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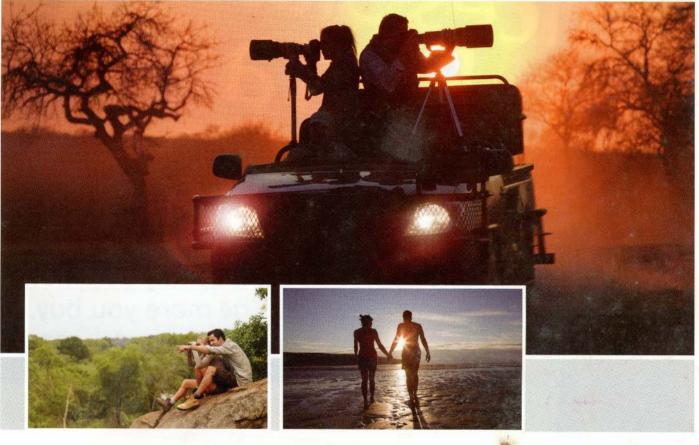
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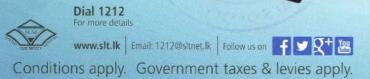
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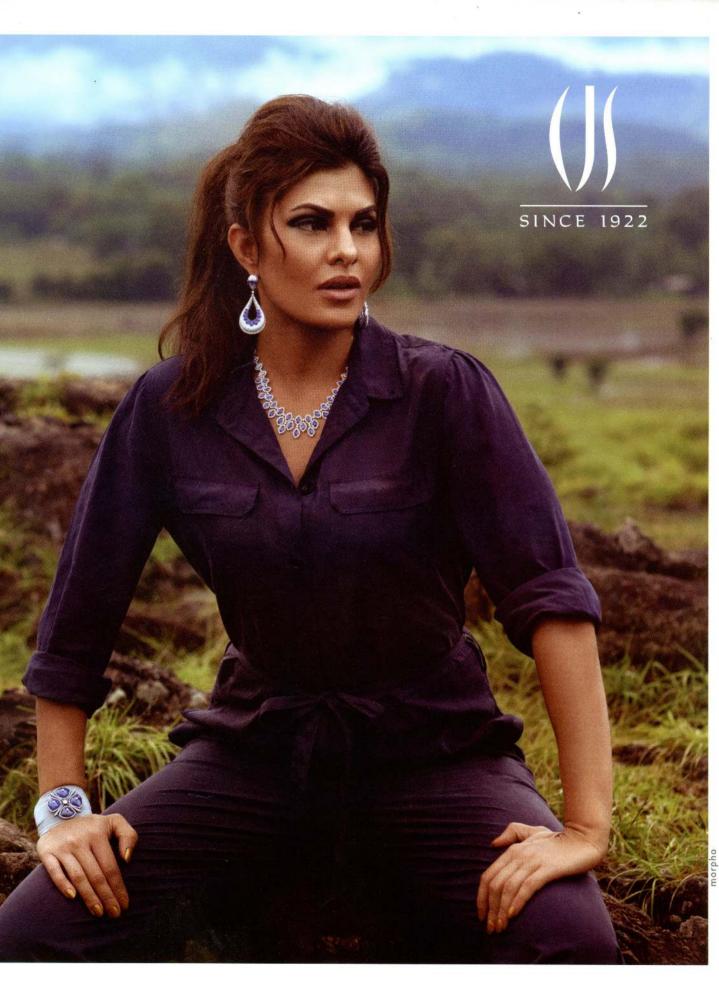
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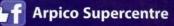
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CEO's Challenge Trophy for the Overall Best Branch of the Year 2013 / 14 - Kandy Branch



Best Marketer - Executive Category - Colombo Metro Winner - Chamitha de Costa Metropolitan Branch

Best Marketer - Front Liner Category

Outer Regions Winner - Uditha Ekanayake

Best Branch - Category 'A' Winne



Best Marketer - Executive Category Outer Regions Winner - N. Priyankara Deeyagoda Ratnapura Branch



