

ISSUE: JANUARY 2024

# NEWSLETTER



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Our website is under construction. We are preparing something amazing and exciting for you. Special surprise for our members, partners and subscribers.

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## VAT and its impact on industry and commerce, society: A CMA analysis

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Sri Lanka welcomed the New Year with an increase in the VAT rate to 18 percent from 15 percent. This is in addition to the removal of VAT exemptions from 98 items out of 140. The reduction of VAT threshold to Rs. 60 million from 80 million needs approval of parliament.

In an effort to educate the business community and the general public on how their daily activities will be impacted from the VAT changes, CMA hosted an informative webinar towards the latter part of December. The webinar covered the impact on industry, commerce and society, where the resource persons highlighted the inclusion of fresh items such as meals and transport to workers, fuel, fertilizer, losses incurred on closing stocks with retail trade and supermarkets which will badly impact the SME sector as this amount is likely to be claimed from them by the retailers. The main presentation delivered by Asset Advisory Partners MD, Athula Ranaweera, highlighted that the increasing of the rate of tax and the charging of VAT on exempted articles will increase the cost of living and reduction of the buying power. The move will impact the SME sector, power sector, and the export sector. Further, because of making employee meals and transport liable to VAT it will affect to the continuity of employee's welfare & health conditions.

The provision of staff meals and transport which were exempt from VAT are now liable will create lot of complications since many of them are giving free or subsidized meals and transport and adding the market value to pay the increase VAT will increase the cost to the business sector especially the garment sector. "In the wholesale and retail trade where exempt items are concerned when you consider the closing stocks as at 31st December 2023 will be impacted as sales from 1st Jan 2024 will make them liable to pay the 18 percent VAT.

"They will influence suppliers to give a special discount on items sold to supermarkets to set off the additional expenditure they have met. This will also have an adverse impact on SME suppliers, said Ranaweera.

The other important sector that will be severely impacted will be the renewable energy sector as the capital expenditure will be liable to 18 percent VAT.

"This will impact the renewable energy projects such as solar, hydro, wind and will result in more expensive fuel to be used for power generation," he added.

Also, the VAT on petrol and diesel will affect the cost of living as the transport, electricity will go up and the cost of living will go up more than 3 percent to 5 percent approximately. Meanwhile, Prof. Lakshman R Watawala President CMA and Gajma & Co. Senior Partner N. R. Gajendran stressed on the importance of the Institute of Certified Management Accountants to support the Government, Private Sector and SME by providing the proper methods of costing in order that costs can be controlled as well as for the pricing of products and services to be correct to reduce losses of manufacturers and to safeguard the consumer from paying high prices at a time the cost of living is sky rocketing.

Matters on the VAT impact on the IT, Telecom, SMEs, Industries, Exports, Education were highlighted by the panelists which included N. R. Gajendran Senior Partner Gajma & Co., Suresh Perera Principal Tax & Regulatory KPMG, Jehan Perinpanayagam Chairman SLASSCOM, Dr. Kulatunga Rajapakse Emeritus Managing Director DSI Group of companies, Rohana Wijebandara Group Financial Controller Dialog Axiata, Prof. Anil Fernando Senior Lecturer University of Sri Jayawardenapura and moderator Ruchira Perera Council Member CMA.

### Major impacts stemming from VAT changes

- The increase in cost of living by about 3% to 5% on average
- Reduction of the domestic buying power resulting in low demand which will badly affect the domestic production volumes
- Curtailment of capital investments due to increase in capital costs
- Making the renewable energy producing equipment liable to VAT will result in curtailing the investments in the power generation sector and ultimately the country has to depend more and more on imported petroleum products

*(2<sup>nd</sup> of January, 2024, [www.dailymirror.lk](http://www.dailymirror.lk))*

# NEWS UPDATES FROM SRI LANKA

## Export Marketing Planning and Market Pitching Program boosts SMEs export prospects

Sri Lanka's Export Development Board (EDB) completed a comprehensive six-week export coaching program aimed at assisting small and medium-sized enterprises (SMEs) with an export potential, registered under EDB New Exporter Development Program (NEDP) to develop their Export Marketing Plans as the first step in their journey towards becoming export-ready. New Exporter Development Program implemented by the Sri Lanka Export Development Board is aimed at developing export potential of SMEs' to enter export markets.



The program consisted of three phases. A group of 25 SMEs demonstrating export potential were selected by an internal evaluation panel as the first step of the program.



The second phase involved individual and group training sessions on export marketing planning. A dedicated team of Export Development Board officers, trained by the International Trade Center (ITC) as Export Marketing Plan (EMP) coaches, conducted these informative sessions. SMEs received guidance from these officers in developing their export marketing plans for a selected product in a target market. Additionally, there were some knowledge sharing sessions for the SMEs on important aspects on export planning such as packaging development for the export market, marketing and branding, logistics and export documentations with the support of experts from the industry.

The final stage featured an Export Market Pitching program on 5 December 2023 where 17 SMEs presented their export marketing plans, outlining their financial requirement for entry into the international market, such as obtaining market intelligence, quality enhancement, capacity building, packaging development, marketing and branding.

An external evaluation panel, including International Finance Corporations (IFC) Senior Operations Officer Rathnija Arandara, Colombo University Faculty of Management and Finance Senior Lecturer Prof. B. Nishantha and Sri Lanka Institute of Marketing (SLIM) Secretary Dr. Dilhan Sampath Jayatilleke evaluated the presented export marketing plans.

Import Promotion Desk Germany External Consultant Rosa Nelly participated in the program as an observer, giving the feedback on the Export Marketing Plans presented.

Eventually, Lak Nature International Ltd., Serangreen Holdings Ltd., Saviru Spices and Naturals Ltd., Star Mushroom, Aqua Zone Ornamental Fish Farm Ltd., Cloud Content Marketing Ltd., Jay Ceylon Cinnamon Ltd., Nathuco Brown, Randee Super Food Ltd., and St. Theresa DC Mills Ltd. were selected by the panel as the 10 best export marketing plans. The winning companies will be assisted by the Sri Lanka Export Development Board to implement their next stage of Export Marketing Plans.

*(1<sup>st</sup> of January, 2024, [www.FT.lk](http://www.FT.lk))*

## Steps underway to address sovereign-bank nexus: CB

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The Central Bank has said that steps are underway to address what is referred to as sovereign-bank nexus,' where the excesses or vulnerabilities of one sector could have adverse implications on the other causing instability. Releasing the financial system stability review for the period ending September 2023, the Central Bank disclosed that the measures are being taken towards this end.

“Efforts are underway to address the sovereign-bank nexus through policy reforms, aiming to rectify financial intermediation imbalances in the medium to long run,” the Central Bank said. Sovereign-bank nexus refers to the close relationship or interdependence between a country's government and its banking sector.

The economic crisis and the resulting declaration to suspend debt payments by the government highlighted the risks one sector has on the other where the debt default had a severe bearing on banks' balance sheets. Banks allocated massive amounts as provisions from their earnings on the bonds they hold of the government, specially on the foreign denominated ones.

The conditions exacerbated when the crisis and the resulting elevated interest rates pushed scores of borrowers to default on their loans. This resulted in sharply higher additional provisions for possible loan losses. The Central Bank last year decided to leave out the banking sector from the domestic debt optimisation programme to prevent the sector from assuming any more stress.

*(1<sup>st</sup> of January, 2024, [www.dailymirror.lk](http://www.dailymirror.lk))*

## Hotel sector achieves peak revenue growth among NFCs: CB

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- Hotel sector saw revenue expand by 39.2%
- But saw net profit contract by 35.4%
- Healthcare and services sector among top three to witness revenue growth
- Steep revenue dip seen in real estate, manufacturing and automobile
- NFC sector as a whole saw net profit contract by 53.3% YoY

Looking at the sector-wise performance of the non-financial corporates (NFCs), the hotel sector recorded the highest revenue growth for the first nine months ending in September 2023, the Central Bank said.

