This Is A Sleeping Giant

The Sri Lankan-British relationship goes back a very long way. It was really under the British Raj that the present economic structure was introduced to Sri Lanka. Plantations, a linchpin of the domestic economy were established during the British rule of Sri Lanka. Even today the Sri Lankan corporate world possesses residue from the British influence.



John Hunter, head of mission

Both parties, the British and the Sri Lankan agree that it is very much easier to work with each other because of the inherent familiarity. The Sri Lankan businesses are very parallel to British industries. In the Sri Lankan business community there is the same thought process (as with the British). Similarity of culture makes it so much easier to trade with Sri Lanka. There is a mutual trust,' is the view held by John Hunter who recently led a British trade delegation to Sri Lanka.

The trade mission under the auspices of the London Chamber of Commerce and

Industry comprised 33 delegates from various fields. During the inward mission to Sri Lanka the delegates held discussions with their local counterparts with the aim of improving bilateral trade and investment. The trade team also met the Hon Minister of Trade. To coincide with the trade mission a Memorandum of Understanding was signed between the Ceylon Chamber of Commerce and the London Chamber of Commerce and Industry. The agreement should benefit members of both the Ceylon Chamber and the London Chamber to increase their contacts. It is a document which is useful in that it gives access to a wide range of people and it puts the business contacts on a more formal footing. So that if members of the London Chamber are visiting here they approach the Ceylon Chamber and ask for assistance. And help should be forthcoming. It is the same in the UK. It is one of those pieces of paper that if you just forget about and put in the drawer then it wouldn't do anything. It is something that you've got to work on. You've got to have it at the back of your mind, be aware that it is available. Then you've got to pursue the MOU,' says Ian Fox, mission manager.

Within the past couple of years the interest in the UK for investments in Sri Lanka seems to have been rekindled. This is the second such visit by the London Chamber. It will again bring another delegation to Sri Lanka later in the year. The Ceylon Chamber will pay a visit to the UK in November. Two other British Chambers are planning missions to Sri Lanka.

This renewed interest is no sudden fluke. There has been an invigorated thrust to promote Sri Lanka as an attractive investment hub. 'I would say that it comes partly from the Sri Lankan side because the interest is there. The Sri Lanka name is coming up more and more. It was very quiet, you didn't hear it before,' points out Hunter.

Even at a time when the macro economic situation in the country is not the ideal, the incentives and the opportunities made available seem to introduce that added dimension. The British trade visit has lived up to the participants' expectations. In Hunter's opinion 'it has been very successful, probably more successful than anything before. Everybody has done better than they had planned.'

Fox and Hunter both are in agreement that the liberalisation policies adopted should be continued. For these policies to bear the intended results it will take some time for them to retrench themselves in the economy. Changing gear and direction because short- term benefits are not forthcoming is not only short-sighted but might also be a financial hara-kiri. Prudence and perusal of policies should be the norm.

The relaxation of these rules, trading laws has only been for quite a short period. And it takes time for people to come back in, the word to spread is that the Sri Lankan market is opening. It is gradually building momentum.'

'Sri Lanka is not the only country that is de-regulating. There are an awful lot of other countries doing the same. Competition tough. So the quicker and the more effective the government is, the better.' The Two Britishers Unanimous are in their opinion that there is a lot of professionalism inducted into the local investment drive. The BOI is doing a very good job. De-regulation helps. The smaller and medium size companies are able to go in below the political level to a certain extent because the BOI is encouraging them and offering incentives." These days the belief that the Sri Lankan economy is all set to soar is doing the rounds. This in itself might look like a distant mirage, but the ingredients are well in place for such a scenario. Hunter who specialises in business reorganisation feels that 'Sri Lanka is a country with enormous potential, a sleeping giant."



Ian Fox, mission manager,
London Chamber of Commerce and Industry

Fox also feels that wheels are turning in the right direction 'there are probably quite a few investors who are still studying the scene. But you have just got to take the

two recent examples, the UK trade delegations which have come to Sri Lanka. The one in November had 58 delegates. This trade mission has 33 people. The two delegations are huge compared to other trade missions that we take overseas. That is an indication to me that there is a renewed interest.'

Is the heightened state of security and the added bit of discomfort that comes with it turning off the investors?

'To my mind it's a perfectly. safe place as anywhere else in the world to come and do business. You can go to any other country in the world and get affected by similar problems. It is an international issue. But it doesn't put me off from coming here again. I think Colombo is a fantastic place,' Fox explains nonchalantly.

Hunter too holds no qualms about coming to Sri Lanka again 'I would say Colombo is safer than most cities I've been to. Here you feel very safe. There are not very many cities around the world where you could walk around late at night and feel totally secure.'