Best Marketer - Emerging Front Liner Category Colombo Metro Winner - Lahiru M. Premachandra

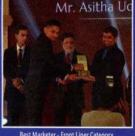


Emerging E

Best Marketer - Emerging Front Liner Category Outer Regions Winner - A. Edhayaraja Hatton Branch



Best Marketer - Emerging Executive Category Outer Regions Winner - Karunarathna Godamunna Kandy Branch



Best Marketer - Front Liner Category Colombo Metro Winner - Asitha Udaya Kumara Metropolitan Branch



Best Portfolio Winner Nuwara Eliya Branch

Kandy B

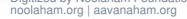
Havelock Branch





Excellence in Employee Effectiveness Winner Havelock Branch







Best Branch - Category 'B' Winner - Nuwara Eliya Branch



Best Business Achiever Winner Kandy Branch



Highest Profit Achiever Winner Kandy Branch



Special Recognition Award City Branch (Three Wheeler Unit)



Best Recovery Team Branch Category 'A' Winner Galle Branch



Best Recovery Team Branch Category 'B' Winner Nuwara Eliya Branch



Best Recovery Team Branch Category 'C' Winner City Branch



Best Support Services Provider Branch Category A' Winner Battaramulla Branch



Best Support Services Provider Branch Category 'B' Winner Ampara Branch



Best Support Services Provider Branch Category 'C' Winner Wennappuwa Branch



Best Support Services Provider Branch Category 'D' Winner Mahaiyawa Branch



Best CSR Initiative Winner Kandy Branch



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		If you deposit Rs.1,000 monthly	If you deposit Rs.5,000 monthly	
20	35	1,431,833.85	7,159,169.25	
25	30	1,009,537.62	5,047,688.09	
30	25	696,458.93	3,482,294.66	
35	20	464,351.10	2,321,755.50	
40	15	292,272.81	1,461,364.03	

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\* The above-mentioned values are calculated at an annual bank interest rate of 6% and may differ according to the date you make your deposit, the amount deposited and the bank interest rate. The above is presented for illustration purposes only.



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# DERSPECTIVES

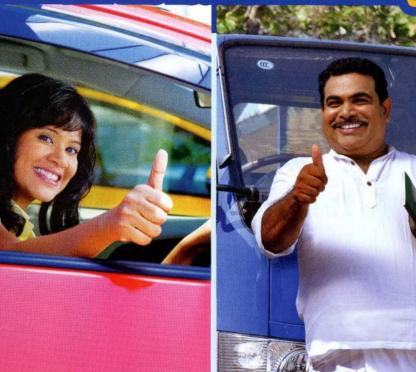


**ELECTION MONITOR** With the inevitability of another round of elections upon us, the people of Mother Lanka must surely be hoping that the leaders of the two main political parties – at the very least – will take steps to ensure that the misfits that continue to sit on one side or the other of the hallowed House are left out, when they file nominations for the general elections. They must know by now that the people will no longer cast their precious vote for anyone whose calibre is questionable. In a sense, this is a must-have insurance policy for an electorate that has, in the past, been virtually bribed to vote for utterly corrupt politicians, racists and extremists who preach religious hatred. As we kind of know, even friends of drug barons have been voted into power in the past, such has been the intoxicated state of mind of some fellow citizens who have made 'democracy' sound like a dirty word.



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### DAIRY SECTOR

Although I am optimistic about Sri Lanka's potential for a thriving dairy sector, it is still at an emerging stage .. Leon Clement



### TRAVEL TALK I foresee a major social problem looming, stemming from the large number of housemaids being employed abroad .. **Rienzie Wijetilleke**



**TOBACCO TRAVAILS** The implications of the current regulations mandating an 80 percent pictorial health warning on packs will be felt in the planning process.. **Dinesh Dharmadasa** 

**HUMAN RESOURCES** One-size-fits-all policies and practices are gradually becoming obsolete, and HR is taking a more personalised approach ... Dilrukshi Kurukulasuriya