For the period under review, the hotel sector saw revenue expand by 39.2 percent. The latest Financial Stability Review released by the financial sector regulator recently attributed the revenue growth to tourist arrivals. Tourist arrivals to the island nation exceeded one million from January to September 2023, compared to the low base during the corresponding period of the previous year.

Alongside the hotel sector, the services and healthcare equipment and services sectors recorded a year-on-year (YoY) revenue growth, exceeding 20 percent. “However, significant declines in revenue were evident in several sectors, including real estate, manufacturing, automobile, chemicals and pharmaceuticals and trading and distribution. The performance of the real estate sector was hindered by the deteriorating business conditions and increased cost of raw materials in the country,” the Central Bank said. The scarcity of imported raw materials, a slowdown in most advanced economies and reduced capital investments, due to the high cost of borrowing, led to the manufacturing sector to forgo revenue growth.

The sustained slump in revenue in the automobile sector was primarily driven by the import ban imposed on vehicles in March 2020. In terms of profit, the NFC sector witnessed an overall net profit contraction of 53.3 percent YoY during the nine months ending in September 2023. This was primarily attributed to a significant YoY decline in the finance income of 37.7 percent and a notable YoY increase in finance costs of 29.4 percent.

# NEWS UPDATES FROM SRI LANKA

However, the relaxed monetary policy stance is expected to reduce the finance cost and would positively affect the net profit during the period ahead. The share of NFCs that reported an increase in corporate net profit, compared to the previous year, almost halved from 69.4 percent to 36.4 percent during the nine months ending in September 2023. Although many sectors recorded an increase in revenue growth, all sectors other than the telecommunication services and automobile sectors observed a notable decline in net profit during the nine months ending in September 2023.

“Heightened cost components, including increased costs of sales, distribution and administration expenses contributed to the decline in net profits,” the report said. A significant decrease in income components, particularly in other income and finance income, further exacerbated the decline in net profit.

The telecommunication services sector demonstrated a notable YoY growth, with a significant increase of 167.9 percent in net profit amid low growth in revenue, mainly due to increased foreign exchange gains.

Even with a decrease in revenue, the automobile sector managed to secure the second highest growth in net profit, primarily owing to the decrease in finance costs and net profit margin is a result of increasing indirect expenses comprising distribution, administration and finance costs, alongside a simultaneous decline in indirect income sources, namely other operating income and finance income.

*(2<sup>nd</sup> of January, 2024, www.dailymirror.lk)*

## Sri Lanka’s exporters navigate costly seas amid Red Sea threats



- Exporters face 40-50% freight rate hike due to rerouting
- Space issues add to woes
- Industry expert shares that exporters will pass on increase to retainers, who in turn will pass it on to consumer

Sri Lanka’s exporters face a 40-50 percent hike in freight rates and space shortages, as global shipping companies move to reroute their vessels around the Cape of Good Hope. This is to avoid disruption to shipments after the recent attacks on vessels in the Red Sea by the Yemeni Houthi militant group.

“There’s a push on rates upwards along some with space issues, due to uncertainty. It’s actually feasible for them to go directly from Singapore to the Cape of Good Hope, instead of stopping in Colombo. Some ships are opting for this, which has triggered space issues for exporters in

Colombo,” a shipping industry expert told Mirror Business. He noted that the freight rates have increased significantly after hitting record lows in November last year. “We see an increase. However, the freight rates remain low compared to one and a half years ago. Before this recent surge, the freight rates were only 10 percent of what it was one and a half years ago,” he said, noting that the exporters would pass this increase to the retailers, who would ultimately pass it on to the consumers.

According to the estimates from the freight platform Xeneta, the longer journey avoiding the Red Sea and Suez Canal cost up to US \$ 1 million extra in fuel for every round trip between Asia and Northern Europe while adding 10 days to the journey. Meanwhile, the industry expert, who preferred to remain anonymous, said that some exporters may find delays in finding space for their cargo, as the number of vessels calling for Colombo has reduced.

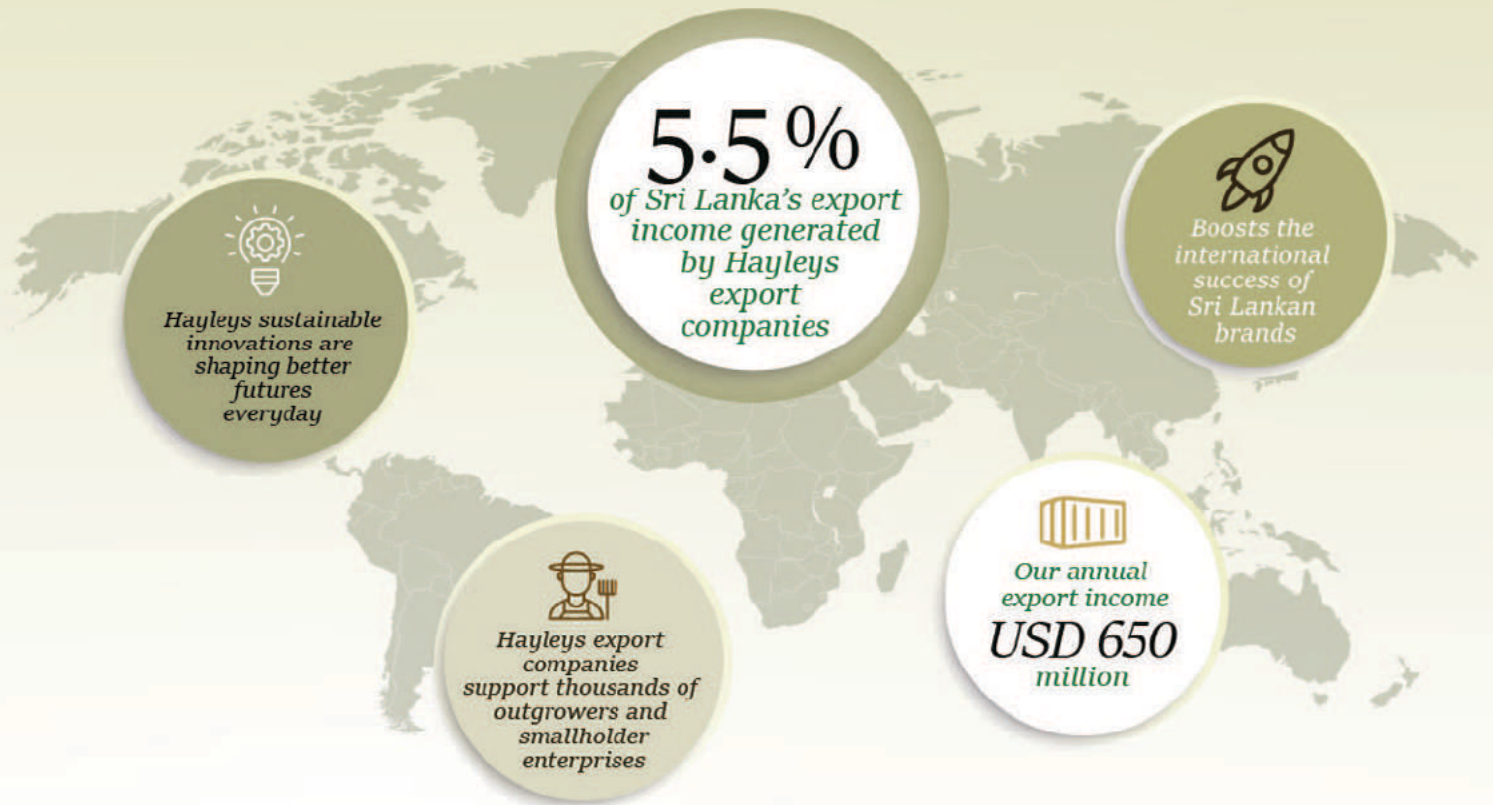
“Majority of vessels are still calling the Port of Colombo and going around the Cape of Good Hope. However, even when some don’t come, it affects the space. It’s not as if you can’t find space for your cargo at all; you have to book early to secure the space,” he elaborated. Despite the reduction in the number of vessels calling the Port of Colombo, the experts expect a minimal impact on trans-shipment volumes at the port.

