



The
**Ceylon
Chamber of
Commerce**

Vision 2030

Five Year Economic Plan

2025-2030

Compiled by,
The Ceylon Chamber of Commerce





Vision 2030

Five Year Economic Plan

2025-2030

**Compiled by,
The Ceylon Chamber of Commerce**

Executive Summary

The Ceylon Chamber of Commerce presents a comprehensive policy document designed to guide political parties in Sri Lanka towards sustainable and inclusive development by 2030. This document addresses critical sectors such as healthcare, agriculture, education, logistics, and the digital economy, highlighting the need for robust economic policies, tax reforms, trade reforms, and digital advancements.

Key macroeconomic targets include achieving a 6.5% GDP growth rate, reducing the unemployment rate to below 5%, and ensuring average inflation is kept below 5%. Sector-specific goals aim to enhance education quality, improve healthcare access, boost agricultural productivity, and develop a resilient digital economy infrastructure. Policy interventions propose comprehensive digitization of government databases and processes, increased private sector engagement in education, pursuit of universal health coverage, and modernization of the financial sector to reduce costs and improve governance.

The document emphasizes the importance of public-private partnerships, regulatory reforms, and substantial investments in infrastructure to improve efficiency, transparency, and economic resilience. Key interventions include fostering increased private sector participation in education, establishing a universal health insurance policy, and digitizing the financial sector to widen access to finance and promote inclusivity. The roadmap also advocates for the development of a thriving start up ecosystem and robust national data protection and cybersecurity measures.

By setting clear targets and actionable policies, the Chamber aims to foster economic growth, social well-being, and environmental sustainability in Sri Lanka. The Chamber stands ready to support the government in implementing these policies, ensuring that the business community's needs are met and that the country moves towards a prosperous and equitable future.

Contents

1. Introduction and Vision.....	1
2. High-level Macroeconomic Goals to achieve by 2030.....	2
3. Enablers and Key Sectors.....	4
4. Key Targets to achieve in 2030 and Top Policy Interventions identified in relation to Enablers and Key Sectors.....	5
Enablers	
i. Export Promotion and Facilitation.....	5
ii. Investment Promotion and Facilitation.....	8
iii. Governance, Anti corruption and Rule of Law.....	9
iv. Entrepreneurship and SME Development.....	14
v. Digital.....	17
vi. Tax Reforms.....	19
vii. Public Sector Reforms.....	22
viii. Advancement in Power and Energy.....	25
ix. Sustainability.....	28
x. Social Protection.....	31
Key Sectors	
i. Agriculture.....	33
ii. Banking and Finance.....	36
iii. Infrastructure.....	39
iv. Ports, Shipping and Logistics.....	42
v. Tourism.....	45
vi. Education.....	48
vii. Health.....	51
viii. Public Transport.....	54
5. Conclusion.....	56

Introduction

This document delineates sector-specific targets and proposes strategic policy interventions. It addresses critical sectors such as healthcare, agriculture, education, amongst others while also emphasizing key enablers like tax reforms, trade reforms, digitisation, and power and energy reforms. By setting a clear roadmap and actionable policies, the Chamber aims to foster economic growth, social well-being, and environmental sustainability in Sri Lanka, and stands ready to support the government in achieving these goals.

Vision

“To foster a prosperous, inclusive, and sustainable Sri Lanka by 2030 through strategic economic reforms, robust public-private partnerships, and comprehensive sectoral development”

High-Level Macroeconomic Goals

to achieve by 2030

Economic Growth and Employment



Real GDP Growth
6.5%
-2.3% (2023)



Real GDP
USD 106.30 Bn
USD 84.4 Bn (2023)

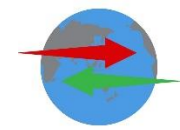


Per Capita GDP
US\$ 4,832
US\$ 3,830 (2023)



Unemployment
<4%
4.7% (2023)

External Sector



Export - Import Ratio
80%
70.9% (2023)



Current Account Balance
-0.8% of GDP
1.8% (2023)



Gross Official Reserves
US\$ 15.3 Bn
US\$ 4.4 Bn (2023)

Fiscal Sector



Tax Revenue
14% of GDP
9.8% (2023)



Primary Balance
2.3% of GDP
0.6% (2023)



Budget Deficit
<5% of GDP
8.3% (2023)

High-Level Macroeconomic Goals

to achieve by 2030

Macroeconomic Stability



Average Inflation

<5%

17.4% (2023)



Interest Rate (AWPLR)

<8%

14.21% (2023)

Debt Sustainability



Public Debt

100% of GDP
110.8% (2023)



Gross Financing Need

13.5% of GDP
34.6% (2022)



External Debt Service Ratio

4.5% of GDP
9.4% (2022)



Credit Rating

BBB

Fitch and S & P

Baa2

Moody's

Poverty Reduction



Poverty Ratio

<10%

14.7% (2023)



Welfare Payment Coverage

0.8% of GDP

0.67% (2023)

By Strengthening Enablers and Focusing on Key Sectors, Sri Lanka can achieve High- Level Macroeconomic Goals