WOODEN WONDERS When it comes to carpentry as a vocation, in developed countries, it is almost on a par with a white-collar job ... Sameera Samarakkody

**BANKING BENCHMARKS** Typical Gen Y customers are informed, educated, individualistic, impatient and don't hesitate to voice their opinions... Hasrath Munasinghe



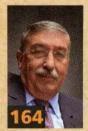


### **OPINION SHAPERS**



### COVER STORY

An environment of trust ensures that employees do not merely labour for money, but strive to give their personal best... Kshanika Ratnayaka



### DIPLOMATIC MISSION

If you count the number of peaceful days in the world, when there is no fighting or wars between nations, it is dismal .. Alexander Karchava



### **GREEK ECONOMY**

Even if a Grexit is deemed as manageable from an economic standpoint, Greece's departure could have dire consequences for peripheral euro area sovereign yields... Samantha Amerasinghe





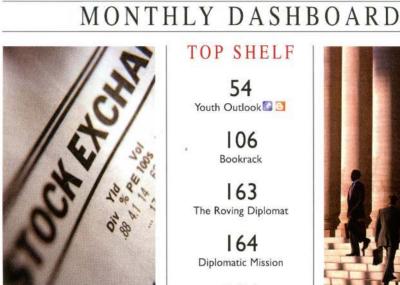
### **BENCHMARK TV**

The first half of 2015 has been a 'wait-and-see' moment, but I believe that there are exciting times ahead of us... Ariun Fernando



### LIFF

We cannot take the eye off the ball. We must consistently and continuously resist corruption. **Dilani Alagaratnam** 



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### LMD-TNS SURVEY **Talking Point**

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# **BUSINESS SENTIMENT**



Biz sentiment remains stagnant as a result of goings-on in the political arena



he ease of doing business is a key indicator of any developed economy, and it has been the focus of many Sri Lankan governments. It would seem that the Interim Administration is serious about improving the country's 'doing business' potential, with the Ministry of Finance recently launching a series of meetings with private and state sector institutions, to facilitate business in the island.

A statement by Sri Lanka's Joint Business Chambers welcomed the initiative, noting that "the chambers are encouraged that the continuous efforts of the Government comes based on suggestions made by the business community of the country, during their interactions with the Ministry of Finance; and we also welcome the formulation of a high-powered committee, consisting of both the public and private sector stakeholders, to spearhead this important exercise."

The Ease of Doing Business rankings are compiled by the World Bank annually, and moving up this ladder would enable Sri Lanka to attract crucial Foreign Direct Investment (FDI), while bolstering economic growth. In the Doing Business 2015 rankings of economies, Sri Lanka was placed No. 99, which represents an upward movement of six spots.

While the recent initiatives represent a step in the right direction, mixed signals have emanated out of Sri Lanka, regarding its investment potential. As we know, certain foreign-funded infrastructure projects have come to a virtual standstill, following the change of government earlier this year.





It is this influence of politics on the nation's economic profile that those responding to the LMD-Nielsen Business Confidence Index (BCI) are visibly concerned about. They even identify the political culture as the nation's number one priority.

Meanwhile, the economic fundamentals, as reported by the Central Bank of Sri Lanka, reveal that point-to-point inflation was 0.1 percent in April, with the change in the Colombo Consumers' Price Index (CCPI) (0.2%) stemming from higher prices on items in the nonfood category.

In terms of external trade, although the deficit in the trade account narrowed in February, compared to the previous month, it expanded at a higher rate than in February 2014 – and growth in imports outweighed the increase in exports. Tourism earnings and workers' remittances continued to be the main sources of forex inflows, and in improving the current account balance of the Balance of Payments.

**THE INDEX** At 154, the BCI remains unchanged from April, although it is above both its 12-month average (148) and the count of a year ago (142). In the last three months, however, the biz barometer has virtually stood still, as businesspeople 'wait to see' where the country is heading.

The majority of those polled (47%) state that the economy, in general, is likely to continue on its current path in the next 12 months...