*(2<sup>nd</sup> of January, 2024, www.dailymirror.lk)*

# CELEBRATING A LEGACY OF EXCELLENCE THAT POWERS A NATION FORWARD

The Hayleys Group maintains its position as one of Sri Lanka's most diversified and socio-economically impactful organisations. With extensive business interests across 16 sectors, the Group generates approximately 5.5% of the country's export income with globally leading market positions across several key industry verticals; a testament to the dedication of our team and the impact of our sustainable, innovative business sectors.

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Leader in Sri Lanka's innovative synthetic fabric and textile manufacture for global brands



Contributes to 13% of Sri Lanka's coconut and coconut fibre related export revenue



World's first ethical tea brand



Sri Lanka's No.1 brand and largest exporter of aluminium extrusion products



# NEWS UPDATES FROM EUROPE

## Euro-Dollar outlook 2024: Navigating political and economic challenges

As 2024 unfolds, the euro faces a complex landscape marked by political shifts and economic challenges. Key events include parliamentary and presidential elections in several Eurozone countries, while challenges include global conflicts, fiscal tightening and inflation concerns. After enduring two consecutive years of depreciation, the euro has rebounded in 2023, boasting a 3% gain against the dollar. As the single currency enters 2024, it faces a landscape rife with economic and political events, along with challenges that could shape its trajectory in the coming months.

### Political elections and shifting dynamics

2024 is packed with significant political events across the Eurozone. Austria, Belgium, Croatia, Lithuania, Portugal, and Slovakia are all gearing up for major parliamentary or presidential elections.

However, all eyes are fixed on the upcoming European Parliament elections which will be held between 6 and 9 June 2024. The renewal of 705 Members of the European Parliament is poised to bring about shifts at the highest levels of the European Commission and the European Council, with the potential for the introduction of new policy initiatives affecting the euro.

### Challenges ahead: From global conflicts to fiscal tightening

The Eurozone's path is fraught with challenges stemming from ongoing international conflicts, notably in Ukraine and the Israel-Gaza strip. Domestically, the bloc must also contend with economic trials, particularly concerning the EU's budget and the imperative green transition.

Fiscal policies in member states are poised for tightening in 2024. The European Commission expects a reduction in energy support measures, which will impact the fiscal stance significantly.

The issue of Germany's "debt brake" will be critical, especially after the German Constitutional Court declared a significant part of the government's funding plan for climate and energy programs unlawful in November 2023, resulting in a €60 billion shortfall in the nation's public finances.

This debate has divided economists. According to a recent ifo and FAZ survey, some advocate for reforming or abolishing the debt brake to better facilitate green investments, while nearly half support maintaining it to ensure fiscal stability.

### Economic and policy outlook: Slowing inflation and rate cuts on the horizon

On the economic front, after a robust post-pandemic recovery driven by services, growth momentum has slowed due to higher living costs, weak external demand, and the effects of tighter monetary policy. Inflation is expected to continue declining, although the phasing out may slow down the decline in price pressures.

Regarding monetary policy, the European Central Bank (ECB) maintained its key interest rates unchanged in December, signaling the potential end of its tightening cycle. However, unlike the Federal Reserve Chair Jerome Powell, ECB President Christine Lagarde

The Euro has bounced back from 2021-2022 downturn



emphasised the need to remain vigilant, arguing that now is not the time to "lower our guard" on interest rates.

The market is anticipating approximately seven 25-basis-point rate cuts by the ECB in 2024.

### Euro-dollar projections: Diverse perspectives from major banks

ING Group holds a bullish view on the euro, expecting it to rise to 1.15 against the dollar due to a slowdown in the US economy leading to Fed interest rate cuts. However, it acknowledges that weak eurozone growth could lead the ECB to cut rates alongside the Fed, limiting the euro's appreciation.

Bank of America also predicts EUR/USD will reach 1.15 by the end of 2024. Despite expectations of weak Eurozone growth, the currency pair is expected to strengthen due to Fed rate cuts. It estimates the euro-dollar exchange rate is undervalued by about 15%.

Conversely, US investment bank Citigroup anticipates continued economic weakness in Europe, driven by consumer slowdown and reduced fiscal stimulus. It maintains a forecast of 1.02 for the EUR/USD pair in the next 6-12 months.

(2<sup>nd</sup> of January, 2024, [www.euronews.com](http://www.euronews.com))

# NEWS UPDATES FROM EUROPE

## Commission welcomes political agreement on Artificial Intelligence Act

The Commission welcomes the political agreement reached between the European Parliament and the Council on the Artificial Intelligence Act (AI Act), proposed by the Commission in April 2021.

Ursula von der Leyen, President of the European Commission, said: *“Artificial intelligence is already changing our everyday lives. And this is just the beginning. Used wisely and widely, AI promises huge benefits to our economy and society. Therefore, I very much welcome today’s political agreement by the European Parliament and the Council on the Artificial Intelligence Act. The EU’s AI Act is the first-ever comprehensive legal framework on Artificial Intelligence worldwide. So, this is a historic moment. The AI Act transposes European values to a new era. By focusing regulation on identifiable risks, today’s agreement will foster responsible innovation in Europe. By guaranteeing the safety and fundamental rights of people and businesses, it will support the development, deployment and take-up of trustworthy AI in the EU. Our AI Act will make a substantial contribution to the development of global rules and principles for human-centric AI.”*

### The European approach to trustworthy AI

The new rules will be applied directly in the same way across all Member States, based on a future-proof definition of AI. They follow a risk-based approach:

**Minimal risk:** The vast majority of AI systems fall into the category of minimal risk. Minimal risk applications such as AI-enabled recommender systems or spam filters will benefit from a free-pass and absence of obligations, as these systems present only minimal or no risk for citizens’ rights or safety. On a voluntary basis, companies may nevertheless commit to additional codes of conduct for these AI systems.

**High-risk:** AI systems identified as high-risk will be required to comply with strict requirements, including risk-mitigation systems, high quality of data sets, logging of activity, detailed documentation, clear user information, human oversight, and a high level of robustness, accuracy and cybersecurity. Regulatory sandboxes will facilitate responsible innovation and the development of compliant AI systems.

Examples of such high-risk AI systems include certain critical infrastructures for instance in the fields of water, gas and electricity; medical devices; systems to determine access to educational institutions or for recruiting people; or certain systems used in the fields of law enforcement, border control, administration of justice and democratic processes. Moreover, biometric identification, categorisation and emotion recognition systems are also considered high-risk.

**Unacceptable risk:** AI systems considered a clear threat to the fundamental rights of people will be banned. This includes AI systems or applications that manipulate human behaviour to circumvent users’ free will, such as toys using voice assistance encouraging dangerous behaviour of minors or systems that allow ‘social scoring’ by governments or companies, and certain applications of predictive policing. In addition, some uses of biometric systems will be prohibited, for example emotion recognition systems used at the workplace and some systems for categorising people or real time remote biometric identification for law enforcement purposes in publicly accessible spaces (with narrow exceptions).

**Specific transparency risk:** When employing AI systems such as chatbots, users should be aware that they are interacting with a machine. Deep fakes and other AI generated content will have to be labelled as such, and users need to be informed when biometric categorisation or emotion recognition systems are being used. In addition, providers will have to design systems in a way that synthetic audio, video, text and images content is marked in a machine-readable format, and detectable as artificially generated or manipulated.

### Fines

Companies not complying with the rules will be fined. Fines would range from €35 million or 7% of global annual turnover (whichever is higher) for violations of banned AI applications, €15 million or 3% for violations of other obligations and €7.5 million or 1.5% for supplying incorrect information. More proportionate caps are foreseen for administrative fines for SMEs and start-ups in case of infringements of the AI Act.

### General purpose AI

The AI Act introduces dedicated rules for general purpose AI models that will ensure transparency along the value chain. For very powerful models that could pose systemic risks, there will be additional binding obligations related to managing risks and monitoring serious incidents, performing model evaluation and adversarial testing. These new obligations will be operationalised through codes of practices developed by industry, the scientific community, civil society and other stakeholders together with the Commission.

