



# ECONOMIC RENAISSANCE

## BUSINESS FORUM 2024

Economic Drivers | Growth Opportunities | Financing the Future

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NATIONAL PEOPLE'S POWER - NPP

It is important to engage in stakeholder consultations and in-depth public discourses in forming national policies and strategies to gather opinions and feedback to ensure their integration into the national mandate.

For more details on these concept papers, please visit our weblink. We encourage you to engage with NPP sector committees and contribute to this remarkable journey towards a new national renaissance.



More Details on  
Concept papers



# FRAMEWORK FOR ECONOMIC RENAISSANCE

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"Build an inclusive and equitable society, through a robust, sustainable production economy, with the active participation of people in expanding opportunities where economic benefits are shared fairly while maintaining zero tolerance for corruption, and create a new political culture where no one is above the law."

# 01

## INTRODUCTION

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Just after gaining independence, our country held a relatively strong position in Asia, with many economic indicators superior to other Asian countries. However, all regimes up to now have destroyed the economy and failed to provide even basic human needs, mainly due to a corrupt political culture, an undemocratic way of handling the economy, and the self-serving interests of politicians and their close aides in corrupt networks. This trend was exacerbated after 1977 due to unplanned and unwise economic policies & corruption, which were driven by petty political agendas that served the interest of the very few at the expense of a large majority of people simply ignoring robust economic evaluations. These destructive policies and deep-rooted corruption led to a collapsed economy and a

poor country characterised by a widening inequality, unemployment, misallocation of resources, environmental degradation, low economic growth & low productivity, poor external sector, mounting debts, high inflation, and unsustainable budget deficits. The successive government's economic policies & conduct are harmful to people, businesses, the environment, society, and the entire economy. Despite misleading claims of macroeconomic stability, their policies have not addressed the real causes of the crisis and the structural issues of the economy.

Therefore, whichever way we look at it, irrespective of political or any other differences we have it is clear that Sri Lanka cannot continue on the same path as it did in the past, and that a new direction is required.

**A Thriving Nation - A Beautiful Life** is the future NPP will create for Sri Lanka with the participation of all citizens irrespective of their political ideology, race, gender, religion, language, belief, or any other identities. Beautiful Life refers to happiness, social connections, freedom, a healthy life, quality education, biodiversity-protected environment, food security, comfortable living, enhanced security, and of course income & wealth.

**Macroeconomic stabilization** has been prioritized to deliver key outcomes through monetary & fiscal policies, and strengthening the external sector while ensuring macro variables are kept stable. Measures have been identified to build a strong foreign reserve buffer to meet the needs of Sri Lankan citizens while managing the financial commitments of irresponsible borrowings by the previous regimes that were missappropriated, thus leading to corruption and unproductive assets. Our approach aims to

improve people's lives, boost business confidence, and create fiscal, monetary, and external sector stability.

#### **Making Business Happen Faster & Facilitating Investments**

through efficient and hassle-free processes will be a priority. This will be implemented through transparent processes with digitization, removing red tape, reducing unnecessary delays, enhancing communication, accelerating decision-making processes, and honouring merit-based selection instead of deal-based to create a more dynamic & conducive environment for businesses to start, operate, expand & thrive by benchmarking with regional & international standards.

Our political will & leadership are the key to effective implementation of the national economic plan while ensuring transparency, accountability & governance.

## WRONG & UNDEMOCRATIC PRACTICES OF PAST AND CURRENT REGIMES

### PLAN



#### Wrong Economic Philosophy

Neoliberal economics failed to bring the growth needed for developing nations, State wasn't involved in the process adequately & efficiently



#### Corruption and Mismanagement

Fraud and Corruption is not Limited to Tax and Commissions; but large amounts of funds were misused in the name of development



#### Crony Economic Opportunism

All mainstream economic opportunities were given to a politically connected handful of individuals especially in Imports, Supplies and large scale projects



#### Zero support for SMEs

Required SMEs and New business support was not given by the state, not limited to infrastructure but also required capital, knowhow, workforce and market access

#### Inequal application of Law and Order

Without trust in the legal system, businesses will not have a level playing field. This has discouraged FDIs and local business

## FAILED POLICIES & CONDUCT LEADING TO...



#### Not achieving Potential GDP growth

Current GDP stands at \$84Bn  
Negative growth -7.8% in 2022.  
Where countries like Vietnam have reached \$409Bn, we were only at \$89Bn by 2020



#### Increasing Fiscal Deficit

Fiscal Deficit is close to LKR 7Trn with Debt Servicing close to 2.3Trn. Government Revenue fell to 8.3% of GDP by 2020, where other developing nations maintained 16%-27%



#### Widening of the Trade Deficit & low Export growth

Goods and Service exports at \$17.21Bn, while countries like Vietnam reached \$350Bn with FDIs over \$178Bn since 2000. We had a Trade Deficit of \$8Bn in 2020



#### Unsustainable Government Debt

Total Government Debt reached 128% of the GDP amounting to \$100Bn out of which \$37Bn is foreign debt. \$16Bn in ISBs under negotiation. Investing in economically Non-viable Projects



#### Widening Income Inequality

Growing Income disparity with the poorest 50% only having access to 6% of the Wealth. In 2023, 55.7% is in multi dimensional poverty vulnerability index as per UNDP and 1/3 of the Population in absolute Poverty



#### SKILL GAP

Only 20% of people get any form of higher education.  
65% of jobs are informal.  
Youth unemployment in 2020 is as high as 24%