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#### **REGULAR CONTRIBUTORS**

**SRI LANKA** Randima Attygalle Deshal de Mel Kiran Dhanapala Roshini Galappatti Goolbai Gunasekara Jayashantha Jayawardhana Archana Law Amantha Perera Janaka Perera Dr. Jehan Perera Hasitha Premaratne Ayesha Reza Rafig Savithri Rodrigo Yamini Sequeira Tanya Warnakulasuriya Akila Wijerathna Mihiri Wikramanayake Vijitha Yapa AUSTRALIA

Dr. Sanjiva Wijesinha INDIA Suganya Manivannan NEW ZEALAND Priyan Rajapaksa

QATAR Monita Pesumal

THAILAND Pallavi Pinakin

UNITED ARAB EMIRATES Praveen Jaiswal

UNITED KINGDOM Samantha Amerasinghe UNITED STATES

Angelo Fernando Rajika Jayatilake Saashya Rodrigo Bill & Rich Sones



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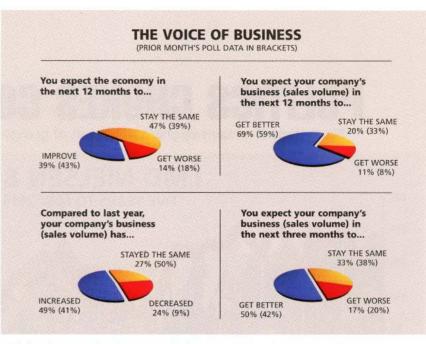
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# **BUSINESS SENTIMENT**



Nielsen's Managing Director Shaheen Cader notes that "while most respondents expect their businesses to do better in the near future, and have also experienced strong [business] growth, some express concerns about future growth," which is primarily attributable to political uncertainty, in addition to concerns over the outcome of impending general elections.

**THE ECONOMY** The majority of those polled (47%) state that the economy, in general, is likely to continue on its current path in the next 12 months. Another 39 percent claim that economic conditions will improve, while 14 percent are of the view that the economy 'will get worse' during the same period.

"The economy is at a moderate level. We can't see any major changes in the economy, or in our business growth," says a less enthusiastic member of the biz community.

In the meantime, a corporate executive asserts that "the new Government's actions are helping the country's economy grow. There is money in people's hands, and they are spending it as well."

**BIZ PROSPECTS** Nearly seven-in-10 (up from 59%, in April) of corporates spoken to are confident that business (sales volumes) 'will get better' in the year ahead. Accordingly, only 11 percent of respondents have a negative outlook of business prospects, along with a fifth who feel that the status quo will be maintained.

**INVESTMENT** Views on the current investment climate remain virtually unchanged from the previous month – 38 percent of those surveyed believe that funding conditions are positive, along with 39 percent

claiming that the prevailing investment climate is 'fair' and 23 percent noting that it is far from satisfactory.

NIELSEN/MEDIA SERVICES RESEARCH

"There is no change in the investment climate. Things are just the same in the marketplace," a businessperson laments. And another respondent chimes in: "There has been a reduction in infrastructure development initiatives."

**SENSITIVITIES** The country's political climate is of utmost significance to the business community, judging by responses gathered in the first week of May.

One corporate executive observes that "there is a sense of financial instability in the country, and there's uncertainty in the political environment," while also asserting that "the present political situation is not fuelling the economy; it is at a standstill. You can't expect things to stabilise until the general elections are held."

On a positive note, respondents explain that Sri Lanka's foreign policy is now on a more solid footing, whilst there's also an apparent improvement in law and order – among those in the business community, at least.

**PROJECTIONS** The deadlock in business sentiment is unlikely to be broken without major changes on the political front, and it is no surprise that all eyes are on the upcoming general elections.

In keeping with this outlook, a change in the prevailing ground realities is bound to have ramifications for business and business confidence, depending on which side of the political divide businesses sit.