Strengthening



Focusing on,

Enablers

Export Promotion and Facilitation

Investment Promotion and Facilitation

Governance, Anti-corruption and Rule of Law

Entrepreneurship and SME Development

Digitalization

Tax Reforms

Public Sector Reforms

Power and Energy Reforms

Sustainability

Social Protection



Key Sectors

Agriculture

Manufacturing Industry

ICT and BPO

Banking and Finance

Infrastructure

Tourism

Education

Health

Ports, Shipping and Logistics

Public Transport

Enabler : Export Promotion and Facilitation

3 Key Targets to achieve by 2030

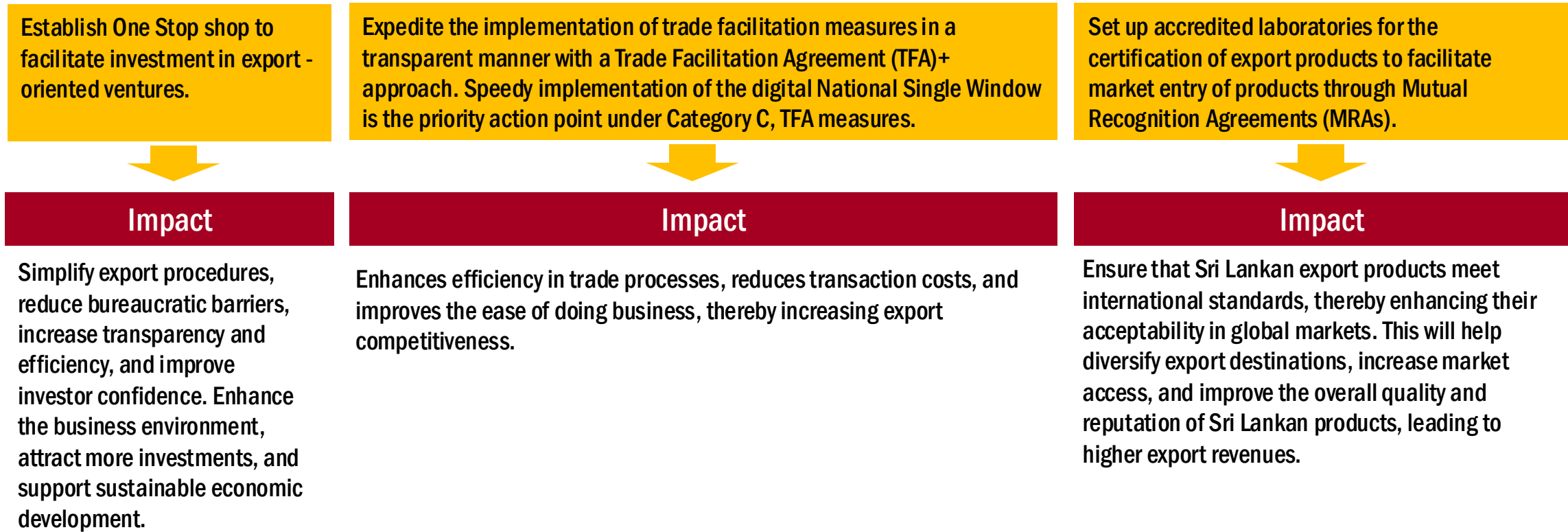
1. Exports of goods and services as a % of GDP at 30%
(14% in 2023)

2. 2-3 new sectors, each generating \$1 billion in export revenue, diversifying the export portfolio

3. Exports to non-traditional markets increased by 25%.

Enabler: Export Promotion and Facilitation

7 Top Policy Interventions



Enabler: Export Promotion and Facilitation

7 Top Policy Interventions cont'd

Enhance Market Access with FTAs and Export-Oriented FDI.



Impact

Enhanced access to international markets and the attraction of foreign investment will boost export revenues and strengthen economic ties with ASEAN (through RCEP) and other regions. Entering into FTAs with strategic countries and negotiating to remove export quotas to India will enhance market access, leading to increased export volumes and economic growth. This will diversify export destinations, reduce dependency on a few markets, and improve trade balance. This will lead to increased economic growth and diversification, improving the overall resilience of the Sri Lankan economy.

Establish dedicated Export Zones and Plug into the Supply Chains of Asia.



Impact

Improve infrastructure, streamline raw material supply chains, and create jobs in export-oriented sectors. This will increase the competitiveness of Sri Lankan exports, fostering industrial growth and development.

Establish a rational tariff structure that promotes objectives such as increasing exports and improving domestic value-added manufacturing by considering both import and export levies (including para-tariffs).



Impact

Promote trade competitiveness by ensuring exporters and domestic manufacturers have cost-effective access to quality raw materials and intermediate goods. This will boost manufacturing sectors, particularly SMEs, by providing them with the necessary resources at competitive prices, thereby enhancing their ability to compete internationally.

Shift the focus of Sri Lanka missions from political diplomacy to commercial diplomacy, incorporating an arm of the Export Development Board (EDB) in each mission and assigning specific targets for export growth and market penetration



Impact

Enhance international trade relations, increase export volumes, and diversify export markets, contributing to sustainable economic development.

Enabler : Investment Promotion and Facilitation

3 Key Targets to achieve by 2030

1. Annual FDI inflow of US\$ 5 billion
(US\$ 774.8 Mn in 2023)

2. 100,000 new jobs

3. All investment approvals and facilitation processes under one roof to enhance efficiency

Enabler : Investment Promotion and Facilitation

6 Top Policy Interventions

Liberalize rules pertaining to foreign investment with minimum investment criteria.



Impact

Attract a higher volume of foreign capital, fostering economic growth and development

Carryout complete overhaul of the FDI promotion authority particularly by getting staff at market rates.



Impact

Enhance the efficiency and effectiveness of investment promotion efforts

Identify thrust industries for promotion i.e., tourism, IT and BPO, shipping and logistics, commercial agriculture, private economic zones.



Impact

Drive sector-specific growth and diversification of the economy

Shift the focus of Sri Lanka missions from political diplomacy into commercial diplomacy and have an arm of the BOI in each mission and give targets for investment and trade.



Impact

Boost international trade relations and foreign investment

Enabler : Investment Promotion and Facilitation

6 Top Policy Interventions

Develop and position Colombo Port City as a premier regional center for finance, retail, and entertainment. Implement policies to attract leading financial institutions, global retail brands, and entertainment enterprises to establish operations in the Port City. Develop world-class infrastructure, including commercial spaces, luxury shopping malls, entertainment complexes, and high-end residential areas. Promote the Port City as a destination for international business, shopping, and leisure, leveraging its strategic location and favorable regulatory environment.



Impact

Converting the Port City into a regional financial, retail, and entertainment hub will drive substantial foreign direct investment and position Sri Lanka as a major economic and cultural center in South Asia. This initiative will attract multinational corporations, financial institutions, and luxury retail brands, creating a vibrant ecosystem for business and commerce. The development will generate significant employment opportunities, boost tourism, and enhance the overall economic landscape of Sri Lanka. Additionally, it will establish Colombo as a key destination for regional and international investors, shoppers, and tourists, contributing to sustained economic growth and urban development.

Introduce a residence VISA scheme for foreign citizens with a minimum investment



Impact

Attract long-term foreign capital and talent, contributing to sustained economic development.

Enabler : Governance, Anti-Corruption and Rule of Law

3 Key Targets to achieve by 2030

1. Number of reported discrimination cases based on religion, language, or cultural background annually, at 0% report rate.

2. All new laws and regulations should undergo Regulatory Impact Assessment

3. Position Sri Lanka among the top 50 countries in the World Economic Forum's Incidence of Corruption and Transparency International's Corruption Perception Index by 2030.