#### BRAIN DRAIN

The high taxes and low-quality public goods and services, including the deteriorated rule of law has pushed the best talent out of the country



#### EXCHANGE VOLATILITY

Currency mismanagement and fluctuations have impacted the economy, especially by an increase in the cost of production



#### ECONOMIC CONTRACTION

Economic output is concentrated to the western province leading to various issues including lack of transportation, substandard accommodation and a lack of rural development



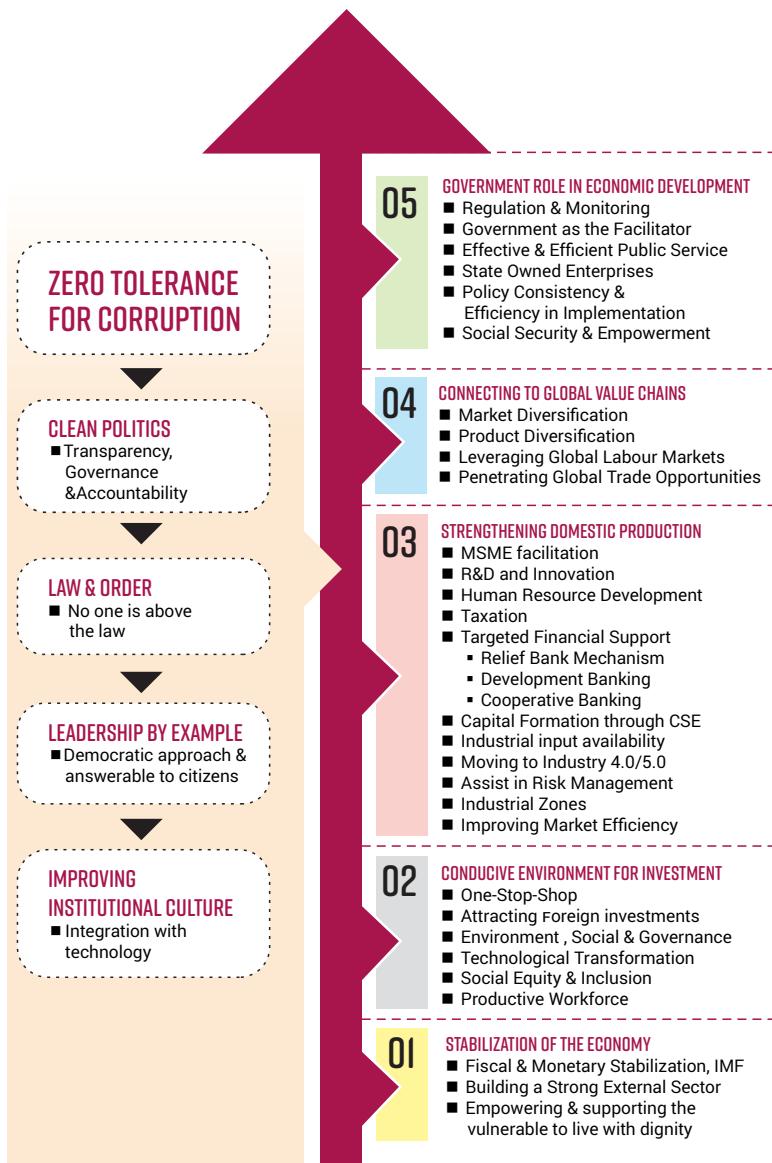
#### ENVIRONMENTAL ISSUES

Excluding environmental concerns from growth and urbanisation initiatives has endangered species and the green cover, as well as other natural resources

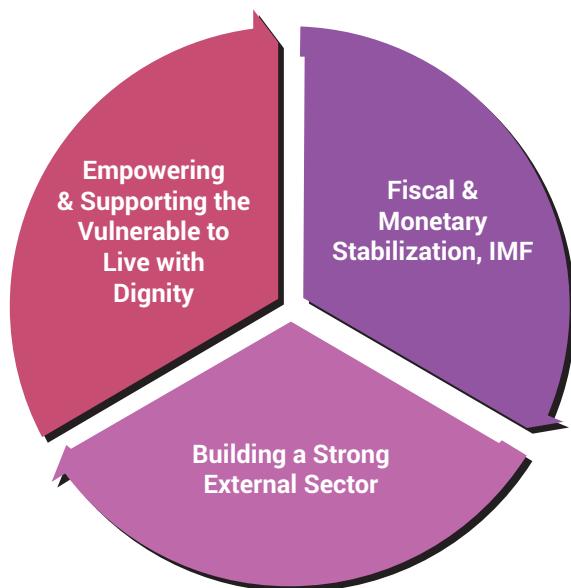
## NPP: NEW RENAISSANCE

 <p><b>National Development Plan</b></p> <p>National Product and Services plan will include industrial targets and action plans in achieving the same. An exports oriented approach while fulfilling local consumer demands through an efficient market</p>	 <p><b>Efficient Merit Based Public Service &amp; Debt Servicing</b></p> <p>Efficient integrated government service through the use of digital technology in trade, and commerce facilitation to improve the ease of doing business. KPI-driven foreign diplomatic service</p>	 <p><b>Strong Human Capital Base</b></p> <p>A Skilled workforce to fulfill the industry needs and enabled global skill requirements</p>	 <p><b>Democratic Economic Process</b></p> <p>Ensuring each citizen has the right to access the market with the required low-cost capital and reduction of other barriers to entry</p>	 <p><b>Global Markets &amp; FDIs</b></p> <p>Focus on the Global value chain. Becoming an integral part of emerging markets and facilitating global trade as a hub</p>
 <p><b>Progressive Taxation</b></p> <p>Progressive Tax system that is fair and simple, facilitating the growth of industry and reducing the burden on the public for obtaining essential goods and services</p>	 <p><b>Digitization</b></p> <p>Integrated Digital Platform for public services and improve efficiency and transparency</p>	 <p><b>Zero tolerance for Corruption</b></p> <p>Leadership drive and strong law implementation</p>	 <p><b>Modren Agriculture</b></p> <p>Modernize Agriculture for higher productivity, Fair Trade, reduced carbon footprint threats and meeting traceability needs</p>	 <p><b>Infrastructure Facilitation</b></p> <p>Provision of required Infrastructure to facilitate Industries and SMEs</p>

