

# NEWS ROUND UP

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## ***SL needs recalibration for growth leap: PM***

Prime Minister Ranil Wickremesinghe yesterday said that for Sri Lanka to see exponential growth, it has to make a clean break from the inward-looking policies of the past, recalibrate and move towards increased productivity and competitiveness, underpinned by a new system of governance.

Speaking as the Chief Guest at the Sri Lanka Economic Summit 2019, titled “Re-calibrating Sri Lanka’s Economic Trajectory: Towards 2025,” organised by the Ceylon Chamber of Commerce (CCC), Wickremesinghe recapped the legislative changes achieved by the Government, as well as the fiscal consolidation program followed in the past few years. Kicking off his address, the Prime Minister quipped that he was touched to be invited to speak to the gathering, given that he has been routinely blamed for the problems of the private sector in the past, including high interest rates, which he said he was happy to absorb on behalf of the Central Bank.

“We have two options: we can either stagnate as a middle-income country, which many countries do when they become a middle-income country, or we can continue to grow.

Do you want to stagnate in a middle-income trap, or do you want to have a leapfrog trajectory, which will make us an advanced economy? Then let’s prepare the country,” Wickremesinghe said.

However, Wickremesinghe was adamant that for the Sri Lankan economy to experience a true take-off, there will need to be sweeping changes on multiple levels, including policies, stronger competitiveness, breaking into new industries, international engagement, and maintaining macroeconomic fundamentals.

“If we are taking a leapfrog trajectory, we have to do things differently. So we have to make a clean break. We must have a fiscal policy that contains debt, we should not allow it to increase. There should be a much larger space for investors. Our business climate has to improve, and we must have reforms to boost private investment productivity. These are things we must do.”

Wickremesinghe emphasised that trade deals were an essential component of strong growth, even proposing to move beyond the negotiations currently ongoing with India, Thailand, and China. He pointed out that stronger trade with East Asian economies such as Indonesia and Malaysia was positive, as Sri Lanka could benefit from their growth.

“That’s where the money is, we have to go there. If we are going to be an advanced economy, then we must be a highly competitive economy. We have to join the global value chains, that’s what we have to do. There is no other way. But you are worried about how you will be affected, how we are going to compete. No, our commitment is to promote trade adjustment packages, so that you can upgrade or expand your venture.”

“We have to keep increasing our productiveness and competitiveness, we have to keep going up. These are the ways to become an advanced economy, and we need to change our governmental system, which is currently designed for a low-income economy,” he added.

Advocating “radical restructuring”, the Prime Minister acknowledged that deep changes in State Owned Enterprises (SOEs) are needed, along with stronger investment in skills development, healthcare and technology development. He also said that the Government has focused on infrastructure development, particularly in rural areas, and pushed investment into underserved areas such as schools and community-based projects. Revamping government systems, such as having a single window for investment or exports was also important, he noted.

“Now we have got to face the target of becoming an advanced economy, and we have to have a delivery-oriented public sector in key areas. We need competent faces, we have to rebuild trust and that’s the way to go forward.” (DailyFT)

## ***Global, local experts to share new insights at Cyber Security Summit next week***

The Daily FT-CICRA 7th annual Cyber Security Summit 2019 next week will shed key insights from international, regional and local experts on current and future challenges, offering private and public sector organisations an excellent opportunity to pursue best practices.

The full-day summit will take place on 24 September at the Cinnamon Grand followed by a CEOs Forum on 25 September also at the same venue. The push for cyber security awareness will kick off with a Youth Summit on 23 September at the BMICH.

The Cyber Security Summit will consist of four sessions covering topics such as ‘Tuning-up security in plural social networks’, ‘IOT security for financial services’, ‘Digital forensic investigations dynamics’ and ‘Digital intelligence to make the world a safer place’. Each session will feature prominent personalities from around the world at the top of their respective fields. These experts are qualified to educate and demonstrate key current global issues in cyber security.

Dr. Sam Bowne, a veteran DEF CON demonstrator and Black Badge winner, will headline the summit. Central Bank of Sri Lanka Senior Deputy Governor Dr. Nandalal Weerasinghe will also speak at the summit. Additionally, six more industry professionals will share their knowledge and experiences.