Enabler : Governance, Anti-Corruption and Rule of Law

6 Top Policy Interventions

Mandate that all government contracts be tendered, prohibiting unsolicited bids, and require all tenders above a specified value to be processed through the Ministry of Finance and the relevant line ministry to ensure transparency and reduce corruption opportunities



Impact

Implementing a comprehensive tendering process for all government contracts will enhance transparency, reduce corruption, and ensure fair competition. Processing high-value tenders through the Ministry of Finance and the relevant line ministry will further safeguard against corrupt practices and promote efficient and accountable governance.

Amend Sections 291A and 291B of the Penal Code to Include Protections for All Ethnic Groups.



Impact

Strengthens legal protections for all communities, fostering equality and reducing discrimination based on religion, language, or cultural background.

Implement a Regulatory Impact Assessment (RIA) Framework Based on OECD Principles.



Impact

Enhances the effectiveness and efficiency of regulations by systematically evaluating their impacts, reducing unnecessary regulatory burdens and ensuring evidence-based policy-making.

Enabler : Governance, Anti-Corruption and Rule of Law

6 Top Policy Interventions

Establish a National Implementation Oversight Committee



Impact

Ensures accountability and systematic implementation of reforms, reducing corruption through transparent action tracking.

Create a transparent action tracker for government initiatives



Impact

Facilitates public monitoring of government actions, increasing transparency and reducing opportunities for corruption.

Introduce Key Performance Indicators (KPIs) for public sector



Impact

Aligns public sector goals with economic and environmental objectives, promoting efficiency and reducing corrupt practices.

Enabler : Entrepreneurship and SME Development

3 Key Targets to achieve by 2030

1. Contribution to GDP at 60%
(52% in 2013)

2. Contribution of SMEs to 55% of total employment
(45% in 2013)

3. 30 listings on the Empower Board of the Colombo Stock Exchange
(3 as at June 2024)

Enabler: Entrepreneurship and SME Development

5 Top Policy Interventions

Implement Educational Reforms towards Entrepreneurship and MSME Development and creating a world class and resilient workforce



Impact

Enhancing entrepreneurship curriculum in schools and fostering innovation through collaborations with universities and national agencies will create a skilled workforce, drive employment opportunities, and support new venture creation.

Consolidate and streamline business operationalization services to encourage entrepreneurship and MSME growth



Impact

Streamlined business registration and compliance processes, along with support systems like "Startup Loans" and one-stop service hubs, will reduce barriers to starting and operating businesses, encouraging entrepreneurship and growth of MSMEs.

Enable business acceleration and scale



Impact

Allocating resources to innovation and entrepreneurship initiatives, improving access to R&D, simplifying regulatory processes, and ensuring favorable conditions for SMEs in industrial zones will boost innovation and support business growth.

Enabler: Entrepreneurship and SME Development

5 Top Policy Interventions cont'd

Unlock business growth by navigating risk, securing financing and grants, and maximizing investment opportunities



Impact

Strengthening financial support institutions, providing accessible insolvency solutions, enhancing investment policies, and creating blended finance vehicles will increase funding availability and reduce financial risks for SMEs and startups.

Review legislation, regulations, and approaches that foster the development of entrepreneurship and small and medium-sized enterprises.



Impact

A comprehensive export strategy inclusive of SMEs, recognition of new industrial sectors, and optimized resource allocation within public sector development agencies will enhance the growth and sustainability of SMEs and the entrepreneurial ecosystem.

Enabler : Digital

4 Key Targets to achieve by 2030

1. Digital economy's contribution to the GDP at 10% (5% in 2023)

2. Successful implementation of Digital ID

3. Reduce cash transactions by 30%.

4. 10 globally recognized startups and partnerships with 5 leading universities.

Enabler : Digital

4 Top Policy Interventions

Establish a Digital Transformation Agency under the Presidential Secretariat with authority over other technology-related institutions to effectively drive digital initiatives and achieve targeted goals. Without such power, the agency risks becoming merely a project management organization.



Impact

Increasing the digital economy's contribution to GDP from 5% to 10% signifies a substantial shift in economic activity towards digital sectors, thereby directly enhancing GDP.

Implement a Unified Digital Infrastructure with a unified email network, Lanka Government Cloud, Government Data Lake, ERP, BRP, high-speed broadband, and G2E and G2G portals.



Impact

Enhances data-driven decision-making, transparency, and efficiency in public services, supporting full implementation of the Digital ID and 100% digital government payments.

Expand broadband to rural areas, ensure transparent spectrum allocation, and enact supportive legislation.



Impact

Facilitates fair and secure digital economy growth, promoting seamless internet services nationwide, aiding in the reduction of cash transactions by 30%.

Establish comprehensive national data protection and cyber security measures.



Impact

Enhances security, boosts economic stability, builds trust in digital services, and safeguards national security, enabling the digital transformation necessary for a thriving startup ecosystem.

Enabler : Tax Reforms

3 Key Targets to achieve by 2030

1. Tax revenue higher than 14% of GDP.
(9.8% in 2023)

2. Direct to indirect tax ratio to over 40:60.
(33: 67 ratio in 2023)

3. Total number of income tax-payer files at 3 million
(997,858 in 2023)

Enabler: Tax Reforms

5 Top Policy Interventions

Establish a Tax Policy Unit (TPU) of experts to review the tax system and develop a flexible policy, with authority to request confidential data. The Chamber can assist to draft a detailed policy.



Impact

The task force can identify inefficiencies and areas for improvement, leading to recommendations for simplifying tax laws and procedures, and a cost-benefit analysis will ensure proposed tax changes are feasible and rational, preventing irrational policies and promoting policy consistency.

Enhance the tax base, assess the impact and benefits of new taxes like wealth and digital taxes, and streamline import taxes, including para tariffs, aligning them with policy objectives after stakeholder consultation.



Impact

Evaluating and streamlining import taxes will facilitate smoother trade and investment, creating a level playing field for the formal sector. Also, conducting a cost-benefit analysis before introducing new taxes ensures the implementation of appropriate taxes, leading to better compliance and transparency.

Modernize tax administration by investing in technology for electronic filing, e-invoicing, data analytics, and online support. Digitally link all government institutions and banks with the IRD for continuous information sharing and implement rules to reduce cash transactions in significant dealings.



Impact

Enhancing transparency and widening the tax base will facilitate collections and compliance significantly countering avenues for corruption and evasion..