## PATH TO ECONOMIC RENAISSANCE



# STABILIZATION OF THE ECONOMY



# 02

## STABILIZATION OF THE ECONOMY

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### INTRODUCTION

NP's comprehensive approach is to create and foster economic stability through fiscal and monetary stabilization, strengthening the external sector while enhancing living standards and relief measures to protect the most deprived & vulnerable segments of people. Through enhanced public financial discipline, we aim to prevent any risk of financial instability. Our fiscal and monetary policies are meticulously designed to achieve our mandate, focusing on revenue and expense management to bolster economic resilience. We emphasize minimizing tax evasion & avoidance to ensure fairness while strengthening other revenue streams such as excise duties, tariffs, fees, and other charges.

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## **2.1 Fiscal & Monetary stabilization**

- Rationalize government expenditure based on national priorities and stoppage of wasteful expenses.
- Prevent politicians from misappropriating public funds for personal gains and extravagant perks.
- Minimize tax avoidance and tax evasion by broadening the tax base, simplifying the tax system, and streamlining the tax laws.
- Enhance tax administration to improve collection efficiency through capacity building, mobilization of resources and digitization.
- Establishing a tax policy unit including an international arm to capture developments in the Global Minimum Tax framework & other related areas.
- Introduce E-procurement and a strong public oversight mechanism to improve efficiency, transparency and accountability.
- Maintain pro-economic growth policy interest rates to minimize volatility and foster a stable economic environment, contributing to overall monetary stability.
- Implement measures to minimize volatility in exchange rates to facilitate predictability & stability.
- Strengthen monitoring and supervision of banks and financial institutions to ensure stability by reinforcing the Financial Intelligence Unit (FIU) to prevent money laundering and funding of terrorist activities, and investigate and prevent money market malpractices.

- Recapitalize state banks to enhance capital adequacy, stability & efficiency.
  - Establish a “Relief Banking” system to ease the debt burden of MSMEs leading to the reduction of present Non-Performing Loans.
  - Maintain inflation targeting strategy to ensure price stability.
  - Organise market and distribution channels to remove anomalies and ensure price transparency by sharing market information and empowering the Consumer Protection Authority.
  - Renegotiate the existing IMF program and debt restructuring to minimize the austerity imposed on people by demonstrating alternative ways of revenue increase, fiscal consolidation and foreign reserve building.
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- Expedite the external debt restructuring process by presenting a comprehensive alternate Debt Sustainability Analysis (DSA) and economic revival program to external creditors & IMF
  - Maintain public debt at a sustainable level leading to an upgraded credit rating.
  - Fast-track a detailed debt audit for Sri Lanka, to ensure transparency and accountability.

## 2.2 Strong External Sector

- Issue attractive long-term investment instruments for Sri Lankan expatriates including a special instrument to build houses for the Sri Lankan migrant workers facilitated through the Housing Development Authority.

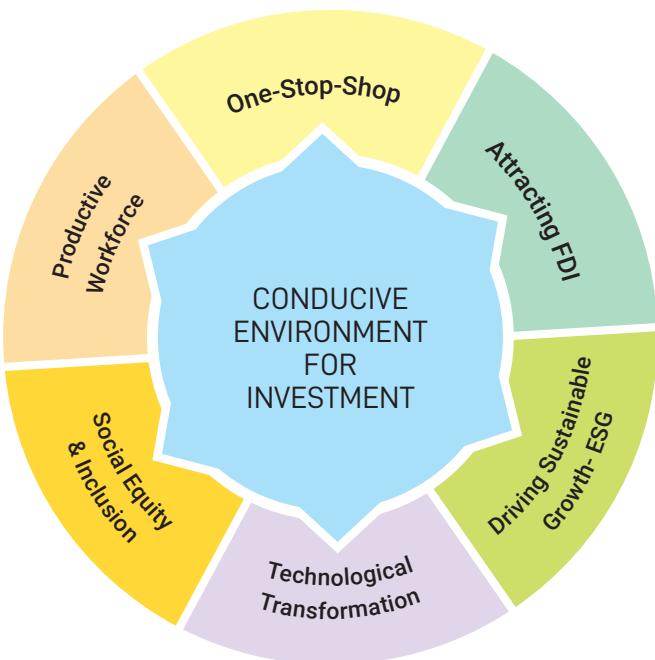
- Expedite pending Foreign Direct Investments (FDIs) aligned with national growth priorities.
- Introduce development bonds for regional development purposes to support targeted economic growth initiatives.
- Issue Green & Blue bonds and access global climate impact funds to support climate-positive initiatives, promoting sustainable development goals.
- Promote value-added industries including Agri-exports, tourism, IT & allied services to boost economic growth and global competitiveness.