- LMD

nielsen

The BCI is based on a survey of 100 managers and above in the city of Colombo, and is compiled from answers to a series of questions on business conditions and expectations. The exclusive poll is conducted for LMD by Nielsen in the first week of every month. For further information, contact Nielsen at 98 D. S. Senanayake Mawatha, Colombo 8 (Telephone 2688446-8 – www.nielsen.com).





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0.9% Growth of mid year population in 2014



SOURCE: CENTRAL BANK OF SRI LANKA



#### NETWORKED READINESS INDEX 2015 SOUTH ASIA

SERVICES

RESEARCH

(WORLD

ECONOMIC FORUM

COUNTRY	RANK
Sri Lanka	65
Bhutan	88
India	89
Bangladesh	109
Pakistan	112
Nepal	118



# FISCAL ASSESSMENT

The International Monetary Fund (IMF) has cautioned Sri Lanka on its fiscal and external sector performance, with the IMF Executive Board – upon the conclusion of its third post-programme monitoring discussion with Sri Lanka – stating that "recent macroeconomic performance has generally been strong, but risks appear to be on the rise." It notes that "the fiscal deficit is a key concern for 2015 and the medium term." The multilateral lender asserts that while the external sector outlook for 2015 appears favourable, especially with the sharp drop in oil prices likely to generate a US\$ 2 billion windfall for Sri Lanka's 2015 import bill, there are several risks.

# SRI LANKA MAKES PROGRESS

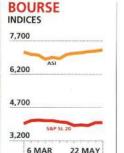
The 2015 edition of the World Economic Forum's Global Information Technology Report places Sri Lanka at No. 65, for networked readiness among the 143 economies surveyed. Sri Lanka is the highest ranked nation in South Asia and eighth among Asian nations – it lags behind Singapore, Japan, South Korea, Hong Kong, Taiwan, Malaysia and China, but is ahead of Thailand, South Africa, Indonesia and Brazil. In the latest rankings, Sri Lanka has improved its position in terms of affordability of ICT facilities, ICT skills, ICT usage by government and the social impact of ICT, but scores relatively less in infrastructure and individual usage.

# MOBILE INTERNET SURGES

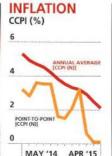
Total Internet connections in Sri Lanka grew by almost 69 percent in 2014, primarily owing to growth in mobile Internet usage (86%), according to the 2014 annual report of the Central Bank of Sri Lanka (CBSL). The report indicates that "active usage of Information and Communication Technology (ICT) services in economic activities such as e-banking, mobile banking, e-bus ticketing and mobile Points of Sale (POS) has also increased." Meanwhile, Sri Lanka's overall Internet penetration (connections per 100 persons) amounted to 16.4 percent in 2014, which represents an increase from 9.8 percent in the prior year.

# **MICRO TRENDS**



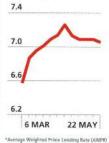








#### LENDING AWPR\* (%)



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# COMPETITIVENESS IMPROVES

S ri Lanka moves up 11 spots to rank 63<sup>rd</sup>, out of 141 countries, in the Travel & Tourism Competitiveness Index 2015 published by the World Economic Forum – the island was ranked 74<sup>th</sup> in 2013. According to the accompanying report, while Sri Lanka ranks well in the areas of prioritisation of travel and tourism, and natural resources, it fares poorly in ICT readiness and environmental sustainability – and has regressed, when it comes to human resources and the labour market, tourist service infrastructure and air transport infrastructure. Spain is ranked No. 1, followed by France, Germany, the United States, the United Kingdom, Switzerland, Australia, Italy, Japan and Canada.

# VEHICLE REGISTRATIONS UP

Sri Lanka recorded a 31.5 percent increase in vehicle registrations in 2014, reaching 429,556, the CBSL 2014 annual report reveals. It notes that this was due to the availability of lowinterest leasing facilities, the depreciation of the Japanese Yen (versus the Sri Lankan Rupee) an increase in hybrid vehicle imports and a rise in motor cycle registrations during the period. Sri Lanka's interest rates remain at a three-decade low, while the recent drop in fuel prices is also pushing down the cost of running vehicles. The volume of cars registered grew by 37 percent in 2014, although the registration of threewheelers dropped by 5.5 percent.