Enabler: Tax Reforms

5 Top Policy Interventions

Establish a mechanism, within the tax policy unit, for regular review and adaptation of tax policies to ensure they remain responsive to changing economic conditions and societal needs. This can include conducting periodic evaluations of tax incentives' effectiveness, soliciting feedback from stakeholders, and adjusting policies accordingly to achieve the desired economic and social outcomes.

Impact

Allows for continuous improvement and making adjustments at the right time prior to a negative outcome and being able to capitalize on opportunities to raise revenue.

Establish an Ombudsman with binding authority over the Tax Appeals Commission and CGIR, supported by legislation. Place the Tax Appeals Commission under the Ministry of Justice for independence, issue public rulings for consistency, and provide written guidance on IRD operations. Implement strict penalties for tax evasion and non-compliance.



Impact

Enhances accountability and transparency, fostering public trust and providing an accessible alternative to costly court appeals. This deters malpractice and ensures fair outcomes. Creating an Independent Ruling Authority, similar to India's, addresses bias concerns and inspires confidence in pre-transaction rulings.

Enabler : Public Sector Reforms

3 Key Targets

to achieve by 2030

1. Public service cadre at 600,000 (2/3 of current level) while maintaining adequate cadre for critical services.

2. Aggregate Return on Investment (ROI) from all SOEs > risk-free return rate.

3. Number of ministries < 25

Enabler: Public Sector Reforms

5 Top Policy Interventions

Rationalise the number of Ministries and the assignment of subjects between them. Include the list of ministries in the constitution. Streamline procedures to appoint, evaluate performance of and remove Secretaries and other key officials.



Impact

Ensures focused leadership, reduces duplication, and fosters meritocratic selection, enhancing public service accountability and transparency.

Expand the scope of Public Service Commission (PSC) to cover Administrative Reforms including the right-sizing of the public service cadre and reviewing remuneration structures.



Impact

Optimizes public service staffing through efficient resource allocation and improved remuneration structures, leading to enhanced service delivery and a significant reduction in costs.

Continue with SOE Reforms (divesting non-strategic entities and bringing all other remaining SOEs under a holding company). Enhance governance through listing on the stock exchange, adherence to statements of corporate intent and clear board appointment processes. Additionally, continue with cost-reflective pricing for utilities to ensure financial sustainability and operational efficiency.



Impact

Increases economic efficiency and competitiveness, unlocks capital, and improves governance through transparency and accountability. Consolidating remaining SOEs under a holding company fosters enhanced governance and performance improvement.

Enabler: Public Sector Reforms

5 Top Policy Interventions cont'd

Strengthen independent regulatory bodies by making them financially independent and bridging them under a separate ministry with appointments/removals ratified by the Constitutional Council. Implement competition law and build an effective competition authority.



Impact

Promotes a fair market by empowering regulators to tackle anti-competitive practices, creating a level playing field and benefiting consumers.

Revise procurement guidelines through inclusive consultation and implement e-procurement to ensure transparency.



Impact

Enhances transparency and accountability in public spending and will streamline processes and minimize opportunities for corruption.

Enabler : Advancement in Power and Energy

3 Key Targets to achieve by 2030

1. 70% renewable energy in total electricity generation.
(50% in 2023)

2. Commercial Energy Intensity reduced by 20%.
(0.5TJ/ LKR Mn in 2021)

3. Implementation of the Electricity Act of 2024

Enabler: Advancement of Power and Energy

5 Top Policy Interventions

Establish an efficient and effective renewable energy procurement process that aims to streamline the process for projects of all scales, ensuring smoother acquisition of renewable energy resources.



Impact

Fast-track approach will significantly reduce procurement timelines, ensuring the viability and swift implementation of renewable energy projects, contributing to the 70% renewable energy target.

Create a conducive environment for investments in renewable energy fostering an atmosphere that encourages both local and international investment in renewable energy initiatives.



Impact

Local investors will expedite renewable energy development, especially for SMEs, boosting employment and contributing to the 70% renewable energy target.

Implement the Energy Efficient Building Code (EEBC) and Appliance Efficiency Standards enforcing energy efficiency standards for both buildings and appliances.



Impact

Reduces long-term energy demand growth, lowers costs, and supports the 20% reduction in energy intensity per GDP unit.

Enabler: Advancement of Power and Energy

5 Top Policy Interventions cont'd

Develop and enforce sustainable biomass standards establishing guidelines for its responsible utilization.



Impact

Reduces deforestation and promotes local fuel wood plantations, contributing to climate goals and supporting the implementation of the Electricity Act.

Create a \$100 million fund for energy efficiency and small-scale renewable energy and establish a financial mechanism with concessional terms aimed at supporting projects in these sectors.



Impact

Provides affordable financing for businesses, enhancing energy efficiency and renewable energy uptake, aiding in achieving the renewable energy and energy efficiency targets.

Enabler : Sustainability

3 Key Targets to achieve by 2030

1. Climate Adaptation Fund with \$1.5 billion and execution of implementation plan

2. 20% of critical infrastructure to withstand climate change impacts

3. 20% of NDCs for social and environmental adaptation measures

Enabler: Sustainability

5 Top Policy Interventions

Legislate new Climate Act, that defines climate adaptation and climate solutions that links tax incentives, cross subsidies, payments for eco system services, and incorporate these drivers into National Budgeting



Impact

New act will drive climate action, climate advocacy, climate investment, funding the creation of data collection, data analytics, upgrading institutions such as the meteorological department, irrigation department, creating systems and knowledge for water planning, food security planning, energy security planning, and mobilizing climate financing

Introduce Climate Adaptation Legislation, to adopt a legal framework to inclusively implement National Adaptation Plan. Within this framework, establish Climate Adaptation Fund, funded by Carbon Tax, Multilateral Agencies, Grants



Impact

Establishing a legal framework and the Climate Adaptation Fund will ensure efficient implementation of climate resilience projects, fostering a more adaptive economy

Facilitate socially and environmentally sustainable development by accessing concessionary climate funding disseminated through Banking, Finance & Micro Finance industry, supported by Govt guarantee of Country Risk & Exchange Rate Risk



Impact

Mobilizing significant finance through banking, finance, and microfinance sectors, supported by government guarantees, will promote sustainable economic growth and improved environmental outcomes

Enabler: Sustainability

5 Top Policy Interventions cont'd

Strictly implement Energy Efficient Building Code, for all new construction over 1,000 square feet



Impact

Whilst reducing energy and water consumption, future-proof buildings for imminent temperature changes making every new building more sustainable

Establish an apex body to bolster climate adaptation. This body, similar to SLINTEC, should interface with the private sector for consultation, support specific adaptation initiatives through co-funding or streamlined regulations, and even facilitate professional exchanges between public and private spheres. This collaboration, along with exploring innovative financing, will unlock private sector expertise and resources to accelerate adaptation efforts.



