

“Sri Lanka Has Great Strengths”



Sri Lanka and Great Britain are inherently linked due to the historical ties the two countries share, with Sri Lanka being a former colony. However, while old ties have remained new relationships have been formed, which need to be recognised for the two countries to forge ahead. With many Sri Lankans domiciled in the UK, our strong cultural ties have ensured that the two countries make ‘honest friends’ of each other, as explained by John Rankin, British High Commissioner to Sri Lanka. Having visited many areas in Sri Lanka, the High Commissioner has experienced the diversity as well as seen the positive developments in the country. He recognises the efforts of the nation while stressing the need to address the remaining challenges. John Rankin is encouraging to say the least....

By Udeshi Amarasinghe

You were appointed as the British High Commissioner to Sri Lanka in February 2011. Can you tell us how the past year has been?

It has been a hectic year and a year where I have been able to gain a better understanding of Sri Lanka. I have travelled not just around Colombo but to the South, North, and East of the country. It has been a very good year in terms of the commercial relationship between the two countries and I am encouraged by the success that UK companies are having here in this country. It has also been a challenging year in terms of the political relationship, but I am pleased to see the developments, which are taking place in this country and pleased to find that the links between the UK and Sri Lanka are not just of a historical nature but of a modern nature as well.

You have travelled to various parts of the country, what has been your experience so far?

I have experienced the diversity of Sri Lanka. I have seen the positive developments which are taking place and also the challenges that remain in various parts of the country. During my visits to Hambantota I witnessed the major infrastructure development that is taking place and the increased opportunities in Hambantota for international companies including those from the UK.

It Has Also Been A Challenging Year In Terms Of The Political Relationship, But I Am Pleased To See The Developments which Are Taking Place In This Country

I have also seen in the deep South the challenges still faced by some of the post tsunami communities, rebuilding after the devastation in 2004.

The hill country, is a beautiful area and has great potential for tourism. However, I have also seen the challenges facing the traditional industries, the tea industry, the companies in maintaining the brand of Ceylon Tea, and maintaining profitability of the tea sector, and of course the challenges faced by the tea estate workers within that industry.

In both the North and East of the country I have seen the welcome post-conflict development, the return of Internally Displaced People (IDP) to the areas they have come from. I have seen the infrastructure development that has taken place in terms of rebuilding of roads, hospitals and schools. But, I have also seen the challenges that remain in terms of post-conflict reconciliation and returning IDPs back into their homes rather than temporary accommodation or with host families, and the work still required to be done to rebuild the social and political lives of the communities, which were ravaged by 30 years of conflict.

Can you elaborate on the economic and trade relationship between the two countries?

The commercial relationship between the UK and Sri Lanka remains very strong. We have over 100 UK companies operating successfully in Sri Lanka; HSBC, Standard Chartered Bank, Aviva Insurance, Marks and Spencer, and London Stock Exchange Group (LSEG), to name but a few. The UK is also Sri Lanka's second largest trade partner worldwide by volume, and the figures are very encouraging.

UK exports to Sri Lanka in 2011 were 155 million pounds, and that is an increase of 20 percent in one year. In the other direction, Sri Lankan exports to the UK in 2011 were 804 million pounds, a 14 percent increase. The garment and ceramic sectors remain very strong. To give you one example, Marks and Spencer continued to purchase over 18 percent of their goods from Sri Lanka because of the high quality of the garments produced in this country.

Education While It Is Part Of Our Cultural Links, Is Also An Important Aspect In The Business Relationship Between The Two Countries

UK companies are attracted to Sri Lanka because of its strong growth rate and high literacy rate – the highest in South Asia – and they are looking for opportunities in infrastructure, IT, tourism and education. I feel that interest will continue to grow.

Of course Sri Lanka needs to take further steps to continue to encourage FDI, improve the offer for foreign companies coming in, improve ease of doing business and improve transparency. However it is apparent to me that there is progress and as such there will be greater opportunities. If you look at the World Economic Forum Global Competitiveness Report for 2010/11, Sri Lanka has improved in terms of overall business efficiency and performance. It is now ranked 62nd in the world for Global Competitiveness compared to 79th in 2009/10, and in the World Bank ease

of doing business indicators, Sri Lanka is at 102 – still a long way to go – but compared to India, which is at 135, within South Asia Sri Lanka is an attractive market.

What more can be done to further improve this relationship?