## 2.3 Relief Measures to Empower & support the Vulnerable

- Implement measures to intervene, empower, and assist the vulnerable to integrate into economic value-adding processes leading to an inclusive society.
- Streamline & enhance the current benefit program for the most vulnerable population in society.
- Create a Senior citizen's investment scheme with a return of at least 5% above the fixed deposit rates implemented via a State Bank-managed mechanism.
- Create a fund to support MSME businesses & their employees at times of disasters to ensure business continuity.
- Increase the monthly personal tax exemption limit to Rs. 200,000.

- Write-off all loans given by microfinance providers in violation of stipulated laws. Facilitate women who are trapped due to microfinancing through renegotiation with the providers of such microfinance.
- Write off online unregulated loans charging exorbitant rates and causing severe financial burdens, and applicable laws will be effectively implemented.
- Energize rural economic activities by introducing financing solutions with the intervention of the government and cooperative societies, subject to effective regulation & monitoring.

# CONDUCTIVE ENVIRONMENT FOR INVESTMENT



# 03

# CONDUCTIVE ENVIRONMENT FOR INVESTMENT

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## INTRODUCTION

By implementing Business Ready initiatives, NPP aims to streamline regulatory processes and create a conducive environment for Businesses, thereby reducing bureaucratic hurdles and improving administrative efficiency. Promoting local investments & attracting foreign investments remains a focal point, bolstered by policies that offer targeted incentives and support for international investors seeking stable and sustainable ventures within a corruption-free investment environment. Our commitment to driving sustainable growth is underscored by initiatives focused on environmental stewardship and sustainability, ensuring that investments contribute positively to ecological preservation and efficient allocation of resources.

We further aim to accelerate technological transformation, with strategic investments in digital infrastructure and innovation hubs fostering a dynamic business ecosystem capable of leveraging cutting-edge technologies for competitive edge as a country. Through these integrated efforts, we strive to create an attractive investment landscape that attracts capital & technology and catalyses inclusive economic development and long-term prosperity for all.

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### **3.1 One-Stop-Shop to Promote Investments**

- Implement a Single window system to streamline regulatory & approval processes, enabling easy navigation through administrative requirements by removing red tape and bureaucratic hurdles, to enhance the investment climate and to boost investor confidence.
- Focus on prioritizing export-oriented Foreign Direct Investments & Domestic investments
- Enact legal & regulatory changes to encourage and facilitate investments
- Digitize and expedite the trademark and patent approval processes, to accelerate innovation and safeguarding intellectual property rights effectively.

### **3.2 Attracting Investments**

- Implement a comprehensive national development program to provide clarity and visibility of investment needs by aligning investment opportunities with strategic development priorities.
- Promote FDI for new technology, capital investment, and access & expansion of foreign markets
- Accept & facilitate Emerging Industries proposed by Investors subject to scrutiny and value additions.
- Encourage venture capital funding to strengthen the IT startup ecosystem by launching a special programme, which includes government equity infusion, to promote innovation and entrepreneurship in the IT & IT allied services in the digital technology sector.

- Provide an uninterrupted supply of utilities, reliable digital connectivity, and logistic facilities.
- Ensure that the education system and capacity development programmes provide skilled, competent labour to meet industry demand.
- Invite ethical, green & blue investors to commence projects to foster economic development and address social, climate & sustainability issues.
- Create a development bank and establish a modern cooperative banking system to enhance financial markets stability and drive economic growth.
- Develop Infrastructure including transportation, energy, telecommunication, and digital infrastructure.

### 3.3 Driving Sustainable Growth for Development

- Promote the use of renewable energy sources & responsible usage of water and land.
- Launch nationwide initiatives to enhance integrated waste management systems by encouraging recycling, reusing, and reducing of waste.
- Preserve biodiversity by protecting natural habitats and promoting sustainable agricultural practices, ensuring long-term environmental sustainability.
- Incentivize green building practices and sustainable urban planning to minimize environmental impact and enhance the quality of life in urban areas.

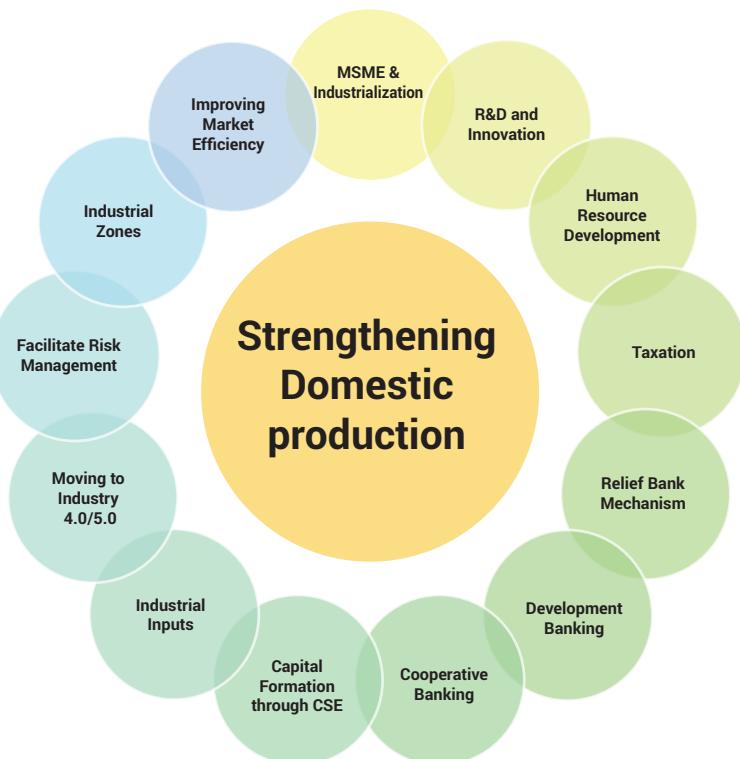
- Improve transparency in the production process & traceability of origin of products in line with emerging global benchmarks to ensure Fairtrade practices.
- Provide digital infrastructure to enhance connectivity and support the growth of technology-driven industries.
- Establish incubators to provide resources and support for startups including emerging tech companies.
- Infuse appropriate technologies into low-tech industries to boost efficiency, productivity, and quality.
- Promote technology transfer through public, private & people partnerships in selected industries.