An expert in telecom and IT network infrastructure with over a decade of experience, Tuan Tong Foo is currently the Director of Kela Group, Israel, linked to international cooperation at its headquarters in Singapore. Apart from the cyber security industry and its Open Source Intelligence domain, he has built up his resume through a variety of executive roles in the software security industry. His focus is on technological evangelisation and new market penetration. His thoughts and expertise will benefit all CSS attendees who wish to educate themselves in the above areas.

Joining him is UDC Pte Ltd. CEO Udi Shaked. He has been greatly involved in Homeland Security with a focus on high-end cyber solutions and associated technologies. He spearheaded the creation of corporate product development, market penetration and sales strategies for the organisation. He has held many prestigious executive roles within the sector which will make his input and thoughts at CSS 2019 even more valuable.

Shaked will be presenting two cyber technologies at CSS. One is Voyager Labs’ VoyagerCheck, a proprietary AI technology that leverages machine learning, deep learning, natural language understanding and computer vision, for turning dynamic unstructured data into actionable intelligence.

Bringing over 20 years of executive leadership experience in security and telecom markets in the APAC region to the table is Arthur Veinstein. He has held an impressive number of leadership positions at NICE Systems (NASDAQ: NICE), Qognify, Starhome Mach, Converse (NASDAQ: CMVT) and several other international companies. He is currently the APAC Managing Director for Cellebrite, the world’s largest mobile forensics company.

Cellebrite enables investigators to capture insights in today’s digital world and solve crime. The platform provides complete and objective pictures of evidence, empowering agencies to solve cases faster. Veinstein’s expertise within these companies and his experience make him an invaluable addition to the 2019 summit.

The person responsible for championing security in the online payments industry, Visa's Head of Risk for India and South Asia Vipin Surelia, who is the driving force behind maintaining the integrity of the payments ecosystem, is also set to make an appearance at CSS 2019.

His role as Head of Risk encompasses risk management, credit settlement risk, brand protection, fraud management and ensuring data security across the South Asian market. Prior to joining Visa in 2018, Vipin was part of the founding team of Paytm and its Chief Risk and Complaints Officer. He has also worked with the Reserve Bank of India, IBM and HSBC. His corporate background and immersion in cyber security as well as his active work to protect user data will no doubt make his input at the summit meaningful for all.

With 19 years of experience in IT under his belt, Ashraf Ali is a Technical Solutions Architect and part of the Global Security Sales Organization at Cisco. He works with Big-4s and other consulting firms to provide access to Cisco Security Solutions. His professional role is to dispense advice for strategic customer projects involving cyber security and IT service providers while managing security for services providers. He has previously worked with Tata Communications and Sify Technologies and led engineering functions for their MSSP, Cloud and ISP. He holds a Master's degree in Software Systems from BITS, Pilani. His presence at the conference is bound to increase value and provide great insight into the world of cyber security.

Rounding out the list of experts at CSS 2019 is Bhairav Acharya, Facebook's Public Policy Manager for India and South Asia. He works on privacy, cyber security, encryption and emerging technologies. He was previously a Program Fellow at New America's Open Technology Institute in Washington DC, where he worked on transatlantic encryption regulation. Before that he was Law and Policy Advisor for the Centre for Internet and Society in Bangalore. His experience is tailored to provide insight and value to sessions at CSS that all attended will find interesting.

Additionally, the CSS will feature cutting-edge cyber technology. With these industry experts in tow, CSS 2019 is set to deliver beyond expectations and is well on its way to being the marquee event for cyber security in Sri Lanka. Tickets can be purchased from the Summit Secretariat at CICRA Holdings. For further details call 0112556402/0768253412.

Cisco and Visa are strategic partners of the Summit. Co-sponsor is Cellebrite, Official Payment Partner is LankaPay, Official Printer Lake House Printers and Publishers, Hospitality Partner Cinnamon Grand, Creative Partner Triad and electronic media partner TV Derana. (DailyFT)

## ***Top firms win CMA Excellence in Integrated Reporting Awards***

A host of top companies last week bagged CMA Excellence in Integrated Reporting Awards.