UK needs to remain competitive and we need to continue to drive down our deficits. Similar to the rest of Europe and other Western economies, we were struck by the debt and financial crisis. The UK government is determined to drive down the deficit to get the economy back on track, and we have reduced the deficit by more than a quarter in the past two years.

The UK now has the most competitive corporate tax rate in the G7, and one of the most competitive in the G20, which is beginning to show results. Foreign investment has increased, it was higher in the first quarter of 2012, than in any comparable period since 2008. The unemployment figures are now moving in the right direction as well. To attract the interest of Sri Lankan companies and to keep demand for Sri Lankan exports we are taking the proper remedial actions so that our economy can grow, given the challenges that we faced.

From the Sri Lankan perspective, we would welcome a one-stop-shop for foreign companies wishing to come into the market here through the Board of Investment. We would welcome a continued increase in transparency and continued attempts to remove bureaucracy to allow companies to grow and expand in this country.

We would also welcome a greater depth of skills, for example, we have IT companies coming into the market here. The LSEG in 2009 purchased Millennium IT and that is now providing the trading platform for the stock exchanges, which the LSEG runs across many countries of the world. But, from the feedback I have received it is apparent that they need more people who are coming out of colleges and universities who are skilled in IT related fields and in the areas which modern industry needs. Therefore, I would say a continued 'skilling up' of the workforce would continue to attract foreign investment here.

In relation to UK investment in Sri Lanka, will we see new companies coming to Sri Lanka?

The main areas in which companies are interested are tourism, education, IT, the construction sector, the green sector and the energy sector. The past year has been

a record one in terms of UK companies looking to come into this market. We have had two construction contracts signed recently, one is Cleveland Bridge, which amounts to 35 million pounds, designed to construct 210 rural bridges in Sri Lanka and another for 45 million pounds.

Sri Lanka Is Now A Middle Income Country, Which Is Part Of The Economic Success Of The Country. Therefore, Sri Lanka Is No Longer A Direct Recipient Of Basic Humanitarian Aid

We have another company that is interested in the tourism sector. We have had in the past year trade delegations coming into this country and we will have more coming in the future, therefore I am positive that we will see more UK companies investing in Sri Lanka.

What opportunities do Sri Lankan investors have in the UK?

We welcome investment in all areas of our economy, but our strengths lie in science, innovation and technology; these are the areas where the British product, is greatest. We also have our traditional manufacturing sector, the car industry in the UK is also doing well.

I would like to highlight one sector in particular where I feel we can have even greater links between Sri Lanka and the UK, and that is the educational sector. Education, while it is part of our cultural links, is also an important aspect in the business relationship between the two countries. We have approximately 6,000 Sri Lankan students studying in the UK at any one time; they are in demand from our universities and tend to perform very well in our universities.

However, not everyone can or wants to go to the UK to study. Therefore we now have 25 UK universities operating in Sri Lanka together with their local education partners providing access to UK qualifications in business, management, law and IT. Education is a continuously growing sector, and we too are looking at ways to encourage Sri Lanka to become an education hub, where more overseas universities will establish their campuses here. I have had inquiries from a number of Sri Lankan companies looking to develop the education sector and it seems to me a very natural link between the UK and Sri Lanka that has the potential for further expansion.

If we look at the historical ties between the two countries, many forms of

development assistance have been given to Sri Lanka from the UK, can you elaborate on some of the projects that are being done today?

To give you just a couple of recent historical figures, between 2008 and 2010 the UK provided 13.5 million pounds of direct bilateral humanitarian assistance, focused particularly on the North and East of the country, responding to the needs arising from the conflict and its aftermath. This included assistance for health, sanitation, shelter, IDPs and others affected by the conflict. That was assistance provided by our Department for International Development.

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Then, there has been a change in that, Sri Lanka is now a middle income country, which is part of the economic success of the country. Therefore, Sri Lanka is no longer a direct recipient of basic humanitarian aid which was previously given, but our support has not stopped.

In 2011 we agreed to a three million pound de-mining programme over the next few years right into 2014 assisting to remove mines from the North and East of the country, which would allow people to return to their homes and utilise their land for agricultural and business purposes. We also contributed 100,000 pounds to flood relief and in terms of our current programmes we have this year a 1.5 million programme focussing on conflict prevention activities.

We are working in the fields of community policing where we work constructively with the Sri Lankan police. We are sharing the UK experience of policing with communities to encourage effective law and order, working with communities to achieve that.

