

**ADDRESS OF HON. PRIME MINISTER**  
***(SRI LANKA ECONOMIC SUMMIT - 30<sup>TH</sup> JUNE 2009)***

Mr. Yasushi Akashi, Representative of the Government of Japan

Hon. (Prof.) G.L. Peiris, Minister of Export Development &  
International Trade

Dr. K. Govindan, Deputy Director General of the Economic  
Planning Unit of Malaysia

Chairman, Ceylon Chamber of Commerce Mr. Jayampathi  
Bandaranayake

Chairman, Economic Summit Steering Committee, Mr. Lakshman  
Watawala

Distinguished Guests,  
Ladies & Gentlemen,

I am pleased to be present at this inaugural session of the Sri Lanka Economic Summit 2009, which you are holding this year at a momentous time in the history of Sri Lanka. We are on the threshold of a new era. It is a new beginning which holds both challenges and opportunities.

On behalf of the Government of H.E. Mahinda Rajapaksa, let me begin by complimenting the Ceylon Chamber of Commerce for organizing an event of this importance. I understand that this is the 10<sup>th</sup> year of this forum and we commend the private sector for taking initiatives of this nature.

2009 heralded a year that was both challenging and full of promise; terrorism's hold on the country is no more and the Government is now free to devote its attention to a total commitment towards development. We are one country, one people; we should now work together as one team to restore our motherland to its full potential.

We had to face several other challenges apart from the global food and energy crisis. The intensification of the global financial crisis towards the end of the year, affected the external sector and subsequently the overall economy. However, the right policies of the government at the right time cushioned the adverse impact of the global financial crisis. Inflation which peaked at 28

percent in June 2008 declined to around 3 per cent in May, 2009. This was a result of the Central Bank's tight monetary policy and falling commodity prices. The rate of unemployment continued its declining trend and reached the lowest rate in 2008.

Sri Lanka's private sector has continued to perform well, despite a conflict which held the nation captive for nearly three decades. Sri Lanka's 5% economic growth owes much to the private sector resilience and the Government appreciates that. With the end of the war, our horizons have now expanded and we see many opportunities, during this time of peace, which should be exploited to its fullest extent.

Sri Lanka can certainly be proud of her human development indicators, the country has achieved higher levels in literacy, life expectancy, infant mortality and also in poverty alleviation. The population below poverty line was reduced to 15 per cent in 2008. Despite the extensive social protection programmes, the growth imbalance is still prominent between the urban and rural areas. Therefore, the government's economic policy is centered more on developing a regionally balanced economy addressing the economic and social disparities across all parts of the country. With the liberation of Northern and Eastern Provinces, the government now faces the huge challenge of developing basic infrastructure facilities to restore the livelihood of the people in those two provinces.

We have provided the world with many examples of courage; now, the time has come for post-war development to unite us. We should embrace our diversity and unite in our struggles towards building a nation that is both strong in its people as well as in its economy.

We have shown the world what can be done when the whole country unites as one towards one goal; we must maintain that strength to achieve the many other goals that the country has before it. A 'can do' attitude, proactive action and focused attention should be the order of the day.

Despite the global economic situation, Sri Lanka is poised to enter a more promising era. This is because we believe that the country's economic growth will be driven more by domestic factors notwithstanding the effects of

global economy. With the end of this three decades long conflict, revival of economic activities along with the reconstruction and development of liberated areas, higher arrivals of tourists and higher investments will help expand domestic production. Certain developments are already becoming visible. The stock market has soared, foreign funds have flocked to government securities, the depreciating trend of the exchange rate has changed, depletion of external reserves has ceased, investor sentiment has improved, movements of people have increased, to mention a few. Above all, with the evolving peaceful atmosphere, the people are now ready to take up any challenge towards the speedy development of the country. The impact of reintegration of Northern and Eastern Provinces, which were not part of the mainstream economy for sometime, will provide the opportunity to access the enormous amount of untapped resources. Major infrastructure development projects also support the growing economy.

We know the other countries in the region have also performed well. Asia has become the engine of growth of the world economy and our region is a part of this resurgence. This growth must have a multiplier effect in our region. We have a rich and varied experience in development which we must pool together to create a model of inclusive and sustainable regional development. This mutuality of interests is the central driving force of regional cooperation everywhere. In this regard, I am very pleased that the Government of Japan has been a great source of encouragement and support for us in Sri Lanka. (*The presence of Mr. Akashi at this forum is a confirmation of this statement.*) In fact, Japan was one of the biggest donors to help us with our development over several years. We will welcome all support and assistance that the government of Japan provides us at a critical time in our journey to economic and social progress. It is the greatest priority for us as a government to ensure the people of this country feel the benefit of a peaceful Sri Lanka.

I hope your deliberations at these sessions will be fruitful.

I wish you all success.

Thank you.