Overall winners were Diesel and Motor Engineering PLC and John Keells Holdings PLC. The First Runner-up Award was won by LB Finance PLC and the Second Runner-Up title was shared by National Development Bank PLC and Softlogic Life Insurance PLC which also won the Merit Award for Integrated Thinking.

Chief Guest at the awards ceremony was Speaker Karu Jayasuriya and Keynote Speaker was Prof. Mervyn E. King SC, Chair Emeritus of the International Integrated Reporting Council (IIRC), The Global Reporting Initiative (GRI), and former Judge of the Supreme Court of South Africa. CMA Sri Lanka President Prof. Lakshman R Watawala presided at the event held along with the inauguration of the CMA National Management Accounting Conference 2019 and Commonwealth Accountants Conference.

The 10 Best Integrated Reports winners were Aitken Spence PLC, Diesel and Motor Engineering PLC, Hatton National Bank PLC, HNB Assurance PLC, John Keells Holdings PLC, Lanka IOC PLC, LB Finance PLC, Mercantile Investment and Finance PLC, National Development Bank PLC, National Savings Bank and Softlogic Life Insurance PLC.

The following won the sectoral awards – Banking: National Development Bank PLC; Finance and Leasing: LB Finance PLC; Insurance: Softlogic Life Insurance PLC; Manufacturing Industry: Lanka Walltiles PLC; Trade and Commerce: Access Engineering PLC; Diversified Holdings: Diesel & Motor Engineering PLC/John Keells Holdings PLC; State-Owned Enterprises/Companies: National Savings Bank; Hotels and Travels: Aitken Spence Hotel Holdings PLC; Plantations: Talawakelle Tea Estates PLC; Healthcare: The Lanka Hospitals Corporation PLC; Power and Energy: Lanka IOC PLC; Small and Medium Enterprises: Ceylon Tea Brokers PLC; Non-Governmental Organisations (NGOs)/Not for Profit Organisations (NPOs)/Chambers of Commerce/Educational Institutes: Association of Accounting Technicians of Sri Lanka.

Special Awards were as follows – Conciseness: Diesel & Motor Engineering PLC; Capitals: LB Finance PLC; Materiality: Diesel & Motor Engineering PLC; Value Creation: John Keells Holdings PLC; Strategic Focus: LB Finance PLC; Most Improved Integrated Report: National Development Bank PLC; SDG Reporting: Diesel & Motor Engineering PLC/John Keells Holdings PLC; Diversity Reporting: John Keells Holdings PLC.

Certificates of Merit were as follows: Regnis (Lanka) PLC, Peoples Leasing and Finance PLC, Lanka Walltiles PLC, Talawakelle Tea Estates PLC, Access Engineering PLC, Ceylinco Life Insurance Ltd., Commercial Bank PLC, The Lanka Hospitals Corporation PLC, Bank of Ceylon, Aitken Spence Hotel Holdings PLC, People's Insurance PLC, Alliance Finance Company PLC, Seylan Bank PLC, Ceylon Tea Brokers PLC and Association of Accounting Technicians of Sri Lanka. (DailyFT)

## ***Live auction for SriLankan Airlines' Business Class upgrades***

SriLankan Airlines introduced live auction for Business Class seat upgrades from yesterday, aimed at providing more convenient options for its passengers to enjoy premium comforts by the National Carrier which is a member of the oneworld alliance.

Through live auction, passengers can bid online for Business Class seats where real-time status of their bid is available to them, whereby giving them a better chance of securing their bid, similar to a real auction.

SriLankan Airlines Chief Executive Officer Vipula Gunatilleka said: "We are pleased to offer our valued passengers the opportunity to bid for Business Class seat upgrades through live auction. In our vision to become the most customer-centric airline in Asia, we will continue to explore opportunities where we can offer them utmost comfort, care and convenience. Through live auction, we are reaching out to more passengers who are anticipating to experience our Business Class."