We are working on language rights, reintegration of ex-combatants and ex-child soldiers into their communities. On top of that we are also a major contributor to all the EU development programmes in this country, of which the UK contributes 17 percent. Therefore we remain committed to working in the areas described, with de-mining and conflict prevention being a priority to build sustainable peace in this country.

How is the progress especially in the areas that are receiving assistance

from the UK?

I always admire the work of the deminers. It is difficult and dangerous work. I have seen the progress on the ground in Jaffna; the cleared land and people returning to their property. That has been very successful. The next challenge is making the resources available for people to actually rebuild their homes on their land and allow them to return from host families and temporary shelters. But the basic steps of making the land available for people to walk on without fear is going very well.

I am very pleased with the progress made in community policing training. We have had great cooperation from the IGP and from the regional heads of Police. The programme focuses on training Assistant Superintendents of Police from each of the provinces. I have seen very strong engagement by the Police in that programme working on seeing how they can police with communities.

The Cultural Links Are The Glue Which Helps To Keep The Overall Relationship A Good One, It Helps To Keep Us Honest Friends Despite The Fact That We Sometimes Disagree With Each Other The Diaspora In The UK Is Diverse, No Single Group Is The Sole Representative Of The Diaspora. The Diaspora Wants To Understand What Is Happening In This Country

We need to assist in tackling some of the problems faced by the communities. For example, I welcome very much the way that Police stations have now established centres for women who may have been raped or may have been subject to sexual abuse. They have dedicated services available for them and I am very much encouraged by the progress.

The re-integration of ex-combatants is very important for this country and the government is carrying out substantial work in this area. However, it is vitally important for long term stability that the young men and women coming out of the rehabilitation camps into their communities can successfully reintegrate into their communities.

Culturally the two countries are linked, with many Sri Lankan living in the UK, how has this benefitted both countries?

This means that despite the fact that we sometimes have a difficult political relationship, which I do not hide. The cultural links are the glue which helps to keep

the overall relationship a good one, it helps to keep us honest friends despite the fact that we sometimes disagree with each other. The Sri Lankan community in the UK is very successful – there are many doctors, lawyers and other professionals operating successfully in the UK. And of course there are many British nationals living in Sri Lanka doing business, working and engaging in academic life, while being part of the culture in Sri Lanka.

I have to especially mention the work of the British Council in Sri Lanka. The British Council has been in Sri Lanka for 62 years. The British Council Library has over 24,000 members, and that makes it the largest British Council library anywhere in the world – an incredible figure. We have over 12,000 students learning English each year. 34,000 Sri Lankans sitting for UK qualifications at the British Council and we have 2,000 English language teachers from all over the Island undergoing teacher training through the work of the British Council. There is great collaboration in the fields of education and culture. Offices of the British Council in Colombo and Kandy are vibrant places and we hope the government will soon clear the way for us to have a British Council office established in Jaffna.

How can we utilise these cultural ties to improve the relationship between the two countries?

We need to improve the dialogue and understanding between the diaspora in the UK and the government and people here in Sri Lanka. There are around 300,000 Sri Lankans living in the UK. Before I came here, and in my visits back to the UK I sought to engage with the diaspora. I met people from all backgrounds in the diaspora, Sinhala, Tamil, Islam, Buddhist, Hindu, Christian, and I spoke to them about what is happening in Sri Lanka. The positive developments taking place, as well as challenges that remain and discussed their views on these matters.

We at the British High Commission, similar to the work of Dr Chris Nonis, Sri Lanka's High Commissioner in London, try to encourage an effective engagement between the people in Sri Lanka and the diaspora in the UK. We support a programme encouraging links between young members of the diaspora in the UK and young leaders here in Sri Lanka, including young parliamentarians and two-way visits have already taken place. The young members of the diaspora have visited Sri Lanka and seen various places. This has improved their understanding on what is being done here and how they can contribute to Sri Lanka.

It has also worked in the other way, the young parliamentarians from the cross

party group including government and opposition members have a greater understanding of the diaspora perspectives and also dispel the myth that all diaspora in the UK are pro-LTTE. They have been able to communicate the work that the Sri Lankan government is doing and also understand that some of the concerns that the diaspora have are legitimate concerns.

It has been a successful programme and has improved the dialogue and understanding of each other's perspectives. We remain committed to that work.

We also hope that in the business area that successful Sri Lankan entrepreneurs in the UK will look at opportunities for investment in this country, including the North and East.

