

The Goal is to Advance in Strong Partnership with India to Achieve Sri Lanka’s Development Objectives

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All India
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President Ranil Wickremesinghe.

President Ranil Wickremesinghe expressed his commitment to maintaining a strong partnership with India to achieve Sri Lanka’s development goals. Emphasizing the urgency to expedite joint initiatives, President Wickremesinghe highlighted a comprehensive agenda aimed at transformative bilateral projects.

The President highlighted the importance of enhancing cooperation between the two nations, particularly in the energy sector, aiming to foster new development for the Northern region, which has been deeply affected by three decades of conflict.

President Ranil Wickremesinghe made these remarks while delivering a compelling vision for Sri Lanka-India relations during his address at the 31st All India Partner’s Meet 2024 (AIPM 2024).

The AIPM 2024, organized by KPMG Sri Lanka and India, provided a platform for both countries to reaffirm their commitment to collaborative projects that promise to redefine bilateral relations and propel socio-economic growth.

Yezdi Nagporewalla, Chief Executive Officer, KPMG in India and Priyanka Jayatilake, Managing Partner of KPMG Sri Lanka extended a token of appreciation to President Ranil Wickremesinghe.

President Ranil Wickremesinghe, speaking at the ceremony, elaborated: It’s a great pleasure and a privilege to have you in Sri Lanka, in Colombo, holding this meeting. It shows, on the one hand, the close friendship that our two countries have and, on the other hand, the confidence that you have in Sri Lanka.

Having survived two difficult years, I acknowledge that this was possible because India gave us a loan of USD 3.5 billion. All that will be repaid. We have already repaid Bangladesh’s loan of USD 200 million.

We have just concluded the IMF board of directors meeting, which was quite successful. We are preparing to meet with our creditor nations, the Paris Club, India, and others, who will meet at the official creditors committee next week. We are also carrying on discussions with China with the Exim Bank of China.

Sri Lanka’s return to business signifies a pivotal decision-making phase. The key question is defining what this return entails. Returning to business as usual would

mean continuing as an import-dependent economy, leading to ongoing borrowing to fund imports and perpetuating a harmful cycle. Having faced this scenario, the crucial question is whether we are willing to repeat this path. Alternatively, the objective is to gradually shift towards becoming a competitive, export-oriented economy, which is a significant goal. Acknowledging the inherent challenges in this transformation, especially in Sri Lanka's context, we have adopted a new approach: enacting legislative, and economic policies to steer this transition effectively.

We will introduce policies to achieve economic transformation: moving towards a highly competitive, digital, green, and export-oriented economy.

These policies will establish benchmarks for foreign investments and export earnings and reduce multidimensional poverty—a first in our region.

Traditionally, policies in Sri Lanka have been subject to change with each new government. To address this, we have drafted the Economic Transformation Bill, which is currently undergoing pre-legislative scrutiny in Parliament and the courts.

In addition to outlining policies, we are establishing new institutions such as the Economic Commission, which will assume responsibilities from the BOI to drive investment, a dedicated agency for managing investment zones, an International Trade Office to enhance global trade, and a National Productivity Commission to boost productivity. Furthermore, the Institute for Economics and International Trade will serve as a think tank, bringing together economists and experts to effectively shape Sri Lanka's economic strategies. This is the route that we intend to take broadly.

The second, which is on my agenda, is India. When I was in Delhi, I discussed with Prime Minister Modi the need to accelerate the joint program that we have decided on and agreed on. So, the major ones were identified, and Foreign Minister Jaishankar came to discuss them. Now, this will show the new path we are taking, and a number of projects will be in one parcel. It won't be individual projects. We've discussed a fair number of them. First is the grid interconnection between Sri Lanka and India so that sustainable energy can be transmitted to India, which you all need very badly. We have the Sampur solar power project, a government-to-government (G2G) project, and a three-island project, where we hope the ground-breaking can take place in July.

So that's the basis of our energy partnership, and we are looking at developing Palk

Straight for wind energy and solar energy. Both countries need to get together and have a large farm for solar energy and renewable energy. It also means that we will have a new economy for the northern province, which was worst affected by the wars. In addition to energy, we have also discussed India helping us expand the Kankasanturai port, the major port on the Jaffna Peninsula, and to ensure that more business comes into the port. We are also discussing the development of the Palali airport and the Colombo airport with India airport.

The National Livestock Development Board of Sri Lanka, in collaboration with India's Amul Dairy Company, has highlighted the program to enhance liquid milk production in the country. That's the big project, which is virtually the bulk of our organized dairy industry.

Additionally, a project is focused on establishing land connectivity between Sri Lanka and India.

Extensive discussions have also taken place regarding expediting the Trincomalee Development Project, which encompasses industrial investment zones and tourist areas. Furthermore, plans are underway to construct a multi-product oil pipeline from Nagapatnam to Trincomalee, pending the final observation report. Trincomalee is poised to become a hub for oil refining with the development of ports and investment zones, transforming Trincomalee Port into a significant hub on the Bay of Bengal.

Today, the entire East Coast is being opened up for tourism, with additional land earmarked for hotels in Galle and southern areas. Moreover, plans are underway to establish more investment zones across the country and expand our professional training programs. In these endeavors, we are collaborating closely with India.

In this momentous event, Yezdi Nagporewalla, Chief Executive Officer, KPMG in India, praised President Ranil Wickremesinghe's visionary leadership and unwavering dedication to the welfare of the Sri Lankan people. He highlighted his role in guiding the nation toward a promising future amidst various challenges. He emphasized that the President Ranil Wickremesinghe's initiatives in advancing economic development, strengthening democratic institutions, and fostering societal cohesion have earned national admiration and international acclaim, positioning Sri Lanka as a model nation. Highlighting the enhanced connectivity and collaboration between the two nations, Nagporewalla, CEO, KPMG, also described President Wickremesinghe's presence at the assembly as a testament to the robust

and enduring relationship between the countries, founded on shared values, mutual respect, and a commitment to global advancement.



Priyanka Jayatilake, Managing Partner, KPMG Sri Lanka presenting a token of appreciation to President. Also present was Yezdi Nagporewalla, CEO, KPMG India (left).