Whilst passengers who wish to travel Business Class can directly book online via [srilankan.com](http://srilankan.com), any passenger booked on SriLankan Airlines Economy Class is eligible to bid online for an upgrade to Business Class, from the time of purchasing their ticket until five hours before departure for flights departing from Colombo and 12 hours before departure for flights departing from other destinations. The customer has to visit [srilankan.com](http://srilankan.com), 'Plan and Book' and click on 'Get Upgraded' option ([https://www.srilankan.com/en\\_uk/flying-with-us/bid-now-to-upgrade-yourself](https://www.srilankan.com/en_uk/flying-with-us/bid-now-to-upgrade-yourself)) to place his /her bid.

The payment can be made through credit card and if the offer is accepted, the passenger will be billed for the upgrade. Passengers whose bids are successful receive a confirmation via email between 48 to four hours prior to departure.

SriLankan Airlines offers a range of products and services for passengers such as Extra Legroom Seats, pre-paid extra baggage allowance and celebration cakes onboard, in order to make their journey comfortable. Through continuous service enhancements, the Airline intends to reach out to more passengers seeking to experience the premium services of the airline.

SriLankan Airlines, the national carrier for Sri Lanka and a member of the oneworld alliance, is an award-winning airline with a firm reputation as a global leader in service, comfort, safety, reliability, and punctuality.

Launched in 1979, SriLankan Airlines' hub is located at Bandaranaike International Airport in Colombo providing convenient connections to its global network (including codeshare partners) of 109 destinations in 48 countries around the world. Its direct route map covers major cities across the Europe, Australia, Middle East, India, South East Asia and the Far East. The Airline operates an all Airbus fleet including a state-of-the-art A330-300 and modern A320/321neo fleet.

As a member of the reputed oneworld airline alliance, SriLankan offers its passengers the convenience of over 1000 destinations across the alliance's network of 160 countries.

The airline's latest awards include, the World's Leading Airline to the Indian Ocean, Asia's Leading Airline to the Indian Ocean and Asia's Leading Marketing Campaign at World Travel Awards 2018. (DailyFT)

### ***Sajith doubles down on presidential candidacy***

United National Party (UNP) Deputy Leader and Housing Minister Sajith Premadasa yesterday doubled down on being his party's presidential candidate, calling for the Working Committee and the Parliamentary Group to meet promptly to take a decision.

Speaking at an early morning press conference at Finance Minister Mangala Samaraweera's official residence, Premadasa addressed the media, flanked by UNP ministers Mangala Samaraweera, Malik Samarawickrama, Kabir Hashim, and Rajith Madduma Bandara, and recapped the request he had made to Prime Minister Ranil Wickremesinghe on Monday, regarding his desire to be the UNP's presidential candidate and the need for a democratic decision to be made soon.

"I expressed my own intentions to come forward, and if there are contra opinions and various other interested persons who are keen on becoming the candidate, to follow the democratic procedures within the party, to go ahead and make the selection. I requested that there is an immediate meeting of both the Parliamentary Group and the Working Committee," he said. He was of the opinion the meeting should be called as soon as possible.

Responding to questions, Premadasa said that he will obey any decision taken by the Parliamentary Group and the Working Committee, pointing out that it was the democratic way ahead. "The meeting of both the Parliamentary Group and the Working Committee can be a consensus-building meeting," he explained, pointing out that there was a need for a frank and transparent discussion within the Parliamentary Group and the Working Committee. "If there is consensus so be it, but if there is a diversity of opinions, we can adopt the greatest democratic principle and model, and have a secret ballot," he opined.

Premadasa claimed that by seeking candidacy he was reflecting the aspirations of the people as a whole, pointing out that a large number of them have asked him to run for President. He argued that there is no authoritarianism or oligarchy within the UNP, and that he has to abide by a democratic decision taken on the candidacy.

“Just because I want to become the candidate, I can’t have my own way. If there are others who are keen on putting forth their name, so be it. I have full confidence that I will get the UNP candidacy,” he claimed. Responding to a question as to who will become the Prime Minister after the Presidential Elections, he pointed out that he was focusing on the election at hand, and that what comes next should be determined at a later date.