#### TOURISM MARKETING

SRI LANKA TO TARGET ITALY Sance of the second strate of the second stra

a robust partnership with the retail trade and develop the Sri Lanka Tourism brand as a lifestyle holiday destination, according to the Minister. Chairman of Sri Lanka Tourism Promotion Bureau Rohantha Athukorala has stated that the detailed marketing plan will also include three trade fairs.

#### TRAVEL & TOURISM COMPETITIVENESS INDEX 2015 SOUTH AND SOUTH-EAST ASIA

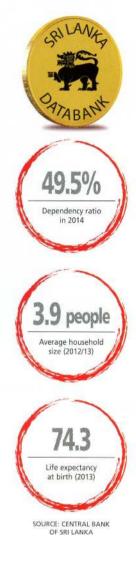
COUNTRY	RANK
Singapore	11
Malaysia	25
Thailand	35
Indonesia	50
India	52
Sri Lanka	63
Philippines	74
Vietnam	75
Bhutan	87

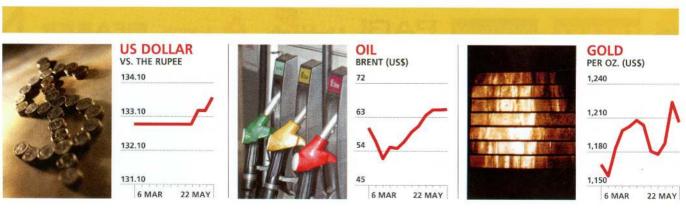
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ITALIAN	TOURIST	ARRIVALS
	2015	

MONTH	NO.
January	2,710
February	2,567
March	2,060
April	1,351





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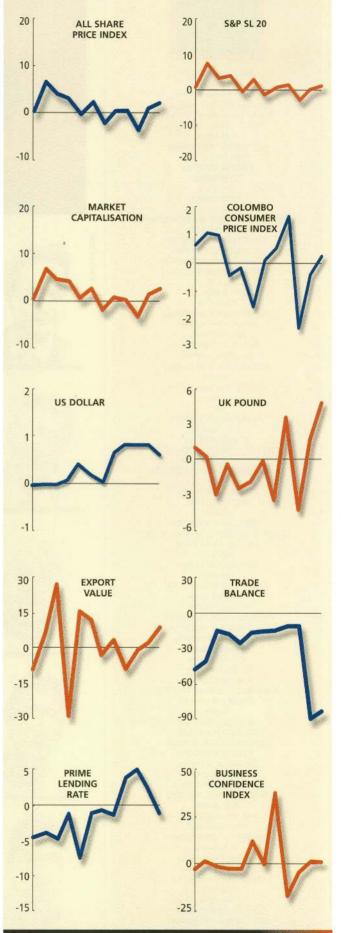