# NEWS UPDATES FROM EUROPE

In terms of governance, national competent market surveillance authorities will supervise the implementation of the new rules at national level, while the creation of a **new European AI Office** within the European Commission will ensure coordination at European level. The new AI Office will also supervise the implementation and enforcement of the new rules on general purpose AI models. Along with the national market surveillance authorities, the AI Office will be the first body globally that enforces binding rules on AI and is therefore expected to become an international reference point. For general purpose models, a scientific panel of independent experts will play a central role by issuing alerts on systemic risks and contributing to classifying and testing the models.

## Next Steps

The political agreement is now subject to formal approval by the European Parliament and the Council and will enter into force 20 days after publication in the Official Journal. The AI Act would then become applicable two years after its entry into force, except for some specific provisions: Prohibitions will already apply after 6 months while the rules on General Purpose AI will apply after 12 months.

To bridge the transitional period before the Regulation becomes generally applicable, the Commission will be launching an AI Pact. It will convene AI developers from Europe and around the world who commit on a voluntary basis to implement key obligations of the AI Act ahead of the legal deadlines.

To promote rules on trustworthy AI at international level, the European Union will continue to work in fora such as the G7, the OECD, the Council of Europe, the G20 and the UN. Just recently, we supported the agreement by G7 leaders under the Hiroshima AI process on International Guiding Principles and a voluntary Code of Conduct for Advanced AI systems.

## Background

For years, the Commission has been facilitating and enhancing cooperation on AI across the EU to boost its competitiveness and ensure trust based on EU values.

Following the publication of the European Strategy on AI in 2018 and after extensive stakeholder consultation, the High-Level Expert Group on Artificial Intelligence (HLEG) developed Guidelines for Trustworthy AI in 2019, and an Assessment List for Trustworthy AI in 2020. In parallel, the first Coordinated Plan on AI was published in December 2018 as a joint commitment with Member States.

The Commission's White Paper on AI, published in 2020, set out a clear vision for AI in Europe: an ecosystem of excellence and trust, setting the scene for today's political agreement. The public consultation on the White Paper on AI elicited widespread participation from across the world. The White Paper was accompanied by a 'Report on the safety and liability implications of Artificial Intelligence, the Internet of Things and robotics' concluding that the current product safety legislation contains a number of gaps that needed to be addressed, notably in the Machinery Directive.

Independent, evidence-based research produced by the Joint Research Centre (JRC) has been fundamental in shaping the EU's AI policies and ensuring their effective implementation. Through rigorous research and analysis, the JRC has supported the development of the AI Act, informing AI terminology, risk classification, technical requirements and contributing to the ongoing development of harmonised standards.

*(9<sup>th</sup> of December, 2023, [www.ec.europa.eu](http://www.ec.europa.eu))*

## New solutions to improve citizens' lives in Europe's cross-border regions

The Commission has put forward solutions to ensure citizens who live in border regions in the European Union can access the services that they need in their daily lives. 150 million European citizens live in these regions. They often **face obstacles to access transport, healthcare services, education**, as well as **infrastructure** projects. Navigating between different legal and administrative systems can be complex, costly, and confusing.

For example, a citizen can have trouble accessing critical emergency services because their closest emergency service or hospital may be across a border. They can face a lack of information about their rights, different health insurance rules or different technical requirements for emergency vehicles. As a result, they may not reach a hospital or request an ambulance on time.

Under the new proposal, EU countries will have to set up **Cross-Border Coordination Points**. When someone reports a cross-border issue, this new service will put them in touch with the relevant national authorities. Together, they can work on finding a practical solution. EU countries have the final say on which solutions are put in place. The Commission will also create a **network** of these Coordination Points to share best practices. Removing 20% of the current legal and administrative hurdles would boost GDP by 2% and create over one million jobs in Europe's cross-border regions, according to a 2017 study.

*(12<sup>th</sup> of December, 2023, [www.ec.europa.eu](http://www.ec.europa.eu))*



# NEWS UPDATES FROM EUROPE

## The EU and Canada boost bilateral relation and coordinate approach to global challenges during leaders' meeting

The European Union and Canada have displayed their alignment and shared values in the face of current global challenges during the EU-Canada Summit which took place on 23 and 24 November.



European Commission President Ursula von der Leyen and European Council President Charles Michel were hosted by Prime Minister Justin Trudeau, in the city of St John's, on the island of Newfoundland in eastern Canada.

The EU and Canada have been close partners over the years and have been working together on common priorities like Russia's illegal war of aggression against Ukraine, the fight against climate change, biodiversity loss, and pollution, and the emergence of new technologies.

The summit allowed leaders to take stock of the current geopolitical situation. They exchanged on the current conflict in the Middle East, condemning once more Hamas's barbaric terrorist attacks against Israel and

welcoming the agreement to release hostages held by Hamas and the start of a humanitarian pause. Leaders expressed a shared commitment to prevent violence from spreading and to continue working towards peaceful coexistence on the basis of a two-state solution.

EU leaders and the Prime Minister also discussed the situation in Ukraine. *"From day one of this war, Canada and the European Union have worked together closely"*, the President said, thanking Prime Minister Trudeau for that cooperation. The EU and Canada reiterated their support for Ukraine in response to Russia's illegal war of aggression, for as long as it takes. *"And we continue to maintain pressure on Russia, with effective sanctions, in close coordination with other G7 partners,"* the President added.

### Advancing the strategic partnership

A series of ambitious bilateral agreements were announced at the end of the summit. The EU and Canada concluded negotiations for Canada to become an associated country to Horizon Europe, the EU's flagship research and innovation programme. Canada's new status will allow its researchers to benefit from the programme as their EU counterparts do. President von der Leyen highlighted that the EU and Canada *"will work on the next generation of all these exciting new clean technologies, but also biotech, digital projects – you name it."*

An EU - Canada Green Alliance was also concluded. This partnership is the most comprehensive form of bilateral engagement established under the European Green Deal and will enhance cooperation on climate, energy, environment, oceans, sustainable mobility, and more.

Moreover, President von der Leyen announced that the EU will join the Global Carbon Pricing Challenge that Prime Minister Trudeau launched at the COP26. The initiative seeks to increase carbon pricing coverage of global emissions to 60% by 2030.

President von der Leyen and Prime Minister Trudeau also presented a European Commission - Canada Hydrogen Action Plan with the aim of developing the market between the EU and Canada for hydrogen, a promising clean technology that can contribute to achieve the green transition.

Leaders also concluded an EU - Canada Digital Partnership to foster a digital transformation that is based on values. The partnership will increase cooperation on Artificial Intelligence (AI), with the aim of reaping its benefits while mitigating associated risks. It will also deepen cooperation on cybersecurity, online platforms, digital identity and skills.

# NEWS UPDATES FROM EUROPE

The two sides welcomed their agreement on **Passenger Name Record (PNR)**, which will facilitate the fight against terrorism and organised crime while fully respecting privacy and data protection standards.

Finally, the EU and Canada took stock of their trade relationship. The **Comprehensive Economic and Trade Agreement (CETA)** has improved trade and investment between the two sides. Over the last six years, CETA has helped to increase trade in goods by 66%, reaching €77 billion and delivering for European and Canadian people and businesses.

At the same time, President **von der Leyen** stressed that trade and economic cooperation can go further, elaborating notably on the field of critical raw materials. She extended an invitation for Canada to join the Critical Raw Materials Club that will be launched during the upcoming COP28. The President underlined Canada's importance in this field mentioning the country is "the only country in the Western hemisphere with all the raw materials required for lithium batteries. And the European Union is Canada's second largest export market. So I would say that this is a perfect match."

*(25<sup>th</sup> of November, 2023, [www.ec.europa.eu](http://www.ec.europa.eu))*

## New measures will increase transparency to better protect European democracy

In democratic and open societies, everyone can freely express themselves, fully participate, and enjoy their rights and freedoms. But in Europe, democracy also has its enemies. Some have made attempts to exploit societal division and spread disinformation to weaken the democratic voice of citizens or to distort election campaigns.

