

NEWS ROUND UP

Thursday, July 26, 2018

Contents

PM to intervene on North housing tender dispute	2
Cabinet approval for SLPA to discuss \$146 m infusion to Hambantota port	3
\$100 m from World Bank to modernise education system	3
Monopoly in distribution: DC extends Enjoining Order against Film Corporation.....	4
PM's Minister's Policy Development Office gets progress report on Yala National Park	5
Tool kit for rubber smallholders to improve productivity	6

PM to intervene on North housing tender dispute

Prime Minister Ranil Wickremesinghe is expected to discuss the housing projects for the North with both Indian and Chinese representatives in Sri Lanka to iron out the issues raised on awarding the latest construction project to a Chinese construction company, Cabinet Co-spokesperson Rajitha Senaratne said yesterday.

The decision to discuss the matter with both parties was taken at the Cabinet meeting this week when the issue was raised by Resettlement, Rehabilitation, Northern Development and Hindu Religious Affairs Minister D. M. Swaminathan, Senaratne told reporters at the weekly Cabinet briefing.

The Indian High Commission raised concerns over the Sri Lankan Government's decision to award a contract to a Chinese company for construction of 40,000 houses in the Northern Province.

India has raised concerns over the "opaque" awarding of tender to China Railway Beijing Engineering Group Co., which has no experience in construction in the northern region.

Indian representatives met Minister D. M. Swaminathan to raise concerns after the Cabinet decision was announced over a month ago.

Senaratne said that the decision was taken as the Chinese Company's bid to build the houses was lower than the Indian estimate.

"The Chinese company has taken a project to build 40,000 houses for the northern district at a cost of Rs. 1.3 million per unit, but Indian Government is not happy about the decision. They have already built 40,000 houses, but their estimate for the project is Rs. 2.2 million per unit, which is very high," he said.

"So, the Minister is questioning why he should give the job to India when China can build for a cheaper price."

However, the discussion at the Cabinet meeting focused on the diplomatic relations the decision may affect, Senaratne told reporters.

Prime Minister Ranil Wickremesinghe has then told the Cabinet of Ministers that he will discuss the issue with both parties and report to the Cabinet next week.

"What we said was that the people should get housing as soon as possible. There is a need and the people will say that we did not do anything for them. It doesn't matter which country is building the houses, all people want is housing," Senaratne claimed.

Mattala, Hambantota balancing acts between India and China: Rajitha

Making a compelling case for the Hambantota Port and Mattala Airport, Cabinet Co-spokesperson Rajitha Senaratne yesterday said the joint venture agreements for the two 'white elephant' entities are also balancing acts between China and India.

"The real issue here is the diplomatic issue. It really doesn't matter who we give as they are investment," he said. "We are trying to balance. When we have given one to India and the other to China," the Minister said when asked if aligning with Chinese investment will pose diplomatic issues for the country.

Insisting that the Port will make profits after the new investors start oil bunkering, Senaratne said that the initial business plans for the two investments also included elements that would have made the ventures profitable.

“Mattala and Hambantota became white elephants. Mattala, only one airline came. Ships were forced to berth in Hambantota. I stand by the decisions to build them, but they should have carried out the plans properly. The plan for Hambantota was to have an oil bunkering facility to attract the ships. If we had started oil bunkering, then Hambantota would have been a busy now. Mattala should have had an investment zone built at the same time, and then flights would have landed there,” he said.

“But, oil bunkering was delayed, and the investment zones never came. That is why it became unprofitable.”(CD) (DailyFT)

Cabinet approval for SLPA to discuss \$146 m infusion to Hambantota port

Cabinet approval has been given for the Sri Lanka Ports Authority (SLPA) to begin negotiations on behalf of the Government with China Merchants Port Holdings (CM Port), on how the latter could invest \$146 million in the Hambantota Port, Shipping Minister Mahinda Samarasinghe said yesterday.

Samarasinghe told reporters that the \$146 million was part of the \$1.12 billion agreed to by CM Port when the Hambantota Port was handed over to the Chinese company in a joint venture by the Sri Lankan Government last year. The latest funds would be towards investment, and Samarasinghe had presented a Cabinet paper seeking approval for the SLPA to represent the Sri Lankan Government in deciding how the \$146 million would be invested in the port.