### 3.4 Social Equity & Inclusion

- Develop strategies to build an economy that prioritizes the well-being of all citizens by recognizing a care economy that addresses gender pay gaps and ensures access to healthcare, child care, and elderly care.
- Promote the adoption of best practices relating to gender equality, harassment prevention, and equal opportunities in both private & public sector organizations.
- Recognize universal basic income & dividends to ensure financial security, reduce poverty, and promote social stability.
- Introduce programs that reduce disparities and ensure equal opportunities for a more inclusive society.

- Absorb people with disabilities into the economic activities by providing required infrastructure, equipment & other support.
  - Implement mechanisms to resolve disputes in production relations through effective stakeholder engagements.
  - Promote stakeholder engagement, including businesses, workers, and community representatives, in decision-making processes to develop democratic workplaces.
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- Adhere to fair treatment, fair remuneration, safe working conditions, and respect for workers' rights in line with International Labour Organization (ILO) principles.
  - Ensure labour relations through collective engagements that improve productivity to empower workers through co-operation & collaboration.

# STRENGTHENING DOMESTIC PRODUCTION



# 04

# STRENGTHENING PRODUCTION

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## INTRODUCTION

Strengthening the production of goods and services requires a comprehensive approach that spans multiple sectors, including agriculture, plantation, fisheries, livestock, tourism, minerals, IT & IT allied Services, marine industries, construction, packaging, telecommunications, banking & finance, insurance, assembly, pharmaceutical, and transportation. Tailored policies will be developed for each sector, to address their unique challenges and opportunities ensuring robust local production and contributing to overall economic resilience and sustainable growth. Emerging industries such as Bio Technology and Nanotechnology will be promoted to expand the economy.

Industrialization efforts will diversify and prioritize investment in R&D and innovation, human resource development, and adoption of appropriate technologies. This strategy aims to prepare the workforce for the advancements of Industry 4.0 and 5.0, while enhancing productivity and competitiveness.

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## **4.1 MSME Sector Initiatives Towards Industrialization**

- Create new employment opportunities by expanding the MSMEs economic activities targeting 1 million new jobs.
- Create a facilitative regulatory framework by revising existing laws & rules & providing the required technical assistance to MSMEs to carry out business operations smoothly.
- Implement policies to accelerate the development of value-added products across various sectors, including phosphate, mineral-based products, agro-industries, chemical products, and lubricants.
- Facilitate handicraft industries to source required raw materials for artists and provide access to both domestic & foreign markets by connecting them to the tourism sector.

## **4.2 R&D and Innovation**

- Establish a central authority to facilitate, conduct & govern research and development activities to enhance production, improve product quality, reduce time & wastage, streamline processes, driving innovation and efficiency leading to an industrialization boost.
- Expedite the process of obtaining patent rights, copyrights, trademarks, etc. through digitization and by removing bottlenecks including red tapes to ensure the protection of intellectual property rights.
- Strengthen collaboration between the state, industries, and global institutions, promoting technology transfers and fostering innovation.

## **4.3 Human Resource Development**

- Develop competencies & skills of the workforce in Science, Technology, Engineering & Mathematics (STEM), digital, and communication through education policies.
- Introduce short-term bridging programs on vocational and skills enhancements to bridge the gaps between the existing skills levels & the industry requirements.
- Promote partnerships between industries, higher education institutions and vocational training centres to enhance skill development, align education programmes with industry needs and create opportunities for hands on learning and workforce readiness.

- Provide enhanced healthcare services and advanced recreational facilities to foster a healthcare workforce, addressing mental, physical, and cognitive well-being.

## **4.4 Taxation**

- Introduce fair and convenient taxes for startups and MSMEs to enhance production competitiveness.
- Provide tax rebates or zero-rated tariffs on selected imported inputs, and capital goods used, including TIEP in selected local production processes, promoting both export competitiveness, stimulate domestic production and market accessibility.
- Introduce incentives including Offering 120% deductible tax allowance for capital investments in selected sectors, aimed at accelerating production and service capabilities.

- Strengthen anti-dumping measures and enforce import quality standards to ensure fair competition and maintain high product standards in the market.
- Zero-Tariff Policy for exports will be implemented whilst Intra-port trade will be promoted with an efficient service model.
- Tax & Tariff relief will be provided for Re-Exporters with value addition
- Offer options of relief bank mechanism to MSMEs & banks impacted by politically-induced bankruptcies or amicably resolve between the borrower & the lender for loans that are lined up for Parate executions.
- Integrate MSME loans into the relief banking mechanism for restructuring, based on business revival plan with extended repayment periods and at substantially reduced interest rates.
- Provide state guarantees on repayment for fresh lending by the banks to MSMEs that are restructured through the relief banking mechanism, subject to a ceiling to resume or expand their operations.
- Operate the relief banking mechanism for a specific period until MSME loans are successfully restructured, enabling MSMEs to achieve stability and be able to contribute back to economic development.