Premadasa also declined to make clear his stance on the Executive Presidency, pointing out he has not seen any “scientific surveys” that warrant the prioritisation of abolishing it. When questioned about the 2015 mandate to do so, Premadasa remarked that the “world has moved on from the 2015 need”, claiming that other issues have come to the forefront and need priority attention.

“I don’t think there has been a scientific survey done as to what to do with the Presidency, whether it should be kept and maintained, or if it should be abolished, but at the end of the day, I’m always willing to listen to the people of the country. If the people so decide, I’m there,” he said.

Premadasa opined that the pledge made in 2015 saw drastic changes made to the Executive Presidency, and today, there is a debate as to what to do with it. He stressed that no scientific survey has been done recently on whether to maintain or abolish the Executive Presidency. Premadasa claimed that some of the surveys he had seen calls for cost of living as the most important and high-priority subject in the national political agenda.

Minister Premadasa pointed out that he was willing to give democratic leadership, and not autocratic leadership. He said that his personal views had no bearing on national policymaking, stressing again that he will listen to the people. Premadasa said that if the public made a request that he is not suitable for politics and should retire, he would do so. “If the public tell me to go home today. I will go home tomorrow. I will not cease to exist without politics. This is not something I cannot do without,” the Minister said. (DailyFT)

### ***Banking sector to face further increase in NPLs: NDB***

NDB Bank Plc yesterday said that the banking sector would face further increases in Non-Performing Loans (NPLs) this year as the macro-economic environment remained difficult.

“Indications in the banking sector show that NPLs are still growing as a result of the slow economic growth seen in the country during the past two years,” NDB Director and Group CEO Dimantha Seneviratne told journalists on the sidelines of the market opening ceremony organised by the Colombo Stock Exchange to mark its 40th anniversary yesterday.

He said the reason behind the rising NPL ratio of the entire banking industry was due to the stagnating economy where borrowers found it difficult to service their loans as expected which resulted in those loans being transferred to NPLs.

Although NDB’s performance is better than the industry average, Seneviratne said they were also faced with the same situation. “Our NPL ratio is around 4.6% as against the 4.8% industry average. Despite the fact that our NPL is lower than the industry, we are also seeing a growth in the NPLs,” he added.

He said the bank had now taken a couple of steps, including strengthening of underwriting standards, assisting customers in difficult situations for genuine reasons and enhancing recovery efforts, to retaliate against the rising NPL ratio.

Seneviratne also said that they expected an overall loan growth of 10% to 12% for the full year. As at June, NDB recorded a 5% annualised growth rate.

“In terms of loan growth, we are performing better than the industry. However, we are very concerned about what sort of assets we book and that is why underwriting standards are very high at the moment,” he stressed.

He said NDB would also raise capital within the next six months to meet equity requirements and to support future growth.

“As at June we crossed Rs. 490 billion assets and now we are on the threshold of making Rs. 500 billion. We have capital raising plans, which we are currently working out, most likely through certain private placement arrangements to raise the equity that is needed,” Seneviratne said.

He said they were working out a couple of options to raise capital, including looking at foreign investors, within the next six months.

However, he declined to disclose the amount the bank expected to raise, noting it was too early.

With regard to policy rates, the NDB Group CEO noted that banks had very little choice. “When the deposit rates are capped, we have to follow that direction and accordingly reduce the rates. I don’t think it is politically driven, but having seen the broader economic situation the policymakers have to do certain things forcefully. That is what is happening. We as banks follow those directions,” he emphasised. It was pointed out that the indications from the Central Bank were that lending rates must come down. “When you look at the growth rate of the country, it is less than 3% and inflation level is around 4% and when you have the interest rates around 14-15% I don’t think it will help the economy to grow. In this backdrop the policymakers are directing to bring the rates down and I think that is something sensible, but whether we can hold that on for a long time, even the exchange tight as well, is something we have to be mindful of,” Seneviratne pointed out.

“When GDP is below par, naturally that is reflected in the industry. Banking is the major propelling activity in economic development. When GDP is low, as a result the opportunities for banks are also low. You cannot hold us down. We are like a bouncing ball, we will come up again. You can’t keep us pressed down. This is just short term. There are lots of opportunities and we will bounce back on them. (DailyFT)