For this reason, the Commission has put forward new measures to:

- ensure transparency of foreign interest representation seeking to influence the decision-making process in the Union, by setting up common accountability standards and a Transparency Register for entities carrying out interest representation activities on behalf of a third country
- strengthen electoral processes in the EU, supporting high voter turnouts, and protecting election-related infrastructure and cyber security
- ensure citizens and civil society organisations can participate in policymaking, by encouraging EU countries to develop a more consistent and organised approach to civic participation



There is a growing concern in the EU that the openness of our societies can be exploited by foreign governments. 81% of respondents to a recent EU survey agree that foreign interference in our democratic systems is a serious problem. At the same time, we must continue to find ways to make our democracies more resilient by encouraging active participation in our democracies.

This new package builds on the European Democracy Action Plan adopted in 2020, and is an important additional action to strengthen democracies across the EU ahead of the 2024 European elections.

*(12<sup>th</sup> of December, 2023, [www.ec.europa.eu](http://www.ec.europa.eu))*

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# MEMBER NEWS UPDATES

## Future Fibres Lanka Certified as a Great Place to Work®



In a remarkable achievement, Future Fibres Lanka has been officially certified as a Great Place to Work in recognition for its commitment to fostering a positive and inclusive workplace environment. A testament to its success, a remarkable 97% of Future Fibres' employees take immense pride in being part of the organization, a statistic that reflects the company's dedication to employee satisfaction and well-being. Moreover, an impressive 96% of employees believe that the service provided by Future Fibres is deserving of an excellent rating from our valued customers.



The high response rate to the comprehensive culture audit and survey reinforces the authenticity of Future Fibres' commitment to employee well-being and workplace excellence. Through these assessments, the company's dedication to creating a harmonious work environment has resonated deeply with its workforce. This certification reaffirms what the employees have known all along – that Future Fibres



Lanka is not only a company that delivers top-notch services to its customers, but also a place where employees can thrive, contribute, and take pride in their work. The Great Place to Work® Certification serves as a testament to Future Fibres' ongoing efforts to provide a workplace that inspires trust, camaraderie, and growth for all its employees.

### Future Fibres Lanka marks a milestone of 15 years in Sri Lanka

Future Fibres Lanka commemorated 15 successful years of operations in Sri Lanka, a testament to the company's enduring commitment to growth and excellence. The event, attended by over 150 employees, and beyond the milestone celebration, the occasion served as a platform to recognize and appreciate the outstanding contributions of top-performing employees, not only

in the realm of work but also in extracurricular activities. The successful event underscored Future Fibres' thriving presence in Sri Lanka, reflecting a vibrant corporate culture that values both professional accomplishments and the diverse talents of its workforce.



# MEMBER NEWS **UPDATES**

## **JFS Holdings participated in the Sri Lanka Foreign Service Association (SLFSA) Christmas Charity Bazar**

The Sri Lanka Foreign Service Association (SLFSA) in collaboration with the 'Good Market', a non-profit organisation conducted its first Christmas Charity Bazar on the 2nd of December 2023 at the Colombo Racecourse grounds. The bazar included many Colombo-based diplomatic missions and other reputed organisations operating in Sri Lanka. JFS Holdings; a member of the European Chamber of Commerce of Sri Lanka also participated in the same, offering their product services under the 'EU Green' theme.

The total collection made at this noble cause was donated to the children's Neuro-surgical Project of the Lady Ridgeway Hospital in Colombo.

Founded in the year 2012, JFS Holdings is a diversified business entity in Sri Lanka, excelling in BPO, ICT, action sports, and agro-food sectors.



## **Red Sea attacks: How will global trade be affected?**

***By ECCSL MAT Committee - Transport & Logistics***

After a rise in attacks by the Yemeni based Houthi rebels, the world's largest shipping lines have decided to stay away from the Red Sea and Suez Canal area. As a result of this will we see another supply chain crisis?

Over the past weeks, most of the world's largest shipping lines have said they will avoid the Red Sea and, therefore, the Suez Canal after Yemen-based Houthi rebels fired missiles at cargo ships over the Israel-Hamas war.

Instead, ships traveling from the Far East to Europe will need to make a detour around the entire African continent via South Africa's Cape of Good Hope. The journey will take more than a week longer and will add about 3,500 nautical miles (6,482 kilometers).

The Suez Canal, which connects the Red Sea to the Mediterranean, is the shortest route between Europe and Asia. About 12% of global shipping traffic and 30% of world container traffic normally transits the waterway.

### **Costs for shipping lines skyrocket**

Industry analysts say that the decision already greatly impacts the cost of shipping goods. If it becomes an extended crisis, it could spark a hike in the price consumers pay for imported goods.

A round-trip voyage from Shanghai to Rotterdam via the Cape of Good Hope adds a million dollars in fuel costs alone. This is a huge bill the shipping lines need to absorb.

Insurance premiums have soared in response to the attacks, while container shipping lines that run weekly services between Asia and Europe will need to factor in the cost of three extra ships to ensure a similar level of service.

The delays in shipping will then have knock-on effects at container ports across Europe, which are usually highly efficient at handling flows of large numbers of containers.

The delays to vessels calling ports can cause congestion at these ports as well delays in the movement of empty containers to the origin ports.

The Red Sea crisis is affecting the vessel movement as well as cargo movement. This can have severe implications to cargo movement as well as freight rates as the shipping lines will impose diversion surcharges etc to cover their cost. We are already seeing surcharges of USD 1000 - 1500/ per TEU being imposed.

# MEMBER NEWS UPDATES

## Supply chains more robust today

Although supply chains have since mostly returned to normal, the security threat in the Red Sea could see prices double over the next few weeks, say analysts. Global freight rates were already rising again after the Panama Canal last month curbed the number of vessels that could ply the waterway that connects the Atlantic and Pacific oceans due to a drought.

Fortunately, the shipping industry has learned the lessons from the post-COVID supply chain crisis, and many firms have expanded their fleet of cargo vessels, meaning the impact of any lasting Red Sea rerouting won't be as disastrous.

Right now, there is an overcapacity of container vessels, so in the absolute worst case, where lines have to continue to go around Africa for a time, they have the container vessels in the world to do this.

For the first few days of the current crisis, shipping firms had kept their vessels in a holding pattern in the hope that the attacks would be curtailed or security in the region would be quickly increased.

From the past week, more and more vessels are being redirected to go around Africa, which seems to indicate the carriers are beginning to lose faith that this crisis can be resolved very rapidly.

## US, allies step up naval security

The United States announced a multi-nation operation to safeguard maritime commerce in the Red Sea. As part of the measure, Britain, Bahrain, Canada, France, Italy, the Netherlands, Norway, Seychelles and Spain will stage joint patrols in the southern Red Sea and the Gulf of Aden.

US and British warships in the area have begun shooting down Houthi missiles and drones in recent days. However, it is unclear whether the presence of a larger naval force will be enough to halt the attacks altogether.

Some ships are, however, continuing to ply the Red Sea, albeit with armed guards on board, in case their vessels are boarded by Houthi rebels, who insisted that the US-led security operation would not deter them.

The current situation is trickier because what is it going to take to get the Houthis to stop launching missiles and drones at the ships, especially as they are drawing attention to the [Israel-Hamas] conflict?"

The main impact will be seen in February as there is the potential for stores to run low on stock by then if the delays continue.

Other analysts have warned that while container shipping may be hit harder overall, the delay to vessels carrying fossil fuels to Europe may be felt first.

We see energy shipments being impacted right here, right now whether that's oil or coal or gas simply due to winter in the northern hemisphere. This could lead to a knock-on effect on energy prices.

## Link Natural honoured with highly coveted and prestigious national awards

Link Natural Products Ltd., a subsidiary of CIC Holdings, and a leading manufacturer of herbal products, concludes year 2023 on a high note, securing 3 major prestigious awards of excellence on the national stage, competing against the best of the best across all sectors. Link Natural is a leading R&D based manufacturer and marketer of herbal healthcare and herbal personal care products in addition to Ayurveda pharmaceuticals.