## 4.5 Targeted Financial Support

### 4.5.1 Relief Bank Mechanism

- Implement the relief banking mechanism for a defined period to support the restructuring of MSME loans allowing these businesses to regain stability and contribute to economic growth.

## **4.5.2 Development Banking**

- Establish a development bank to meet the long-term and low-cost capital needs of industries and existing state banks, rural development banks and private banks will be connected to deploy the program with state support.
- Provide collateral-free loans up to LKR 10 million for startups and new business ideas based on success of feasibility studies.
- Provide advisory support and capacity-building assistance along with the loan schemes, to address teething issues of emerging businesses.
- Develop the expertise within development banking system to address the lack of industry-specific knowledge to assess financial proposals.

## **4.5.3 Cooperative Banking**

- Strengthen the cooperative banking system to meet the financial needs of producers, farmers, manufacturers, and entrepreneurs with affordable interest rates.
- Provide comprehensive financial services through cooperative banks, including savings and investment products.
- Provide training and capacity-building to cooperative banks to extend support to farmers, manufacturers, and entrepreneurs to enhance their financial literacy.

## **4.6 Capital Formation through CSE**

- Promote Initial Public Offerings (IPO) by implementing tax concessions, facilitating easier access to capital for local businesses.
- Conduct awareness programs on capital formation by investing via IPOs, significance of participating in equity and raising capital for local businesses and entrepreneurs.
- Create visibility for SMEs by facilitating listing on exchange, fostering growth opportunities for smaller enterprises.
- Facilitate compliance through digital means to improve efficiency including Digital Annual reports, e-notification for AGM & EGM.

## **4.7 Industrial Inputs**

- Implement regulatory frameworks to ensure continuous and affordable supply of fuel, electricity, water, transportation, and telecommunications services, including voice and data, and monitor accordingly.
- Relax restrictions on the importation of industrial inputs and machinery, aimed at enhancing the production capacity of domestic manufacturing and service industries.

## **4.8 Moving to Industry 4.0 / 5.0**

- Promote adaptation of and transition to Industry 4.0/5.0 technologies to enable organizations to harness substantial productivity gains by improving industry preparedness.

- Promote improved cybersecurity measures, and implement other relevant advancements to accelerate digitization.
- Promote the development of artificial intelligence (AI) capabilities to enhance operational efficiency.
- Strengthen Public-Private-People Partnerships (PPPPs) to ensure the widespread availability of high speed internet and the development of state of the art data centers, facilitating industry transformation through enhanced digital infrastructure.
- Promote digital literacy among the existing workforce to equip them with the skills needed at the workplace.

## 4.9 Facilitate Risk Management

- Offer voluntary industrial risk management support aimed at boosting industrial resilience through proactive measures and continuous improvement strategies by leveraging the expertise of the applicable government agencies.
- Promote a culture of resilience and foster a collaborative approach between industry stakeholders and regulatory bodies ensuring industries remain adaptable and are prepared to address emerging challenges.

## **4.10 Industrial Zones**

- Introduce special programs for underutilized industrial zones to enhance their operational effectiveness and productivity.
- Develop & maintain the infrastructure needs of Industrial zones including electricity, water, logistics, and the access-road network.
- Establish dedicated low-cost wind & solar energy plants to provide energy to Industrial zones located within close proximity thus enabling them to reduce the cost of production.
- Develop dedicated value-added fisheries, and agricultural zones by establishing essential infrastructure with necessary services.

- Provide efficient land allocation for industrial purposes via lease arrangements (right to use) subject to meeting environmental sustainability requirements.

## **4.11 Improving Market Efficiency**

- Establish an integrated information system to provide easy access to data and information on demand, supply, raw materials, market access, logistics, value chain, and trends.
- Eliminate entry barriers for businesses, to create a democratic & fair business environment.
- Extend operating hours of economic centres and introduce online trading facilities to expand market reach and improve accessibility for both consumers and producers.

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- Introduce effective regulatory & monitoring frameworks and enforcement mechanisms to ensure market integrity is safeguarded and consumer's and producer's rights are protected.
  - Establish domestic digital payment gateways to facilitate secure and efficient transactions, promoting financial inclusion.

# CONNECTING TO GLOBAL VALUE CHAINS



# 05

# CONNECTING TO GLOBAL VALUE CHAINS

## INTRODUCTION

NP will connect domestic industries to the global value chains through a multifaceted approach that includes market and product diversification, penetrating global trade opportunities, and leveraging global labour markets. This strategy involves collaboration & co-operation, identifying new markets, introducing innovative products & services, and reviewing trade agreements to facilitate international expansion. Simultaneously, exploring global trade opportunities requires investing in logistics, infrastructure, and regulatory frameworks that support efficient trade flows and attract foreign investment.

### 5.1 Market & product Diversification

- Expand existing & new products to specified markets such as India, China, Sub Saharan Africa, Middle East & Europe.

- Promote new products to cater to new & evolving consumer needs, trends and preferences including ethical products.
- Strengthen foreign diplomatic service capabilities dedicated to trade facilitation, in accessing international markets.

- Establish platforms to connect domestic manufacturers with global value chains, fostering partnerships that enhance product development and market expansion efforts.
- Provide opportunities for entrepreneurs and industry professionals to participate in global events such as trade shows & exhibitions to build global networks & connections.
- Review existing trade agreements and pursue new ones to create fair & transparent trade environments and expand market access.
- Facilitate domestic industries to comply with global standards in quality, certification, and packaging to ensure international benchmarks are met.
- Establish a consultative body to review & analyse current level of foreign trade, market trends & global developments to provide valuable insights and strategic recommendations.