Impact

By fostering these partnerships, the central body will unlock the vast expertise and resources of the private sector. This innovative approach, centered on a central body that facilitates public-private collaboration and explores creative financing solutions, will significantly accelerate national adaptation efforts and build a more resilient future for all.

Enabler : Social Protection

3 Key Targets to achieve by 2030

1. Poverty Rate less than 10%.

2. Health Insurance coverage for 90% of the population

3. Ensure social safety net covers 100% of the target beneficiaries.

Enabler : Social Protection

4 Top Policy Interventions

Implement a comprehensive digitization of the "Aswesuma" Database and establish a Rigorous Review Process for the "Aswesuma" Scheme.

Impact

Enhances efficiency and decision-making with data analytics for better policy implementation and increases transparency and accountability, ensuring accurate resource allocation to maximize social welfare.

Identify and adequately Compensate Critical Government Positions.

Impact

Strengthens the ability to attract and retain skilled professionals in essential government roles, thereby improving public sector performance and service delivery.

Implement a tiered tuition fee structure for higher education institutions.

Impact

Increase accessibility for students from diverse economic backgrounds and ensure more equitable funding for educational resources.

Provide targeted allowances for children with disabilities to support their education, and introduce loan/grant schemes to facilitate skill training and access to technology and IT equipment.

Impact

Enhanced educational opportunities and skill development for differently-abled individuals, leading to greater independence, improved quality of life, and increased economic contribution to society.

Key Sector : Agriculture

3 Key Targets to achieve by 2030

1. Agriculture sector's share of GDP at 12%
(8.3% in 2023)

2. Agri-based exports at 30% of total exports through value addition.
(20% in 2023)

3. Increase total investment in agriculture, including agri FDI, by 30% over the average of the preceding five years.

Key Sector : Agriculture

5 Top Policy Interventions

Implement a land use plan and land data base with amendments to Land ownership laws to facilitate increase in agricultural output and productivity through economies of scale.



Impact

Releasing unproductive and unused land for agricultural use. (Over 60% of arable land is in the hands of state agencies). Facilitates innovative linkages for commercial agriculture via smallholder farmers and agribusinesses.

Formulate and implement a cohesive national agricultural policy to drive agricultural modernization – requiring centralization of key institutions into a focused and statutorily constituted Agriculture Modernization Secretariat (or suitable body) with wide private sector participation .



Impact

Development of actionable policies that focusses on short term and long term impact areas in the agriculture sector, including livestock and fisheries sectors.

Provide policy support for co-creation of a coordinated AgTech Eco-System that supports agri modernization including facilitation of development of AgTech service providers from farm to fork.



Impact

Rapid diffusion of modern agriculture technologies and including use of ICT among all stakeholders in agri value chains.

Key Sector : Agriculture

5 Top Policy Interventions cont'd

Introduce a Credit Guarantee System that supports smallholder farmers and agribusinesses and the provision of blended finance products to increase investment in agriculture



Impact

Sustained investments in agriculture that yield economic value to all stakeholders.

Provide policy support for creation and development of selected market driven agri value chains that connect all stakeholders, including smallholder farmers, SMEs and larger companies, including in livestock and fisheries sectors, to local and global markets.



Impact

Enhancement of agri value added outputs that supports the country's food security needs, agri and food exports, AgTech diffusion and required investments. Also envisaged impacts are introduction of innovative instruments such as warehousing receipting systems, futures markets and fintech systems

Key Sector : Banking and Finance

3 Key Targets to achieve by 2030

1. Sustainable finance pool of over USD 6.5bn

(1% of total lending of banks by mid- 2023 which is approximately \$334mn)

2. Non-performing loans below 6% for Licensed Commercial Banks

(Over 13% as of 2023)

3. Market capitalization to GDP of the Colombo Stock Exchange to be at least 60%.

(17% of GDP as of 2023)

Key Sector : Banking and Finance

5 Top Policy Interventions

Accelerate digital and fintech adoption via digital ID, online public services, improved financial tracking, reflective demonetization, and double tax deductions for digital transaction technology investments.



Impact

Improves access to finance, enables cash flow-based lending, broadens the tax base, lowers financial institution costs, and reduces financial malpractices.

Develop sustainable finance ecosystem by broadening the CBSL green taxonomy, mobilizing DFIs' credit lines for on-lending, restoring export credit guarantees, creating sustainable funds via green/social impact bonds, and adopting a standardized sustainability certification model.



Impact

Enable access to large pools of global capital and debt funding for green and social impact at competitive costs, addressing climate vulnerabilities, enhancing governance frameworks for green standards and MSME lending and improving the country's sustainable finance ratings.

Widen the equity and risk capital base, fostering entrepreneurship through equity funds, venture capital, startup funds, and private equity, with adjusted taxation focusing on capital gains rather than business profits. Demutualising the stock exchange and implementing a clear legal and regulatory framework for asset securitization.



Impact

Equity investments support business risk-taking and inclusive economic growth, fostering entrepreneurship and financial discipline with institutional investors. Demutualization enables independent ownership, cost reduction, and market expansion. Asset securitization converts illiquid assets into tradable securities, freeing up capital for lending and monetizing assets of cash-strapped corporates and SOEs.

Key Sector : Banking and Finance

5 Top Policy Interventions cont'd

Discourage financial delinquency by raising public awareness on its negative impact, post strengthening financial institutions' processes to reduce high-value loans without adequate risk assessments and initiating measures against high-value defaulters.



Impact

Reducing delinquency will lower costs for financial institutions, enabling more competitive lending. This will strengthen the stability of the financial system and ensure the safety of public deposits through stringent enforcement of recovery processes to reduce non-performing loans.

Improve financial inclusion by developing regulatory norms that leverage the distinct roles of banks and NBFIs in providing finance to different segments of society and consolidating financial institutions to achieve scale and stability.



Impact

Banks will lend to the formal sector, while NBFIs focus on the MSME sector. Regulatory norms for both should be developed through industry consultation, maintaining distinctions. This empowers NBFIs to enhance MSME credit access, fostering sector growth. Scaled-up financial institutions gain resilience, lower costs, and increased capacity for larger projects.