Link Natural Products commenced operations in 1982 with the manufacturing of spice essential oils for the export market. From its inception quality was the highest priority for the business. Subsequently, the company ventured into the manufacturing of Ayurvedic medicines, herbal health and personal care products. Strong research and development capabilities laid the foundation for the business. The Company constantly delves into the treasures of Ayurveda and strives to bring about safe, effective and quality health and personal care products that serve the needs of today's consumer to lead a healthy life.

# MEMBER NEWS UPDATES

In an impressive and outstanding achievement, Link Natural was bestowed with the 'Best Exporter Herbal and Ayurveda' award at the eminent Presidential Export Awards 2022/23. This is the highest honour bestowed upon Sri Lankan exporters, and is testimony to the company's commitment to excellence in export performance. Link Natural Products was selected for this award based on its exceptional export earnings, value addition for exports, employment creation, market diversification, and growth of export earnings. The Presidential Export Awards are organised annually by the Sri Lanka Export Development Board (EDB) to recognise and reward exporters who have made outstanding contributions to the country's export sector and economic advancement.

Forging ahead with its pioneering presence and duly recognised, Link Natural also won the Gold award (Large category) in Pharmaceutical Products including Medicinal related Ayurvedic and Herbal Products Sector at the 31st Annual Export Awards 2023 organised by the National Chamber of Exporters of Sri Lanka (NCE).



Today, Link Natural Products dominate the local market with a range of herbal healthcare and personal care products. Rapid growth in exports is evident in the opportunities available in the global landscape and success in getting regulatory approvals mark its strong compliance to product safety, efficacy and quality requirements. Its flagship brand, Link Samahan is currently exported to over 30 countries including the USA, Japan, Russia, India, the Czech Republic, Canada and the Middle East. Link Samahan is a 100 % natural authentic herbal drink formulated with 14 trusted ayurvedic herbal ingredients that have been used traditionally for centuries to enhance health and well-being and support immunity when consumed regularly. We are also proud that the goodness of Sri Lanka in Samahan is available on-board Sri Lankan Airlines.

In recognition of its occupational and safety standards, the company was also further bestowed with the Merit Award at the National Occupational Safety and Health Excellence Awards 2022 that reflects its dedication to creating a safe and healthy work environment for all employees. The company has a strong track record of preventing workplace accidents and injuries, and implemented several successful safety initiatives.

Link Natural CEO Roshani Jayasundera Moraes said: "These awards are an affirmation of Link Natural's commitment to maintain the highest standards of its products while remaining focused on making a significant contribution to the economy and taking the nation's ancient herbal and Ayurveda legacy to the world. These awards are a source of inspiration to keep persevering with sustainable innovation."

Link Natural specialises in safe, efficacious and quality innovative Herbal Healthcare products that cater to many healthcare and wellness needs of consumers. The company prides itself on the state-of-the-art modern Research and Development Centre that is the core of researching, formulating, developing and setting high standards for commercial production at its FDA audit compliant facility, with a keen eye on maintaining stringent quality and regulatory standards of all products that leave its gates to reach the market locally and internationally. The company acquired approval and listing for Samahan at the network of Costco in Japan, a testimony by world-renowned British supermodel and recommendation of Samahan by a popular senior Bollywood actor during a reality show, that proved the high standards of safety, efficacy and quality of Samahan and the rest of the products manufactured and marketed by Link Natural.

Link Natural's Herbal Personal Care range of products encourage customers to pamper themselves from head to toe while the Ayurveda Pharmaceuticals cater to the needs of Ayurveda physicians and their patients. Earth Essence, a complete range of herbal personal care products, is the company's latest introduction to the retail market. Link Natural has partnered with SriLankan Airlines to introduce a range of 'Earth Essence' personal care products to the airline's onboard duty-free collection. The company's first novel experiential centre, "Swastha by Link Natural" was opened at No. 6 Maitland Crescent, Colombo 7, with the objective of providing customers, stakeholders and the discerning public the opportunity of an immersive brand experience.

Link Natural, for many years is home to internationally trusted and time-tested products such as Samahan, Sudantha, Swastha Amurtha, Swastha Triphala, Musclegard, SP Balm, Kesha etc., that have provided consumers with holistic wellness for generations.

(11<sup>th</sup> of January, 2024, [www.ft.lk](http://www.ft.lk))

# MEMBER NEWS UPDATES

## Mano Sekaram appointed Norway's Honorary Consul General to SL



IT industry leader Mano Sekaram has been appointed as Norway's Honorary Consul General to Sri Lanka. After three decades of operation, the Government of Norway made the decision to wind up operations in Sri Lanka, as of 31 July. This comes as part of a reform initiative.

"To continue preserving the strong ties between Sri Lanka and Norway, our very own Mano Sekaram has been officially appointed Norway's Honorary Consul General to Sri Lanka. As the Founder and CEO of 99x, Mano Sekaram stands out as a distinguished tech entrepreneur with a long-standing and deep relationship with Norway," Norway's Foreign Ministry said.

Norway's Foreign Ministry said Norway looks forward to working with Sekaram and continuing "our good cooperation" in Sri Lanka.

"It is an honour to be appointed as Norway's Honorary Consul General to Sri Lanka," said Mano.

*(31<sup>st</sup> of August, 2023, [www.ft.lk](http://www.ft.lk))*

## DIMO honoured once again by SAFA for corporate reporting

DIMO, a leading diversified conglomerate in Sri Lanka, continues to shine at a global scale clinching the Joint Gold Award in the Diversified Category, and another Gold Award for Integrated Reporting at the recent South Asian Federation of Accountants (SAFA) Best Presented Annual Report Awards, Integrated Reporting Awards, and SAARC Anniversary Awards for Corporate Governance Disclosures Competition 2022 showcasing its excellence in corporate reporting.



These accolades underscore DIMO's dedication to setting new benchmarks in corporate reporting and contributing to a culture of transparency in the South Asian business landscape. DIMO General Manager - Finance Sudath Mahagedara and Senior Manager - Group Financial Planning and Control Amali De Zoysa accepted the awards on behalf of DIMO at the ceremony held in India recently.

*(4<sup>th</sup> of January, 2024, [www.ft.lk](http://www.ft.lk))*

# MEMBER NEWS UPDATES

## JFS Agro Food, Sabaragamuwa Uni. collaborate on kurakkan-based instant health foods for global markets



JFS Holdings Limited announced a groundbreaking research collaboration between RAVINE, its agro food brand under JFS Agro Food (Private) Limited and the University Business Linkage Cell at the Sabaragamuwa University.

The partnership aims to develop export-oriented kurakkan (finger millet)-based instant food products, encouraging healthier food habits and expanding global market

presence. The collaboration of JFS with the Sabaragamuwa University brings together academic expertise and industry innovation to create a range of instant food products, with kurakkan as the key ingredient.

The products, including the recently experimented Kurakstring Mix and Kurakkan Flour - Fine Grade, are designed to meet the demands of a global audience seeking unique, healthy and gluten-free alternatives.

“Our commitment to long-term development and delivering value to customers aligns perfectly with the university’s dedication to research and knowledge dissemination. Together, we aim to introduce a range of kurakkan-based instant food products to the global market, promoting healthier eating habits and providing unique alternatives,” said JFS Holdings Limited Chairperson and JFS Agro Food President Madhushan Raigamage.

Commenting on the new partnership, Sabaragamuwa University Vice-Chancellor Prof. M. Sunil Shantha highlighted the Sri Lankan government’s emphasis on prioritising research and development activities.

This focus aims to benefit not only the university and companies but also the entire national economy. He also outlined the university’s vision to create innovative products, particularly in agriculture and food science, with a focus on the export market.