## 5.2 Leveraging Global Labour Markets

- Develop human resources aiming global labour market opportunities, in nursing, childcare, and elderly care.
- Develop seamen with adequate training & relevant certification and channel them to shipping lines to cater to marine service sector.
- Provide training & skills development opportunities to a new generation of chefs with exposure to international culinary trends to cater to a diverse global clientele.

- Develop IT technicians and IT engineers through targeted professional and vocational training initiatives to cater to global demand in the IT industry.
  - Facilitate developing skilled professionals across various other disciplines to cater to international demand through targeted programs.
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- ### 5.3 Penetrating Global Trade Opportunities
- Leverage Sri Lanka's strategic geographic location and energy resources to create a trading hub which focuses on energy & commodities and becomes a dynamic participant in global energy markets.
  - Enhance vessel manufacturing & maintenance infrastructure facilities to position Sri Lankan ports as preferred destinations for international vessel servicing.
  - Streamline ship registration processes by offering vessels to register under the Sri Lankan flag.
  - Promote hub-based entrepôt trading facilities to provide comprehensive logistics and trading services.
  - Facilitate transshipment activities & bunkering through strategic initiatives and infrastructure development to optimize cargo handling efficiency and logistics operations.
  - Implement an SOE-based international shipping protection arrangement encapsulating national security, preventing drug trafficking, and human trafficking, to enhance the government's income-earning opportunities.

# GOVERNMENT ROLE IN ECONOMIC DEVELOPMENT



# 06

# GOVERNMENT ROLE IN ECONOMIC DEVELOPMENT

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## INTRODUCTION

The NPP government will play a crucial role in economic development through several key functions. Firstly, it will regulate and monitor various sectors to ensure compliance with laws and standards, fostering a stable & level playing business environment. Secondly, the government acts as a facilitator by creating policies and initiatives that support business growth and investment. Thirdly, the government directly engages in providing certain essential services and infrastructure necessary for economic activities to thrive. Additionally, it focuses on attracting Foreign Direct Investment (FDI) by offering incentives and creating conducive business environments.

Consistency and efficiency in policy implementation will be facilitated by NPP while creating a competitive base for investments, in areas such as energy, capital, technology, and transportation, thereby promoting sustainable economic growth. Governance, transparency & accountability will be introduced to SOEs through an effective monitoring framework.

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## **6.1 Regulation & Monitoring**

- Develop & implement an effective regulatory framework in consultation with industry experts & stakeholders by revising existing regulations in line with international best practices to ensure smooth functioning of businesses in a conducive & collaborative environment within a transparent mechanism.
- Liaise with industry associations, experts, and professionals to provide solutions to the problems faced by the industries.
- Provide clear and concise guidelines and resources to help industries understand and comply with laws conveniently & efficiently.
- Introduce Mechanisms for citizen participation including public consultations, hearings, and feedback opportunities on proposed policies and laws.

## **6.2 Government as a Facilitator**

- Invest in required infrastructure such as roads, railways, bridges, transportation, marketplaces, waste management systems, utility supply systems, and communication on a priority basis that supports sustainable economic growth & development.
- Implement a mechanism to make all information relating to public finance, policies, cabinet decisions, budgets available online.
- Supporting research and development by investing in cutting-edge technologies to foster a culture of innovation that can lead to new industries, job creation, and sustained economic growth.
- Implement a participatory budget process, with clear reporting on fund allocation, tax policies, and expenditures.

## **6.3 Effective & Efficient Public Service**

- Implement an efficient & effective public service through an enhanced digitization drive where a 'Unique Digital Identification' code will function as a key field to access the public service.
- Integrate information in various public institutions relating to individuals & businesses via digital platforms to provide seamless & hassle-free services.
- Reassign excess staff in institutions to roles focused on information processing and sharing, specifically tailored to support the needs of large businesses, SMEs, citizens & tourists.
- Implement need-based recruitment and meritocracy-based promotion, ensuring a skilled and motivated workforce in the public sector.

- Improve technology transition for better process efficiency within public services, enhancing service quality, delivery, and responsiveness.
- Develop a comprehensive roadmap to transform the public service, aligning it with the principles of public interest in meeting the evolving needs and expectations of the public.

## **6.4 State-Owned Enterprises**

- Establish a mechanism to take required actions on each institution by referring to its strategic significance, potential for economic growth, ability to induce the economy, impact on financial stability, and national interest.
- Explore emerging economic trends at national & international arena and ensure SOEs are geared to facilitate them to expand economic opportunities.

- Manage State-Owned Enterprises (SOEs) through Public, Private, and People Participation (PPP) models where the ownership, and control will be redesigned to achieve economic prospects.
- Establish reporting mechanisms to enhance transparency and accountability through regular and detailed information disclosures including related party transactions, procurement, government spending, contracts, progress and results of projects undertaken and other information on-demand.
- Make audited financial statements of all SOEs available via online platforms in a timely manner.
- Establish minimum governance standards for SOEs in consultation with

Sri Lankan professional institutions to deal with matters on conflict of interest and to prevent abuse of power for personal gain.

## 6.5 Policy Consistency & Efficiency in Implementation

- Create a consistent policy framework with a stable regulatory environment to mitigate risks and allocate resources effectively.
- Maintain a level playing field through fairness in policy implementation.
- Consult businesses when making regulations to minimize suboptimization.
- Implement progressive measures in line with global best practices to ease the challenges of doing business.