Do you think there should be better communication between the two groups? Is that what was lacking so far?

Yes, there has been an improved understanding. The diaspora in the UK is diverse, no single group is the sole representative of the diaspora. The diaspora wants to understand what is happening in this country and there are people who have genuine concerns about certain issues in this country who do not have any interest in seeing the return of terrorism in this country.

We have an exodus of students every year to the UK for higher education, how does this reflect on the ties between the country?

First of all, they contribute to the huge diversity of the UK. London is probably the most diverse city in the whole world. It has people of all ethnic and religious backgrounds living together within the city. It has people who have a huge diversity of interests and that produces a remarkably vibrant community and Sri Lankans living in the UK are part of that. They can also play a particular role in helping people in the UK understand what is happening in Sri Lanka, and also play a role in understanding UK attitudes towards Sri Lanka. Thereby creating a greater understanding when they return to Sri Lanka.

With the young people studying in the UK and the business community engaging in business they can help to promote bilateral relationships. Governments cannot do it all. Part of my job is having an effective and positive UK-Sri Lanka relationship, finding the areas where we agree, where we disagree, finding areas where we can

make progress, but we cannot do it alone. Individual people also play a huge part in that.

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If we move on to Queen Elizabeth's 60th Anniversary, what plans have been made in the UK and in Sri Lanka to celebrate this momentous occasion?

Its going to be a tremendous celebration. Queen Elizabeth is in her 60th year on the throne, there has been only one other British monarch who has reigned this long and that is Queen Victoria. Queen Elizabeth has been the Queen of our country and head of the Commonwealth through a remarkable period of change in the UK, with 12 prime ministers in her reign. She has seen remarkable changes which have taken place across the Commonwealth and across the world, and she has been a beacon of stability throughout that period. Queen Elizabeth remains hugely interested in what is happening across the 54 members of the Commonwealth.

The celebration is a year-long celebration throughout her Diamond Jubilee and we have an exciting week coming up in June, which is going to be the most concentrated period of the celebrations. To detail some of the events that will be happening; on June 3 the Thames Pageant will have over 1,000 boats mustered on the Thames and the Queen will travel on her own barge at the centre of the flotilla of boats in celebration of the Jubilee and the UK's maritime history.

Then on June 4 there will be a Diamond Jubilee concert at Buckingham Palace, broadcast live on the BBC and will be available worldwide to the people and then on the same day we will have the lighting of the National Beacon. The Queen will light the last beacon in the UK as part of the beacons which are around the country, Scotland, England, Wales, Northern Ireland the Channel islands, the Isle of Man, as well as in other countries.

June 6 will be a ceremonial day with a service of thanksgiving at St Paul's Cathedral to express gratitude for her Diamond Jubilee and reign of over 60 years, and of course His Excellency President Mahinda Rajapaksa will be attending the Commonwealth Diamond Jubilee lunch that week as well.

In the UK, we are proud of our heritage and our history and the Queen represents that history, but she also continues to represent modern UK as well. The Diamond Jubilee is going to be a mark of the continued respect and celebration of her and her work.

As part of the Diamond Jubilee celebrations we have established the Commonwealth Diamond Jubilee Trust. At the Commonwealth Heads of Government held in Perth in 2011, the Commonwealth Heads of Government welcomed the establishment of the Queen Elizabeth Diamond Jubilee Trust. It has specifically been set up as a five-year programme designed to work across geographic boundaries in the Commonwealth; designed to connect generations together and designed to make it a real sustainable difference to people's lives. The Trust will invest in six areas designed to reflect the six decades of the Queen's reign.

We Have Invited Each Member Of The Commonwealth To Appoint A Country Representative To Support The Work Of This Trust Which Will Operate Across The Commonwealth

The focus will be on areas such as using sport to help to develop future leaders, helping urban communities to establish food gardens to grow their own food, helping people with disabilities to take control of their own lives and develop their skills, helping people connect with their heritage and culture, helping local community leaders to start projects in their own communities, and care for older people so that they can lead more dignified lives. We have invited each member of the Commonwealth to appoint a country representative to support the work of this Trust, which will operate across the Commonwealth, and of course we hope each member of the Commonwealth will help to contribute to that Trust.

