the Executive and the Legislature. Speaker Karu Jayasuriya, who was engaged in a battle of words with Sirisena, was also present at the meeting spanning over two hours.

"The President informed them to show majority following Parliamentary conventions," the statement issued by the President's Media Division said.

The President also agreed to not prorogue Parliament and to keep all members of MP Mahinda Rajapaksa's camp under check to ensure a vote by name is possible, a UNP Spokesperson told Daily FT.

The statement also said that discussion focused on Clauses of the no confidence motion passed on Wednesday with Sirisena objecting to one Clause.

"Attention was drawn to presenting the same motion moved yesterday (Wednesday) tomorrow (Friday) after omitting Clause No. 1. Further, the President requested the representatives to take the vote by name."

Clause No. 1 in the no confidence motion, which Sirisena objected, declares that the two Gazettes issued by the President on 26 October, removing the sitting Prime Minister and appointing a new one, unconstitutional and null and void.

"The Gazette Extraordinary Nos. 209/43, 2094/43A, and 2094/44 dated 26 October 2018 promulgated by the President, and the purported acts and appointments referred to therein, are unconstitutional, and are null and void and of no force or effect in law," the no confidence motion states.

The President on Wednesday accused the Speaker of acting in violation of the Constitution, Standing Orders and conventions of the Parliament in response to Speaker Karu Jayasuriya's letter informing him of the outcome of the no confidence motion. Upon receiving the letter, the meeting scheduled for Thursday morning between party leaders who were in support of the no confidence motion and the President was cancelled.

In response, the Speaker, defending his position, told the President in writing that the vote taken was constitutional, noting that the behaviour of Rajapaksa's supporters and his camp disrupted the proceedings of the House, leading to taking the vote by name, which Sirisena had found fault with in his letter.

"I also wish to state with responsibility that all 122 Members of Parliament who voted for the motion were present at the House yesterday. Amongst them were some Ministers and Members of Parliament of the Government.

Though I made a respectful request thrice, appealing for their support to duly take the vote, I was not given any opportunity for taking such a vote, and accordingly, in terms of the Standing Order 47(1), I had to take the vote by voices and declare that it had been passed by the majority," Jayasuriya told the

President, requesting him to watch the recordings of the procedures of the day to gain a better understanding.

As the meeting with the President and UNP-led party leaders concluded, the Mahinda Rajapaksa camp rushed to convene and strategise for the day.

Rajapaksa loyalist and Parliamentarian from Pivithuru Hela Urumaya (PHU) Udaya Gammanpila declared the next 24 hours crucial in a twitter message.

.(Daily FT)

UNP backs Karu

United National Party (UNP) Parliamentarians yesterday stood by the Speaker and rejected all charges aimed at him for tabling the no confidence motion and accepting the decision of the House, insisting that he was working within his powers and discharging his responsibilities with integrity.

Soon after the House was adjourned, addressing the media at a committee room in the Parliamentary complex, MP Patali Champika Ranawaka charged MP Rajapaksa and his supporters had disrupted the business of the Legislature and placed the entire country in a gridlock.

“We are not scared of a general election. But it should be conducted in a proper manner, honouring the Constitution of Sri Lanka. After seeing the fake government people’s unruly behaviour today (15) at the Chamber, do you think that they would allow holding of a peaceful election? We have 113 MPs today present in Parliament and they have 85,” he said.

UNP MP Rajitha Senarathne accused the Rajapaksa camp of bad behaviour in the House of Parliament and in front of the entire country. “The fake government behaved like thugs inside the Chamber because they clearly understood that their fake premier Mahinda Rajapaksa and the fake Cabinet do not command the majority. These fake people do not have power in Parliament. They tried to gain a majority but desperately failed. Now they know they would never, ever be able to get that. That is why they behave like thugs, not letting us show the majority in a democratic manner,” he said.

“President Sirisena’s behaviour is shameful and disgusting. He puts the entire country into chaos because of his personal problems with a single person. Now they are trying to disrupt Parliamentary business as well. This is not the democracy he promised to bring. This is not what we expected when we stepped out from the Rajapaksa regime to support him. He promised the nation that he would not misuse the powers of the executive presidency, but now he is going beyond those powers,” he added.
(AH) .(Daily FT)

UPFA calls for Karu to step down

UPFA lawmakers yesterday called for Speaker Karu Jayasuriya to step down following a disastrous session in Parliament.

Addressing a brief media conference in the Parliamentary complex, the UPFA lawmakers demanded the removal of Jayasuriya and made derogatory comments about his mental stability.

“The Speaker behaves as if he has a mental health issue. He is responsible for all these issues in Parliament.

He has violated the Standing Orders. He accepted Mahinda Rajapaksa as the prime minister and now he has rejected him. So this has turned into a very unfortunate situation with a no confidence motion

moved against the Standing Orders. We hold the Speaker of the House responsible for all the chaos,” charged MP S.B. Dissanayake.

According to MP Susil Premajayantha, there are no provisions available to suspend Standing Orders and take up motions in the Parliament as proposed by TNA MP M.A. Sumanthiran.