Key Sector : Infrastructure

3 Key Targets to achieve by 2030

1. Contribution of the construction sector to GDP at 8%.
(5.1% in 2023)

2. Share of sustainable transport modes at 40% of total urban transportation

3. Ensure 100% of the population has access to clean water and improved sanitation facilities

As of Sep 2023, Measures have been taken to meet 62% of the drinking water requirements

Key Sector : Infrastructure

7 Top Policy Interventions

Implement streamlined approval processes for construction projects.



Impact

Accelerates project initiation and completion, driving sector growth and increasing its GDP contribution.

Enhance accessibility for infrastructure by ensuring every newly constructed building complies with equal access regulations as per the Supreme Court order. Establish a body of experts to review approved plans and impose fines on non-compliant buildings.



Impact

Improved accessibility in new buildings, ensuring inclusivity for all individuals and enhancing compliance with legal standards. This will foster a more equitable built environment and promote social inclusion.

Encourage and invite private sector participation in development and management of industrial zones.



Impact

Reduce investment burden on the government and increase the efficiency of the proposed industrial zones.

Implement a Resident Visa Scheme for Foreigners who invest a Minimum of \$ 250,000 in built Apartments or New Condominiums.



Impact

Granting resident visas to foreigners who invest in the real estate sector will significantly boost the construction industry. This policy will attract foreign capital, stimulate economic growth, and create employment opportunities. Additionally, it will lead to an increase in demand for high-quality residential properties, driving further development and modernization of urban infrastructure.

Key Sector : Infrastructure

7 Top Policy Interventions

Enhance disaster management by developing comprehensive DM centers, improving key institutions, supporting data analytics, investing in prediction technology, and focusing on pre-emptive risk management with accurate early warning systems and developing skills and capabilities in key institutions such as the Meteorological Department.



Impact

Enhancing resilience and preparedness through proactive measures and robust early warning systems can significantly reduce the impacts of natural disasters. The Climate Resilience Multi-Phase Programmatic Approach (CRMPA), initiated in June 2024, aims to predict high-risk weather conditions and save \$313 million annually in post-disaster management.

Establish a Public- Private partnership (PPP) framework, PPP procurement guidelines and a dedicated PPP unit with appropriate human resources.



Impact

PPPs harness the capabilities of both public and private sectors to foster efficient and sustainable infrastructure development, catering to the expanding demands of the populace and economy. Through mitigating financial limitations, refining project management, and enhancing service provision, PPPs offer a substantial avenue for advancing and modernizing infrastructure.

Complete the Central Expressway by the second quarter of 2026, ensuring all necessary resources and coordination are in place to meet this deadline.



Impact

Completing the Central Expressway by the second quarter of 2026 will significantly enhance national connectivity, reduce travel time between key economic hubs, and promote regional development. This project will boost economic activity, increase efficiency in goods transportation, attract foreign and local investment, and support tourism growth by providing better access to various regions across Sri Lanka.

Key Sector : Ports, Shipping and Logistics

3 Key Targets to achieve by 2030

1. Overall ranking within the top 50 countries on the Global Logistics Performance Index with an LPI score of 3.5 or higher.
(73 in 2023 out of 94 countries)

2. Achieve 100% integration of all key border agencies into the National Single Window (NSW)

3. Complete digitization of all port export/import, cargo, vessel, crew, and shipping operations. This includes the implementation of the Port Community System

Key Sector : Ports, Shipping and Logistics

5 Top Policy Interventions

Digitize all port and shipping operations, streamline border authority processes under one ministry, and implement the port community system and national single window, prioritizing amendments to the customs ordinance and immigration act, as mandated by the IMO Maritime Single Window by January 2024.



Impact

Improves efficiency, accuracy, and transparency, reduces paperwork and processing times, simplifies clearance procedures, and enhances international trade facilitation.

Implement PPP for port, airport, terminal development and management, and infrastructure modernization, including port warehouses.



Impact

Optimise overall port and airport performance

Enhance Sri Lanka's logistics sector by building an integrated infrastructure supporting domestic and international supply chains, focusing on improving perishable goods storage and transportation to reduce waste and ensure food safety, developing multimodal infrastructure for seamless integration with global value chains, and establishing hub facilities to strengthen export-import trade and position Sri Lanka as a strategic logistics hub.



Impact

Enhancing Sri Lanka's global competitiveness through the reduction of transportation costs, minimizing wastage of perishable goods, and attracting more foreign investment will lead to improved efficiency in trade operations, higher export revenues, and overall economic growth.

Key Sector : Ports, Shipping and Logistics

5 Top Policy Interventions

Convert Colombo Airport into a Regional Hub: Develop and implement a comprehensive plan to upgrade and expand Colombo's Bandaranaike International Airport to become a regional aviation hub akin to Dubai. This includes enhancing airport infrastructure, increasing runway capacity, improving passenger facilities, expanding shopping and dining options, and establishing new direct flight routes to key regional and global destinations. Collaborate with international airlines to establish Colombo as a central transit point for passengers and cargo in South Asia.



Impact

Transforming Colombo Airport into a regional hub will significantly boost Sri Lanka's connectivity and attractiveness as a travel destination. Enhanced air connectivity will facilitate increased tourist arrivals, promote business travel, and strengthen Sri Lanka's position as a key player in regional and global aviation. The upgraded facilities and expanded services will enhance passenger satisfaction, stimulate higher spending within the airport, and create numerous direct and indirect employment opportunities. This strategic initiative will contribute to the overall economic growth and positioning of Sri Lanka as a central node in international travel and logistics networks.

Create and implement an Integrated National Transportation and Logistics Plan, aligning with state development plans to drive multimodal synergy, and update as required.



Impact

Enhances economic efficiency, improves connectivity, reduces environmental impact, and align with state development goals, driving comprehensive national growth.