- Implement digitization initiatives to provide access to monitor the progress of any applications made to government agencies together with maximum timelines to receive responses.
- Introduce initiatives to help businesses understand and comply with government regulatory requirements more effectively.
- SVAT mechanism will be reviewed and continued until a fully digitized process is implemented within an agreed time frame to ease the cashflow burden of exporters subject to introducing credible deterrent measures to prevent abuse & leakage.
- Implement awareness campaigns to ensure the public and businesses are thorough with their legal responsibilities and the importance of compliance to ensure that information about laws and regulations is easily accessible via online platforms.
- Develop and promote the use of e-government platforms for filing, reporting, and monitoring compliance to make processes more efficient, transparent, and accessible.
- Utilize data analytics to identify trends, detect non-compliance early, and make informed decisions about regulatory adjustments and enforcement priorities

## **6.6 Social Security and Empowerment**

- Design and implement a comprehensive social security mechanism to ensure that no one is left behind to have adequate food, education, health, shelter and social protection.
- Provide immediate cash benefits to those who are vulnerable and struggling to live under the present economic condition.
- Implement a mechanism to empower people with adequate support, opportunities & guidance to engage in economic, value-adding processes at different capacities.
- Reduce inequality in income and wealth distribution through appropriate fiscal measures and other policy decisions.
- Upgrade the social welfare mechanism to time-bound delivery objectives that will uplift families from poverty & to prevent falling back into poverty.



# ZERO TOLERANCE FOR CORRUPTION



# 07

## ZERO TOLERANCE FOR CORRUPTION

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### INTRODUCTION

For many decades Sri Lankan people were hoodwinked and ruled by networks of corrupt politicians and crooks which has undermined trust in institutions, distorted economic development, and eroded the fabric of social justice. NPP's approach is to ensure no one is above the law and to demonstrate zero tolerance for corruption through ethical transparent & accountable conduct. Without stringent measures in place to combat it, corruption has led to a culture of impunity.

Our zero-tolerance approach to corruption will be initiated by demonstrating clean political practices, integrity that will gradually establish a political culture respected by all. We will effectively implement the provisions in the law for swift and proportionate action against culprits irrespective of status and to restore public funds & trust.

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## 7.1 Clean Politics

### Governance, Transparency & Accountability

- Assign clear duties & responsibilities for all politicians & public servants.
- Introduce a new governance framework and code of conduct with clear rules & procedures to politicians & public officials.
- Implement a mechanism to prohibit politicians from engaging in business activities while in office to eliminate conflicts of interests.
- Enhance transparency to ensure government actions and decisions are open and accessible to the public to increase public trust in the political system.
- Strengthen accountability mechanisms to ensure public officials are held

responsible for their actions, via comprehensive audits and oversight mechanisms.

- Mandate asset declaration for all politicians and public officials to identify and prevent illicit wealth accumulation, ensuring that personal interests do not interfere with public interest.
- Establish a mechanism to annually disclose detailed reports on how taxpayers' money was utilized.
- Whistleblowing facilities including digital means to enhance transparency and accountability.
- Enhance the procurement system by introducing e-procurement system to ensure public finance is managed objectively.
- Strengthen the integrity of government activities through public oversight by allowing the public to make submissions to COPE & COPA.

- Empower COPE & COPA committees to take legal actions by enhancing their scope & providing necessary resources.
  - No politicians & public officials are allowed to accept undeclared gifts.
  - Expedite corruption-related cases stalled due to technical issues to ensure offenders cannot evade accountability.
  - Implement policy reforms to ensure law enforcement agencies and the judiciary operate independently and investigations are conducted timely & fairly.
  - Ensure politicians and public officials are subject to the same legal scrutiny and consequences as ordinary citizens, without exemptions or privileges.
  - Facilitate speedy resolving of matters relating to contract law, trademarks, and intellectual property rights.
  - Enhance facilities available for commercial arbitration
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- Allocate required resources and amend laws where necessary to conclude cases in a timely manner, as justice delayed is justice denied.

### **7.3 Leadership by Example**

#### **Democratic approach & answerable to citizens**

- Adhere to principles of good governance particularly integrity, transparency & accountability by elected representatives, and ensure the same is reflected throughout all levels of government.
- Ensure elected representatives commit to non-politicizing of state institutions.

- Appoint competent individuals and ensure the most qualified and capable people guide state institutions, promoting meritocracy, efficiency, and effectiveness in public service.
- Eliminate wasteful expenditure and avoid excessive spending on security measures for politicians.
- Stop the provision issuance of permits for duty-free vehicles
- Provide necessary resources to politicians to discharge their responsibilities towards the public in an efficient & effective manner without extravagant benefits.
- Abolish politicians and their associates from receiving pensions.
- Facilitate disclosing asset declarations of politicians & public officials to the public through a transparent mechanism.

## **7.4 Improving Institutional Culture**

### **Integration with technology**

- Implement digitization to deliver efficient services
  - Create policies to build a new organizational culture in the public sector to ensure integrity and ethical behaviour by rewarding honesty, and taking action against corrupt practices.
  - Implement transparent processes for decision-making in government institutions to build trust and ensure that citizens are well-informed.
- Create a culture of active citizen participation by providing channels for feedback, suggestions for improvements, and involvement in the policy-making process, ensuring that government actions reflect the needs and desires of the people.
  - Provide continuous training and professional development for public sector employees to cultivate a culture of excellence, innovation, and dedication for effective & efficient public service.



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