With an established e-commerce platform, JFS Agro Food is poised to expedite the global distribution of these innovative products. The company is actively approaching the potential buyers in the USA, Canada, the UAE, Australia and New Zealand, with plans to explore additional opportunities in the global market. RAVINE, as a Good Manufacturing Practices certificate holder, envisions not only replacing traditional wheat-based products for all kinds of health-conscious populations with gluten-free products but also catering to specific dietary needs. The upcoming product line includes ready-to-eat/drink options for diabetic patients, people with high vulnerability for diabetes and fibre-rich products for those in need of dietary fibre. As JFS Agro Food and the Sabaragamuwa University are set to redefine the boundaries of agro-food innovation, they are inviting everyone to savour the goodness of kurakkan in delightful and convenient forms.

Founded in 2012, JFS Holdings Limited has rapidly evolved across key sectors, including ICT, BPO, agro-food and action sports. Since 2020, the company’s food-agro sector has been providing kurakkan-based basic products and spices to the local market, contributing to the promotion of traditional and nutritious.

*(6<sup>th</sup> of January, 2024, [www.dailymirror.lk](http://www.dailymirror.lk))*

# MEMBER NEWS UPDATES

## Singer clinches Gold at TAGS Awards 2023

Singer (Sri Lanka) PLC proudly announced its recent triumph at TAGS Awards 2023, organised by the Institute of Chartered Accountants of Sri Lanka. The esteemed company secured the Gold award in the trading sector, marking a significant recognition of its unwavering commitment to excellence and adherence to corporate best practices and reporting.

Notably, Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC also stood out at TAGS Awards 2023. Regnis (Lanka) PLC clinched the Gold award in the manufacturing sector (turnover up to Rs.10 billion), while Singer Industries (Ceylon) PLC earned the Bronze award in the same category. These accolades

reflect the exceptional performance and dedication of the Singer group in the Sri Lankan business landscape. The TAGS Awards serve as a benchmark for excellence in corporate reporting, with a rigorous evaluation process conducted by the Institute of Chartered Accountants of Sri Lanka. The Singer group's two Gold awards and Bronze award underscore the group's commitment to transparent and responsible business practices.

Singer Group of Companies CEO Mahesh Wijewardene expressed gratitude for the recognition, stating, "We are honoured to receive these awards at TAGS Awards 2023. This achievement is a testament to our relentless pursuit of excellence, adherence to corporate governance and dedication to fostering positive relationships with our stakeholders." Singer (Sri Lanka) PLC Finance Director Shalinka Seresinhe added, "These prestigious awards at the TAGS Awards is a validation of our commitment to maintaining the highest standards in corporate best practices and financial reporting. It showcases our dedication to transparency and responsible financial management practices." Singer's achievement of such prestigious awards enhances its corporate image and reinforces its continued commitment to responsible corporate reporting. The company remains dedicated to compliance with all applicable laws and regulations, further solidifying its reputation as a trustworthy and ethical business entity.

The primary audience for this achievement is Singer's valued customers, while other key stakeholders include bankers, regulators, suppliers, employees and potential employees. Through such recognition, Singer aims to assure its stakeholders of its steadfast commitment to delivering quality products and services while upholding the highest standards of corporate responsibility. Singer, a leading name in the Sri Lankan business sphere, has been at the forefront of providing innovative and reliable solutions to its customers for many decades. With a commitment to excellence, integrity and community engagement, Singer continues to be a trusted partner in the lives of Sri Lankan consumers.

*(10<sup>th</sup> of January, 2024, [www.dailymirror.lk](http://www.dailymirror.lk))*





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## Anoja Basnayake of Bours featured on inaugural CSSL National CIO List 2023

In recognition of her unwavering dedication and contribution to the technology sphere in Sri Lanka, Anoja Basnayake, the Director of Information Technology at A. Baur & Co. (Pvt) Ltd, also known as Bours, one of the leading conglomerates with diversified business interests, was recently featured on the inaugural National CIO List 2023 of Computer Society of Sri Lanka.

Initiated by the apex professional body for ICT practitioners, Computer Society of Sri Lanka (CSSL) for the first time and launching the National CIO list, the event was held on 12 December 2023 at the BMICH, recognizing some of the industry's leading and renowned personalities. The role of a CIO is becoming very important and its changing from a supporting role to a strategic role as the digital transformation journey happening across in all industries and the globe. This was reflected in their measurement criteria of evaluation when selecting the national CIO's.

Anoja began her career at Bours as Manager IT in 2008, having previously worked at blue chips such as Brandix, PricewaterhouseCoopers, and Hayleys. She has led many strategic digital transformation initiatives. She played a pivotal role as project director at Bours overseeing the implementation and migration of SAP S/4 HANA 2020 on cloud deployment with SAP Analytics Cloud Live reporting, making it the first company in Sri Lanka to do so at that time.

This paved way to initiate project RISE ABC to expand the company's digital footprint and overall value proposition through optimizing its operational

processes and deploying timely innovative solutions, and also going onto establishing the digital core with S/4 HANA which has inbuilt AI, ML capabilities, enriched with a vast solution stack with latest technological disruptions.

Backed by over 25 years of experience across a multitude of managerial and technical aspects, she brings expertise in driving change and modernization, promoting the adaptation of cutting-edge technologies. Anoja is the Vice President, Professional Development at the Project Management Institute, USA Colombo Chapter and a certified Project Management Professional (PMP). She is also a Member of the Sri Lanka Institute of Directors (SLID) and also serves as a member of the Innovation and Technology committee of SLID.

She pursued her professional development studies with the General Management programme at the National University of Singapore and holds a BSc (Hons) in Computer Science Special from the University of Colombo.

The list was compiled based on the CSSL CIO Model which includes twelve elements such as strategic IT acumen, transformation management, business mindset, digital advocate, operational excellence, performance orientation, financial discipline, risk management, talent management, leadership and professional excellence, global exposure, and legal compliance.

Bours pioneered digital transition back in 1982, following IBM's entry into Sri Lanka. Since then, it has continued to adapt to the evolving technological changes, embracing cyber security and disaster recovery measures, ML, AI, IoT among others. The company also took the lead in sales force automation which goes beyond than mere mobility, data and analytics, to comprehensively integrate the various businesses and channels, and continues to forge partnerships with various global technology providers in this regard.



*Anoja Basnayake  
Director - IT of Bours with the CSSL National List  
certificate*

## Fostering a healthy future generation - improving the nutrition levels of communities

ATG Gloves Knitting PVT LTD - one of the strong members of the ATG Group with workforce strength of over one thousand members, embarked on a ground breaking initiative to enhance the nutritional well-being of communities surrounding its factory premises. The programme was in line with ATG Group's vision to ensure food safety and security to its employees and stakeholders in face of the multi-dimensional crises the country was faced with in the past few years.

Accordingly, a special programme to apprise the children and teachers of Matalana Junior School in Gampaha - a government-run, primary education institute nestled in the environs of ATG Gloves Knitting PVT LTD, was conducted together with the District Medical Officer and the Public Health Inspector on December 01, 2023.

The event at Wathupitiwala Base Hospital saw Dr. Chinthaka Dinesh emphasize the importance of a healthy meal and diet. Public Health Inspector Manjula Prasad expressed his views about health and hygiene factors that are vital in food preparation and consumption. Matalana Junior School is a premier state-run education facility in the area that provides a yeoman service to hundreds of children in and around the area.



The event was graced by the presence of key figures from ATG Gloves Knitting, including Mr. Vipula Ranasinghe - the General Manager, Mr. Lalantha Jayathilake - Human Resource Manager, and Asanka Hettiarachchi - Assistant Factory Manager. Speaking at the event, Mr. Ranasinghe highlighted the company's commitment towards nurturing a strong and healthy posterity, adding, "By enhancing the quality of meals, the initiative aims to contribute to the overall health and cognitive development of the students, laying the foundation for a brighter and healthier future".

To ensure sustainability and impact to communities, this initiative doesn't operate in isolation; rather, it is deeply embedded in a broader vision of ATG Group's corporate social responsibility. ATG

Gloves Knitting recognizes the interconnectedness of corporate success and community well-being. As a responsible corporate entity, the company understands the significance of investing in the communities it operates in, fostering a symbiotic relationship that transcends the boundaries of business.