Key Sector : Tourism

3 Key Targets to achieve by 2030

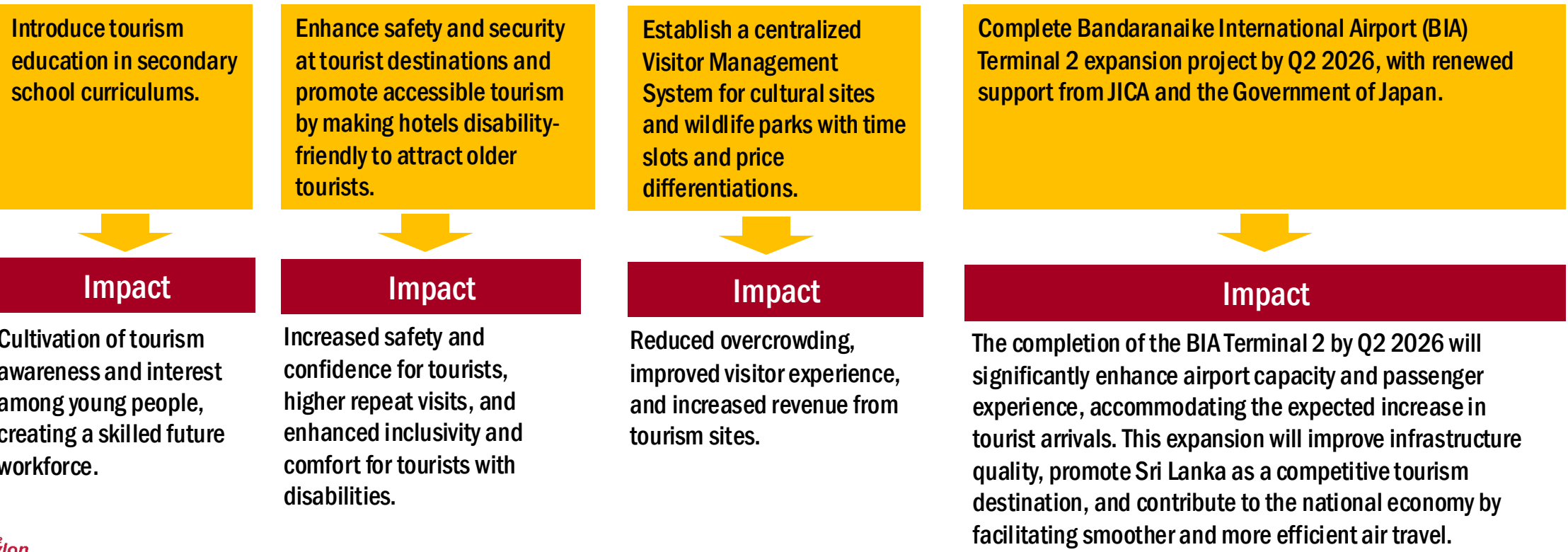
1. Over 4.5 million
tourist arrivals
annually
(1.48 million in 2023)

2. Over USD 10 billion
tourism revenue annually
(2 billion in 2023)

3. Average spending per tourist
per night to over USD 250
(USD 135 in 2023)

Key Sector : Tourism

8 Top Policy Interventions



Key Sector : Tourism

8 Top Policy Interventions

Expand and diversify the tourism offerings in Sri Lanka beyond traditional accommodation. Focus on enhancing cultural tourism, adventure tourism, eco-tourism, and other unique experiences to attract a broader range of visitors. Develop and promote activities such as heritage tours, wildlife safaris, water sports, wellness retreats, and community-based tourism, ensuring the inclusion of local culture and environmental sustainability.



Impact

Diversifying tourism offerings will attract a more varied group of tourists, increasing both the volume and value of visitors. By providing a richer and more diverse set of experiences, tourists' satisfaction will be significantly enhanced, leading to higher levels of repeat visits and increased tourist expenditure per capita. This approach will contribute to the resilience and sustainability of the tourism sector, spreading economic benefits across a wider geographical area and supporting local communities.

Implement a Comprehensive Aviation Policy to Increase the Number of Direct Flights to Sri Lanka, with a Target to Achieve 5 Million Tourist Arrivals by 2030.



Impact

Developing a robust aviation policy will enhance Sri Lanka's connectivity by increasing the number of direct flights, particularly from key markets such as Europe, Australia, and Japan. This policy will address capacity constraints, incentivize new airlines, and improve synergy between tourism and aviation sectors. Enhanced connectivity will facilitate easier access for international tourists, boosting tourist arrivals, promoting economic growth, and helping to achieve the ambitious goal of 5 million tourist arrivals by 2029.

Enforce regulations for wildlife and marine sustainability, addressing the human-elephant conflict, and promoting eco-friendly construction and waste management.



Impact

Sustainable tourism practices, preservation of natural resources, and enhanced tourist satisfaction.

Develop a comprehensive digital platform for tourism services, including booking, information, and virtual tours.



Impact

Enhanced convenience for tourists, increased accessibility to tourism services, and data-driven decision-making.

Key Sector : Education

3 Key Targets to achieve by 2030

1. Gross Enrollment Ratio for Tertiary Education at 30%.
(23% in 2022)

2. Proportion of schools with resources for STEM education (science labs) at 20%.
(10% in 2019)

3. Proportion of youth (15-24 yrs) enrolled in technical and vocational education at 10%.
(7% in 2022)

Enabler : Education

6 Top Policy Interventions

Reform education regulations to ensure quality by enhancing primary and secondary education, offering discipline conversion programs, and diversifying higher education financing. Promote outcome-based learning and integrate future skills, including entrepreneurship, while equipping arts graduates with IT, English, and transferable skills for better employability.



Impact

Elevate education quality, enhance flexibility and career prospects, improve access and inclusivity in higher education, and equip graduates with essential skills for better employability and success in a dynamic job market.

Increase Investment in STEM Educator Training to enhance the quality of STEM education delivery.



Impact

Well-trained educators can effectively utilize these resources, fostering a strong foundation in STEM subjects. This leads to improved student outcomes, greater interest in STEM fields.

Promote career guidance/counselling at secondary school level to support children in making the right choice in further education.



Impact

Career guidance at the secondary level helps students make informed education choices. This support ensures students select pathways that align with their interests and market needs, boosting overall enrollment and skill development.

Enabler : Education

6 Top Policy Interventions cont'd

Establish a unified TVET institution by amalgamating various technical colleges and convert retained University Colleges into University Campuses offering undergraduate programs through a new Act of Parliament.



Impact

Centralizing and streamlining technical and vocational education improves the efficiency and quality of TVET programs while enhancing the accessibility and quality of higher education in vocational technology to produce skilled graduates.

Create a Labor Market Observatory and establishing a joint mechanism for assessing national skills demand and workforce planning by the Department of National Planning, Ministry of Labour, and TVEC to enable more appropriate policy making in higher education provision.