“Firstly, the Speaker violated Standing Orders and with his biased intention allowed the Opposition to raise their requirement. JVP MP Vijitha Herath ran to the Speaker’s chair and handed over a document to the Secretary General. Without even going through the content of the document, the Speaker asked for a vote. The Speaker decided to take a vote by listening to the sound. It is very unethical to not regard the Standing Orders and given that we did not know what document was given to the Secretary General,” he charged.

Meanwhile Dayasiri Jayasekara charged the Speaker was trying to assist the United National Party to establish a government. “The UNP was trying to declare a government after the vote against Rajapaksa’s speech while remaining in the left side of the Chamber. In tradition, the governing party occupies the right side of the Chamber while the Opposition remains in the left side of the Chamber,” he said. .(Daily FT)

Stepped up to save country: MR

Delivering his speech to Parliament, MP Mahinda Rajapaksa criticised Speaker Karu Jayasuriya for not accepting him as prime minister and claimed that he had stepped up at the invitation of President Maithripala Sirisena to save the country from economic collapse.

According to Rajapaksa, Parliaments elected in 1947, 1951, 1956 and 1960 were dissolved prematurely to hold elections under similar situations allowing Sri Lankans to elect a new government at their preference.

Despite protests from United National Party (UNP) lawmakers seen seated on the Opposition side of Parliament, Rajapaksa held that he still has the charisma to address the nation rather than taking refuge under titles that do not last long.

“Remember that I have held various titles before including the title of the President. I have held the prime ministerial portfolio and various ministerial portfolios before. I don’t care about titles. This post is no big deal for me. It does not matter for me if I become a MP or the prime minister or just ‘Mahinda Rajapaksa’. Do not think that I am speaking because I want to be the Prime Minister,” he said.

With his supporters now seated in the Government benches of the Parliament, Rajapaksa explained to the House the invitation he received was to rebuild the nation and claimed that the economy was on the brink of collapse due to currency depreciation, fuel price increases and sales of State assets to foreigners.

“We saw the President dissolving the former National Economic Commission and striving to mitigate the damage on the economic front. We have also heard of arguments during the Cabinet meetings between the President and the former Prime Minister who were at loggerheads. It is in that context we witnessed the expose with tape records of a conspiracy by a group of UNP members with some Police officers to assassinate the President and the former Defence Secretary. It is with this development that the President took a decision to remove the UPFA members from the Government,” he added.

Rajapaksa noted that even though he had the option of rejecting President Sirisena's offer, he felt that as he belonged to the largest party in the Opposition, it was his duty to step up and assist to resolve the problems before the country.

"With the pulling out of the UPFA members, the Coalition Government that had existed thereto was dissolved. Thereafter, the President with the powers vested on him invited to me accept the prime minister post and to form a government. There were two choices before me – one was to accept the invitation or to reject it. I could have responded to the President by telling him to continue with the UNP as he did for nearly four years because there was one more year to go for the completion of that Government's term. But we are the main force in the Opposition. We are the biggest political party in the country. We are bound by the duty to come forward to avoid the country being sliding into disaster. We have a responsibility to support the President's effort to prevent a disaster and to uphold the national interests. Accordingly, I accepted the responsibility of saving the nation from further chaos and crisis," he held.

"I also had a question as to what would happen to our country if it would continue one more year under the former Government. From January 2015 the UNP Government had obtained foreign loans amounting to \$ 21 billion. That uncontrolled borrowing was the biggest damage to the country's economy. What we established is only an interim government till the next elections. That was why only a few Joint Opposition MPs obtained ministerial posts. While the nation was plunging into the depths of disaster, we as the Joint Opposition continued to call for a general election to solve the crisis," he added.

Rajapaksa also slammed Speaker Karu Jayasuriya and alleged that he was violating the Constitution, the Standing Orders and the Parliamentary traditions.

"Our Speaker, in accordance with his party's and Western embassies' wish, says that there was a passing of a no-confidence motion against me and the Government through the voice vote. You cannot pass motion from a voice vote. There is a new trend stating that the former Prime Minister is back in office after the so-called no confidence motion and some former ministers have their former offices too, stating that they are in power now. It is the President who appoints the prime minister and cabinet, not the Speaker of Parliament. Neither Parliament nor the Speaker has been given such powers by the Constitution. The Speaker must be unbiased," he stressed.

"Now, there is a conflict of opinions between two parties in Parliament. I propose that there is no meaning in attempting to solve this problem by 225 members here and to refer it to electors numbering over 15 million in this country. Let them decide the government they need. That is the Parliament tradition. As politicians we all must understand that as per our Constitution sovereignty is with people not with Parliament. I am happy to hear that JVP was stating yesterday that they would support if there a motion to the effect of going for a general election after dissolving Parliament. I would like to ask the UNP their standpoint on the matter. I hope they would inform Parliament today of their standpoint," he said. .(Daily FT)

Sri Lanka's Softlogic Sept net soars on one-off tax reversal amidst slump

Profits at Sri Lanka diversified Softlogic Holdings surged to 372 million rupees in the September 2018 quarter, up from a loss of 41 million rupees a year earlier, due to a one-off tax reversal off-setting a slump in earnings across retail, healthcare and leisure, interim results showed.