“Now that we have received Cabinet approval authorising the SLPA, we will begin negotiations with the Chinese company, on what kind of investment would be made in the port,” he said.

An additional \$400 million-\$600 million would also be forthcoming under the agreement signed by CM Port, though a timeline has not been clearly announced yet by the company.

Following the agreement, CM Port had outlined large investment projects for the port, including a refinery and LNG plant that is expected to attract significant investment. The Sri Lankan Government approved the LNG plant in November 2017, after the Chinese Government nominated China Machinery Engineering Corporation (CEMC) to be the implementing partner. CEMC, together with the Ceylon Electricity Board, will have a 70:30 shareholding ratio respectively.

The plant is a result of the investment and economic agreement between the two countries, and was initially designed to supply power to industries established in the Hambantota area. Further, a separate LNG terminal will also be built in the Hambantota area, enabling the plant to operate on natural gas from its inception. According to proposals given by the CEMC, the plant will be completed in two years. (DailyFT)

\$100 m from World Bank to modernise education system

Sri Lanka signed a \$100 million credit agreement with the World Bank yesterday, to support Sri Lanka’s efforts to strengthen and modernise its education system.

The General Education Modernisation Project (GEM) will modernise and diversify the curriculum of general education, in keeping with the transformation taking place in Sri Lanka’s society and economy. Greater emphasis will be on strategic subjects that are key for economic development, such as English and Mathematics. The project will help broaden choices at the GCE A-level grades, so that students have

the flexibility in selecting subjects from among the arts, management, science, technology, and vocational streams. Learning material for English language and Mathematics will be developed digitally, and the focus will be on children from schools located in more disadvantaged regions.

World Bank Country Director for Sri Lanka and the Maldives Dr. Idah Pswarayi-Riddihough and Finance Ministry Secretary Dr. R. H. S. Samaratunga signed the project on behalf of the World Bank and the Government of Sri Lanka respectively.

“Sri Lanka has made impressive progress in expanding access to education. However, to reach the status of an Upper Middle-Income Country, it needs to further improve the overall learning outcomes. Sri Lanka’s education policy makers recognise that a high-quality general education system will enable students to meet the demands of 21st century jobs,” said Dr. Pswarayi-Riddihough. “We are happy to partner with the Government to ensure that all children have the opportunity to gain foundational skills, especially in Mathematics and English, needed to participate in Sri Lanka’s economic growth,” she added.

The project will benefit school students both at the primary (grades 1-5) and at the secondary (grades 6-13) levels. Technical education and vocational training institutes, academic and managerial staff of the schools will also benefit from this project.

The World Bank has been a longstanding partner of Sri Lanka in the education sector. The Transforming School Education System Project (TSEP), supported by the World Bank, has helped the country increase the survival rate of students from grades 1–11 (ages 6–16) to over 87%; introduced a regular cycle of national assessments of learning outcomes, and started School Based Management (SBM) to support the administration of schools in all zones. In addition, TSEP helped in strengthening the capacity of the decentralised tiers of education administration.

“GEM will support the Government to modernise the primary and secondary education system, in line with international standards established in middle-income and high-income education systems,” said Lead Economist and World Bank’s Task Team Leader for the project Harsha Aturupane. “Successful implementation of the overall general education reform program, and the key priorities supported by GEM, should lead to improved learning outcomes and higher socio-emotional skills among students,” he added.

The General Education Modernisation Project, approved today, will build on the experience and lessons learned from TSEP, and strengthen the World Bank’s support to the general education sector. (DailyFT)

Monopoly in distribution: DC extends Enjoining Order against Film Corporation

The Colombo District Court yesterday extended the Enjoining Order till 6 August against the decision of the National Film Corporation to allow it to distribute films.

The Complaint filed by the private film distributors E.A.P. Films and Theatres Ltd., Movie Producers and Importers Ltd., Lanka Film Distributors Company Ltd. and Cinema Entertainment Ltd. citing the National Film Corporation as Defendant yesterday came up before District Judge R.P.D.P.P. Ratnayake.

Three Interventient Petitions filed by Sri Lanka Cinema Directors Forum, the President and the Secretary of Associations of Actors as well Rohan Welivita and Eranga Senaratne objecting the Enjoining Order was also taken up.