In Sri Lanka, I know that individual people and families will have their own private celebrations for the Diamond Jubilee. I have been speaking to families who intend to have their own lunches, barbecues and celebrations to mark the Diamond Jubilee. I might highlight four specific events, which will be taking place. The association of British residents in this country held a Diamond Jubilee dinner to which all of its members were invited. Secondly, the British Welfare Group, a group of British nationals who support welfare projects in this country in some of the poorest communities will be holding a fundraiser – afternoon tea here at my residence the Westminster House, which will be on June 16. The funds raised at that event will be going to help community projects here in Sri Lanka.

The Sri Lanka UK society, which consists of British nationals and Sri Lankan nationals with connections to the UK will be holding their own Queen's Banquet on June 17. Furthermore, I hosted the Diamond Jubilee Queen's birthday party, which was a great success. These are the four main events that are happening in Sri Lanka.

The 2012 Olympics will be held in London, is the city ready? What can we expect?

The city is ready and the Olympics is going to be a massive event with great excitement. The games' venues are all ready, delivered on budget and on time. There has been a remarkable transformation of what was a very depressed part of London. Industrial land which was polluted has been redeveloped and brought back into productive use which will not only be a great venue for the games itself but will provide a lasting legacy for people to live and for businesses to grow in that part of London.

The games are going to be very exciting as it is a huge celebration of all the best in sport, for young athletes all over the world. It is not just the Olympics but also the Paralympic Games taking place where we have differently abled sportsmen and women from all over the world thereby giving the message of inclusiveness through the Olympic Games. We will be welcoming teams from across the world including Sri Lanka and I know that the national Olympics committee here and the athletes taking part from this country are greatly looking forward to it.

We held an event at my residence last year to mark the one year to go for the Olympic Games and what we did was, we had official representatives from the national Olympics Committee, and we had one of your greatest sportsmen Muttiah Muralitharan present the prizes at the end of the games. The participants represented the real diversity of the community; we had school children and elderly people, we had abled people and differently-abled people. We held sports in which they could all participate, therefore we had everything from sack races to spoon and line races, and of course we had British, Sri Lankans and representatives from the Maldives. We wanted to capture the spirit of the Olympics as it is sports and people performing to the best of their ability, and also bringing different communities together. We will be hosting other events in advance of the Olympics to help build further excitement in Sri Lanka.

Do you enjoy your stay in Sri Lanka?

Absolutely, I have been here for over an year and greatly enjoy travelling around this beautiful country. I have seen the different aspects of it from the Hill Country to the agriculture in Jaffna to the ocean areas in the deep South. I have also received, a strong personal welcome. Though we have difficult conversations in terms of our political relationship I have found on an individual basis Sri Lankan people are remarkably warm and welcoming.

During the remaining time here I want to do more of what I have been doing. I also hope I might find a little more personal time to enjoy this country. I have been very busy this year and I enjoy every aspect of the work but, I would like more private time to enjoy some of the historic sites and scenery of this country.

Any final thoughts?

We will continue to support a strong commercial relationship between our two countries, which is a win-win situation, a win for the UK economy and a win for the Sri Lankan economy. We remain and will remain one of Sri Lanka's major trading partners. And we will remain in terms of tourism, one of the highest number of visitors from the UK to Sri Lanka. There were 105,000 visitors last year, second highest after India, and British tourists spend more time and money in Sri Lanka.

Sri Lanka Has Great Strengths. No One Should Regret The End Of Terrorism In This Country And The Opportunity That It Presents To Sri Lanka

On the political relationship, our objective will remain the same, which is to support and encourage post-conflict reconciliation in this country. That involves difficult issues, but we will continue to support and encourage Sri Lanka in implementing the findings of Sri Lanka's own LLRC report, which we believe can play an important role in addressing underlying issues of conflict and building sustainable peace. In terms of major projects going forward, of course we look forward to Sri Lanka hosting the Commonwealth Heads of Government meeting in Autumn of 2013 and we look forward to Sri Lanka as host of the Commonwealth Heads of Government meeting showing its commitment, like all other members of the Commonwealth, to democracy, rule of law, respect of human rights and respect for Commonwealth values.

Sri Lanka has great strengths. No one should regret the end of terrorism in this country and the opportunity that it presents to Sri Lanka. Economic growth in the past two years is proof of that. It provides opportunities for strong commercial

growth and we have seen the physical developments that are taking place in the South and the North of the country. If Sri Lanka can continue to improve the business environment, make itself an even more welcoming country for FDI and provide foreign investors with the certainty for moving forward and if physical development in the North and East of the country can be accompanied by further progress in political as well as social reconciliation of the communities in the country, then the future is very bright for Sri Lanka.