"The scale and diversity of the group helped in weathering the macro-economic shocks of increased interest rates, a fast depreciating currency, adverse tax changes, import margin requirements and price led inflation," Chief Executive Ashok Pathirage told shareholders.

Earnings were 35 cents a share in the quarter. In the six months to end September 2018, earnings were 40 cents a share on a profit of 421.5 million rupees, surging from a profit of 2.4 million rupees a year earlier, financial results filed with the Colombo Stock Exchange showed.

Softlogic Holdings ended Thursday 40 cents higher at 20.40 rupees.

There was a one-off tax reversal for 1.8 billion rupees in the quarter, attributed to subsidiary Softlogic Life Insurance, which saw net profits reach 2 billion rupees in the quarter, up 720 percent from a year earlier.

In the quarter, revenue grew 14 percent from a year earlier to 18 billion rupees, while cost of sales increased 14.4 percent to 11.7 billion rupees leading to a 13 percent increase in gross profit to 6.5 billion rupees.

Distribution expenses fell 7 percent to 857.5 million rupees and administrative costs rose 21 percent to 3.7 billion rupees.

Net finance costs rose 3.2 percent to 1.2 billion rupees.

Borrowings of the group fell 4 percent from a year earlier to 32.9 billion rupees at end September while total assets grew 15 percent to 121.4 billion rupees.

-Segment performance-

Earnings from financial services segment, which includes Softlogic Life Insurance and Softlogic Finance, totalled 2.1 billion in the September quarter, ballooning from 4.3 million rupees a year earlier.

Healthcare earnings fell 10 percent to 459 million rupees. This segment includes listed Asiri Hospital Holdings.

Retail and telecommunications segment earnings declined 47 percent to 122.2 million rupees.

This segment includes consumer electronics, restaurants, listed department store Odel and fashion brand outlets and now, supermarkets.

"We believe (supermarkets are) a natural progression which will complement the group's other consumer driven businesses affording visibility and presence across all key consumer value chains to operate under one loyalty platform where consumers could earn and burn points across all sectors of the group," Pathirage said.

Leisure and property reported a 328.5 million rupee loss in the quarter, up 329 percent from a year earlier.

Information technology reported a 16.9 million profit in the quarter, compared to a loss of 13.6 million rupees a year earlier.

Automobile dealerships for Ford and Suzuki reported combined losses of 48.6 million rupees, up 20 percent from a year earlier.

"The wait-and-see approach taken by customers following duties and exchange rate depreciation dragged down the performance of this sector. The Ford sales is primarily generated from Corporate and

Government tenders which are now affected by the political uncertainty prevailing in the country," Pathirage said.

Losses from other businesses in the group fell 7 percent to 341.7 million rupees.

"Softlogic has pursued expansionary goals in its core verticals with the aim of strategically positioning itself anticipating that Softlogic's proposition is a fundamental need in today's sophisticated market and that the economy will be fast-tracked with Tourism, Leisure and Retail swinging into top gear," Pathirage said. .(Economy Next)

Sri Lanka's LOLC Holdings Sept net dented by leisure, manufacturing losses

Profits at Sri Lanka's LOLC Holdings fell 29 percent from a year earlier to 1.3 billion rupees in the September 2018 quarter, with losses from leisure and manufacturing segments weighing down gains from financial services, interim accounts showed.

The group reported earnings of 2.77 rupees a share in the quarter. In the six months to end September, earnings were 9.20 rupees a share on a profit of 7.5 billion rupees, down 7 percent from a year earlier.

The stock closed 2 rupees higher at 90 rupees on Thursday.

In the quarter, net interest income LOLC Holdings' primary finance and leasing business rose 28 percent from a year earlier to 25.9 billion rupees as interest income grew 21 percent to 58.6 billion rupees and interest expenses declined 16 percent to 32.7 billion rupees.

Revenue from other businesses in the group including hotels, manufacturing and trading, insurance and plantations increased 1 percent to 10.7 billion rupees as cost of sales increased a faster 11 percent to 7.5 billion rupees which contracted gross profits by 18 percent to 3.2 billion rupees.

Other income rose 24 percent to 8 billion rupees.

Personnel costs rose 12 percent to 10 billion rupees.

Bad loans provisioning rose 55 percent to 5.8 billion rupees.

The group' loan book expanded 29 percent from a year earlier to 559.4 billion rupees at end September while the deposit base increased 39 percent to 377.2 billion rupees during the period.

Borrowings of the group rose 14.4 percent to 377.2 billion rupees.

In segment results, earnings from financial services segment rose 14 percent from a year earlier to 5.7 billion rupees in the September quarter.

Insurance fell 26 percent to 87.7 million rupees.

Losses from the leisure and entertainment segment widened 69 percent to 606.2 million rupees.

Manufacturing and trading businesses of the LOLC group reported a loss of 527.4 million rupees in the quarter, down from a profit of 6.3 million rupees a year earlier.

Plantations and power generation reported segment losses of 70.4 million rupees, increasing from a 27.7 million loss a year earlier.(Economy Next)