Impact

Enhancing the ability of higher education institutions to meet industry needs, providing data-driven direction for training institutes, aligning education with labor market demands and reducing skill mismatches.

Develop Industry-Aligned Curriculum and Vocational Training Programs to Ensure Graduates are Equipped with Skills Directly Relevant to Market Needs.



Impact

Aligning education with industry needs enhances the employability of graduates, reduces skill mismatches, and drives economic growth by providing a workforce that meets the demands of key sectors.

Key Sector : Health

3 Key Targets to achieve by 2030

1. UHC Service Coverage Index at 75
(67 in 2021)

2. Improving healthcare worker density and distribution by the different occupations within healthcare

(Per 1000 population physicians 0.92, dental surgeons 0.08, midwives 2.49 and pharmacists 0.16 in 2019)

3. Pricing models that balance drug development costs with affordability, including implementing price caps along with a pricing formula and mechanism on essential medicines.

Key Sector : Health

7 Top Policy Interventions

Expand Universal Healthcare service coverage by introducing a Universal Health Insurance Scheme



Impact

Ensure that needy citizens have access to subsidized healthcare, reducing out-of-pocket expenses for families, while reducing the financial burden on the government.

Encourage Local Production and Innovation.



Impact

Reduces reliance on imports and create a more responsive local supply chain.

Enhance Education and Training opportunities for Healthcare Professionals.



Impact

Ensures attainment of high service standards and encourages retention of professionals to mitigate the migration of skilled workers.

Centralize Patient Data through a comprehensive patient management system for enhanced healthcare delivery



Impact

Improves diagnostic accuracy, treatment precision, and healthcare facility utilization by creating a unified patient data platform, reducing costs, and improving patient outcomes.

Key Sector : Health

7 Top Policy Interventions cont'd

Expand mental Health Services



Impact

Increases accessibility and early intervention for mental health care, promoting holistic healthcare delivery and addressing the mental health needs of the population effectively.

Introduce issuing Invoices for Public Sector Healthcare Services.



Impact

Enhances transparency and accountability in healthcare spending, provides insights into cost structures, and facilitates comparisons with private sector costs, optimizing resource allocation.

Implement regulatory reforms for faster and transparent approvals and avoidance of price control on private sector health services.



Impact

Streamlining NMRA approvals speeds up access to safe drugs and devices. Avoiding unrealistic price controls maintains private healthcare quality and supply, with necessary regulations based on thorough analysis and consultation. This approach improves private healthcare efficiency, quality, and availability, enhancing overall health outcomes.

Key Sector : Public Transport

3 Key Targets to achieve by 2030

1. Public transport modal share to 60% by 2030

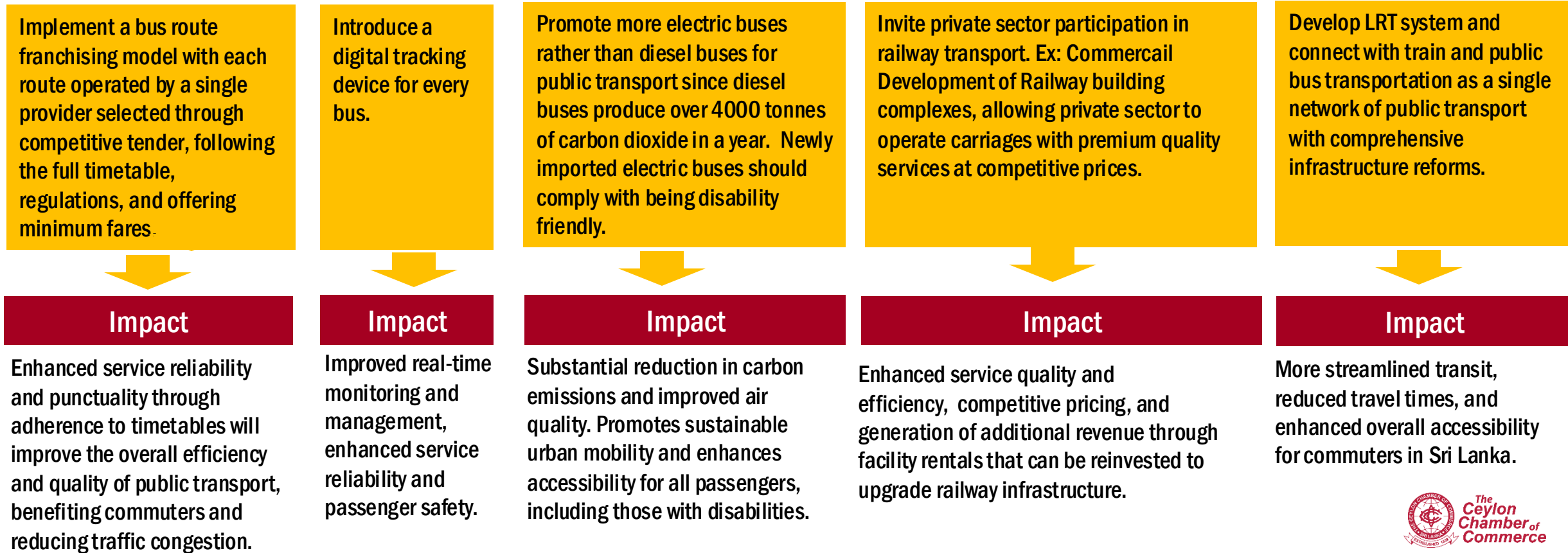
(39% in 2017)

2. Converting 30% of buses to electric and improving rail services.

3. 90% punctuality and reliability in public transport services

Key Sector : Public Transport

5 Top Policy Interventions



Conclusion

This policy document provides a comprehensive and strategic roadmap to guide Sri Lanka towards sustainable and inclusive development by 2030. By addressing critical sectors such as healthcare, education, agriculture, and the digital economy, and emphasizing the need for robust economic policies and public-private partnerships, this document sets clear targets and actionable policies to foster economic growth, social well-being, and environmental sustainability. Furthermore, the document highlights the importance of good governance, public sector reforms and anti-corruption measures as essential pillars for achieving these goals.

A robust implementation framework coupled with a strong monitoring process is essential to ensure the effectiveness and success of these policies. The Chamber is committed to supporting the government in implementing these transformative policies, ensuring that the business community's needs are met while paving the way for a prosperous, equitable, and transparent future for all Sri Lankans.

July 2024