Deputy Solicitor General Sumathi Dharmawardane appearing for the Attorney General contended that the Court had no jurisdiction to issue an Enjoining Order in view of the National Film Corporation Act.

Counsel S.A. Parathalingam appearing for the Petitioners countered and maintained that the Court had the jurisdiction as the National Film Corporation had acted mala fide (in bad faith).

The Court directed all parties to file Written Submission of the Question of Jurisdiction.

President's Counsel S.A. Parathalingam with N.R. Sivendran and Achini Ranasinghe instructed by Anoma Goonetilleke appeared for the Plaintiffs.

Plaintiffs state it was brought to the notice of the Cabinet that the monopoly over the entire local cinema industry which was in the hands of the National Film Corporation has not proved effective both in formulating policies to meet new developments and in the management of distribution of local films and other related activities.

They plead a Cabinet decision was taken in regard to the handing over the distribution of films to the private sector.

They state consequent to the applications made by them, written agreement were entered. They also state the National Film Corporation under the 'Rithma' distribution equally distributes films islandwide to the various theatres and there are 61 theatres under the 'Rithma' distribution. (DailyFT)

PM's Minister's Policy Development Office gets progress report on Yala National Park

The progress of the report of the action plan in protecting Yala National Park prepared by the Department of Wildlife Conservation (DWC) has been sent to the Prime Minister's Policy Development Office (PDO).

According to the PDO, the action plan is divided into three sections namely, short-term, medium-term and long-term actions. As for the progress report of the action plan, the following actions have been already implemented/partially implemented so far.

Short-term actions: Patrolling of at least two DWC vehicles in the park between 6 a.m. and 10 a.m. and 2 p.m. and 6 p.m. daily; DWC to permit entry and exit times to be decided on dawn and dusk timing; introducing rotational closure of Yala Block 1, 3, 4 and 5 for three months periods beginning with Yala block 1.

Medium-term actions: Yet to be implemented.

Long-term actions: Introducing a phased program to gradually limit the number of vehicles entering Yala Block 1 in conjunction with the improvement of wildlife sightings in Yala Blocks 3, 4, 5 and other developments in adjacent national parks.

The progress report covers January to June 2018.

Yala, as an internationally-renowned wildlife park, has attracted a large number of international and national visitors annually. The majestic leopard endemic to Sri Lanka is one of the main tourist attractions of this wild life park. While this interest in wildlife is remarkable and certainly positive for revenue collection, the increasing effects of over-visitation is posing a great threat of damage to the park and to its wildlife.

Numerically, visitation has increased from 43,368 visitors in 2008 to 545,007 visitors in 2015. This is an increase of over 1,000% in seven years. This has resulted in an average of 250 vehicles entering Yala Block 1 per day with increased numbers during holiday seasons, often exceeding 700 vehicles per day.

To curb this over visitation, the Yala Sub-committee of the Prime Minister's Office is formulated to create a path towards a more sustainable management of the Yala National Park. The DWC and the Tourist Board are the main stakeholders of this sub-committee while the Policy Development Office (PDO) of the Prime Minister's Office act as the monitoring organisation of this Sub- committee.

The PDO said Yala wildlife park is the most visited and second largest national park in Sri Lanka. As a valuable tourist attraction, it is important to protect this national heritage site of Sri Lanka. The initial step taken in this regard by the relevant authorities should be greatly appreciated. (DailyFT)

Tool kit for rubber smallholders to improve productivity

In a bid to safeguard 130,000 rubber smallholders against unfavourable global pricing projected by the Association of Natural Rubber Producing Countries, the Government has decided to distribute tool kits aimed at improving productivity of rubber cultivation.

Plantation Industries Minister Navin Dissanayake obtained approval from Cabinet this week to distribute a gift package valued at Rs. 5000 among 5000 members of the Thurusaviya Society operated under the Thurusaviya Fund.

Rs. 25 million, the funds needed for the program to be implemented in 2018, will be allocated immediately apart from the Rs. 8 million given for the Thurusaviya programs.

Another Rs. 25 million will be included in the budget estimate of the Thurusaviya fund for 2019 in order to implement the same project next year.(DailyFT)