The commitment to improving the nutritional level in the community is not a one-time effort, but an ongoing mission for ATG Gloves Knitting. The company envisions the sustainability of this initiative through continuous collaboration with local authorities, educational institutions, and health professionals. By fostering partnerships, the company aims to create a lasting impact on the nutritional well-being of the community, establishing a model that can be replicated in other regions.

## Baur's paves way towards sustainable nitrogen management with Super Urea for the agriculture industry in Sri Lanka

On October 2019, Sri Lanka in partnership with the United Nations Environment Programme embraced the Colombo Declaration under the title Nitrogen for Life, adopted by 15 member states, to create roadmaps that will halve nitrogen waste by 2030.

This was further reaffirmed when Sri Lanka with the support of the International Nitrogen Management System (INMS) proposed the 'Resolution on Sustainable Nitrogen Management' at the fifth UN Environment Assembly last year, to champion the cause for sustainable nitrogen use on Planet Earth.

The global economy-wide nitrogen use is highly inefficient, with extremely large proportion of it being lost to the environment. The current mismanagement and overuse of nitrogen has led to various negative effects on land, water, biodiversity, human health and air, all leading to worsening climate change impacts.

A. Baur & Co. (Pvt) Ltd, also known as Baur's, a name synonymous with the agriculture industry of Sri Lanka, took the lead initiative in 2018 to pioneer super urea, a nitrogen dual stabilizer to reduce both ammonia volatilization and nitrification of nitrogen fertilizers in the soil. These stabilizers improve the efficiency of nitrogen fertilizer application, minimize nitrogen losses, and enhance crop yield while reducing environmental impact.

Ever since then, Baur's together with renowned agriculturists and academia from the Faculty of Agriculture, University of Peradeniya and the Department of Agriculture Sri Lanka has been conducting pilot testing on crops with the super urea, and following the success of the effectiveness of nitrogen stabilizers which are also influenced by factors such as soil type, climate, and crop type, Baur's has recently announced that it will now engage in commercial sales of super urea.

The super urea keeps more nitrogen in a form that can be utilized by plants and possess nitrification inhibitors which retains more nitrogen in the ammonium form for a longer period. This can enhance nitrogen use efficiency and reduce the risk of nitrogen leaching. This can help farmers optimize the use of nitrogen fertilizers, reduce environmental impact, and promote sustainable farming practices.

Following the country's decision to ban chemical fertilisers and pesticides in 2021, Baur's has today established a center of excellence together with diverse stakeholders with the support of leading research institutions and academia, and is regarded as a renowned scientific expert in the field organic and sustainable agriculture to Sri Lanka.

Baur's has one of the most advanced, high-tech fertilizer mixing facilities in the whole of Southeast Asia. Recently, Baur's laboratory services also took the first step towards achieving the ISO certification for organic fertilizer. The company's relentless efforts in encouraging sustainable farming practices, improving crop yields and growth, ensuring healthier food for the community, and mitigating adverse ecological impact to both the farmers and society at large, goes without saying.

## TRADE EVENTS - EUROPE

# FEBRUARY

01

### AUSTRO VIN TULLN TULLN AN DER DONAU

[www.messe-tulln.at](http://www.messe-tulln.at)

**VENUE :** TULLN AN DER DONAU, AUSTRIA

**FOCUSSED AREA:** AUSTRIA'S TRADE FAIR FOR VITICULTURE, FRUIT GROWING, CELLAR TECHNOLOGY AND MARKETING



02

### WINE EXPO POLAND WARSAW

[www.biuronumizmatyczne.pl](http://www.biuronumizmatyczne.pl)

**VENUE :** WARSAW, POLAND

**FOCUSSED AREA:** INTERNATIONAL WINE FAIR - SPECIALISED EVENT ABOUT ENOLOGIC PRODUCTS AND CONNECTED INDUSTRY OF SERVICES AND ACCESSORIES



05

### TEXWORLD PARIS

[www.fr.messefrankfurt.com](http://www.fr.messefrankfurt.com)

**VENUE :** PARIS, FRANCE

**FOCUSSED AREA:** INTERNATIONAL TRADE FAIR FOR THE TEXTILE AND FABRIC INDUSTRY

### HOSPITALITY RIVA DEL GARDA

[www.exporivaschuh.it](http://www.exporivaschuh.it)

**VENUE :** RIVA DEL GARDA, ITALY

**FOCUSSED AREA:** EXHIBITION FOR HOTEL AND CATERING

06

### PREMIÈRE VISION PARIS

[www.premierevision.fr](http://www.premierevision.fr)

**VENUE :** PARIS, FRANCE

**FOCUSSED AREA:** WORLD TRADE FAIR FOR APPAREL FABRICS





09

**INTERNATIONAL BOAT  
SHOW - VENEBAAT HELSINKI**

[www.messukeskus.com](http://www.messukeskus.com)

**VENUE :** HELSINKI, FINLAND

**FOCUSSED AREA:** HELSINKI INTERNATIONAL BOAT SHOW

13

**FIMA AGRICOLA  
ZARAGOZA**

[www.feriazaragoza.es](http://www.feriazaragoza.es)

**VENUE :** ZARAGOZA, SPAIN

**FOCUSSED AREA:** INTERNATIONAL EXHIBITION FOR AGRICULTURAL MACHINERY

20

**LINEAPELLE RHO**

[www.lineapelle-fair.it](http://www.lineapelle-fair.it)

**VENUE :** RHO, ITALY

**FOCUSSED AREA:** INTERNATIONAL TRADE FAIR FOR THE LEATHER INDUSTRY

22

**TIER & TECHNIK ST.  
GALLEN**

[www.olma-messen.ch](http://www.olma-messen.ch)

**VENUE :** ST. GALLEN, SWITZERLAND

**FOCUSSED AREA:** INTERNATIONAL TRADE FAIR FOR ANIMAL HUSBANDRY, AGRICULTURAL PRODUCTION, SPECIAL CROPS AND AGRICULTURAL TECHNOLOGY





23

CLASSIC MADRID

*VENUE : MADRID, SPAIN*

*FOCUSSED AREA: INTERNATIONAL CLASSIC MOTOR SHOW*



27

RETAIL SUPPLY CHAIN +  
LOGISTICS EXPO LONDON

[www.fortem-international.com](http://www.fortem-international.com)

*VENUE : LONDON, UNITED KINGDOM*

*FOCUSSED AREA: THE UK'S LEADING RETAIL FOCUSED SUPPLY CHAIN + LOGISTICS EVENT*



# ABOUT US

## The Voice & Window to Business with Europe

The European Chamber of Commerce of Sri Lanka was founded in 1996.

Its primary objective is to stimulate, strengthen and promote economic and business relations between Sri Lanka and the 50 member countries of Europe. ECCSL broadly seeks to provide, inter-alia, efficient and professional information, advisory, consultative, promotional and representative linkages between Sri Lanka and European business entities.

ECCSL has today emerged as a dynamic association of European and local companies conducting business in Sri Lanka. The quality and scope of commercial interests represented in the membership reflects the consolidation of its strong presence in Sri Lanka.

### OUR OBJECTIVE

To stimulate, strengthen and promote economic and business relations between Europe and Sri Lanka.

### OUR VISION

- To be the most valued European Business support partner in Sri Lanka.
- To be the representative body for the European businesses in the country.
- To be the most valued lobbying force in Sri Lanka.
- To be a trusted discussion partner for Sri Lankan Institutions and the Government.

### OUR MISSION

To be the voice and the window to business with Europe on trade, investment and competitiveness issues in Sri Lanka.

### OUR SERVICES

- Business Networking
- Event Management
- Trade Fairs
- Trade Inquiries
- Business Information
- Business Opportunities
- Business Delegations (Inbound & Outbound)

### BECOME A MEMBER

Register with us to make most of the services and facilities being offered to enhance your business in Europe.

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FUTURE FIBRES LANKA (PVT) LTD



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JOHN WILSON PARTNERS



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JOHN COCKERILL SRI LANKA



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