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<b>KEY DATA</b>			
FOREX MARKETS	22.05.15	Month Ago	Year Ago
US Dollar	133.70	132.90	130.35
UK Pound	209.57	199.88	219.85
Australian Dollar	105.81	103.36	120.47
Euro Indian Rupee	148.87 2.10	143.65 2.10	177.93
Japanese Yen	1.11	2.10	1.28
Singaporean Dollar	100.35	99.11	104.09
STOCK MARKET	22.05.15	Month Ago	Year Ago
All Share Price Index	7,288.7	7,129.8	6,280.3
S&P SL20 Index	4,067.1	4,023.3	3,459.4
Average daily turnover (Rs. million)	1,477.3	685.0	672.8
Foreign purchases (Rs. million) Foreign sales (Rs. million)	106.7	64.7 99.8	413.9
Market capitalisation (Rs. billion)	3,096.3	3,027.7	2,630.4
INTEREST RATES	22.05.15	Month Ago	Year Ago
Prime Lending Weekly Average (PLR)	7.05	7.13	8.54
Standing Deposit Facility	6.00	6.00	6.50
Call money weekly average	6.11	6.13	6.95
GOVERNMENT SECURITIES	22.05.15	Month Ago	Year Ago
Treasury Bill Yield (TBR) - 3 months	6.08	6.19	6.57
Treasury Bill Yield (TBR) – 12 months	6.31	6.50	7.02
Three-year bonds	7.96	8.15	10.87
PRICE INDICES	Apr 15	Mar 15	Year Ago
Colombo Consumers' Price Index [CCPI(N)]	178.5	178.1	178.4
Annual average change (%) Point-to-point change (%)	2.1	2.5 0.1	5.6
GOVERNMENT FINANCE	Jan-Dec 14	Jan-Dec 13	Budget
Revenue (Rs. billion)			Duuget
Expenditure & lending (Rs. billion)	1,195.2	1,137.4 1,669.4	
Capital & lending	473.0	464.2	1
EXTERNAL TRADE	Jan-Feb 15	Jan-Feb 14	Change (%)
EXTERNAL TRADE Exports (Rs, million)			Change (%) 4.2
	Jan-Feb 15	Jan-Feb 14	Contraction and the second
Exports (Rs. million)	Jan-Feb 15 238,000	Jan-Feb 14 228,400	4.2
Exports (Rs, million) Imports (Rs, million)	<b>Jan-Feb 15</b> 238,000 424,200	<b>Jan-Feb 14</b> 228,400 402,200	4.2 5.5
Exports (Rs. million) Imports (Rs. million) Trade balance (Rs. million)	Jan-Feb 15 238,000 424,200 -186,200	Jan-Feb 14 228,400 402,200 -173,800	4.2 5.5 7.1
Exports (Rs. million) Imports (Rs. million) Trade balance (Rs. million) TRADE INDICES Total export value Total export quantity	Jan-Feb 15 238,000 424,200 -186,200 Dec 14 139,9 123,5	Jan-Feb 14 228,400 402,200 -173,800 Nov 14 128,2 117,2	4.2 5.5 7.1 Year Ago 137.5 116.2
Exports (Rs. million) Imports (Rs. million) Trade balance (Rs. million) <b>TRADE INDICES</b> Total export value Total export quantity Total export unit value	Jan-Feb 15 238,000 424,200 -186,200 Dec 14 139,9 123,5 113,3	Jan-Feb 14 228,400 402,200 -173,800 Nov 14 128,2 117,2 109,4	4.2 5.5 7.1 Year Ago 137.5 116.2 118.4
Exports (Rs. million) Imports (Rs. million) Trade balance (Rs. million) TRADE INDICES Total export value Total export quantity Total export unit value Total import value	Jan-Feb 15 238,000 424,200 -186,200 Dec 14 139,9 123,5 113,3 160,9	Jan-Feb 14 228,400 402,200 -173,800 Nov 14 128,2 117,2 109,4 147,4	4.2 5.5 7.1 Year Ago 137.5 116.2 118.4 138.8
Exports (Rs. million) Imports (Rs. million) Trade balance (Rs. million) TRADE INDICES Total export value Total export quantity Total export unit value Total import value Total import value	Jan-Feb 15 238,000 424,200 -186,200 Dec 14 139,9 123,5 113,3	Jan-Feb 14 228,400 402,200 -173,800 Nov 14 128,2 117,2 109,4	4.2 5.5 7.1 Year Ago 137.5 116.2 118.4 138.8 124.4
Exports (Rs. million) Imports (Rs. million) Trade balance (Rs. million) <b>TRADE INDICES</b> Total export value Total export quantity Total export unit value Total import value Total import quantity Total import quantity	Jan-Feb 15 238,000 424,200 -186,200 Dec 14 139,9 123,5 113,3 160,9 158,2	Jan-Feb 14 228,400 402,200 -173,800 Nov 14 128,2 117,2 109,4 147,4 135,9	4.2 5.5 7.1 Year Ago 137.5 116.2 118.4 138.8 124.4 111.6
Exports (Rs. million) Imports (Rs. million) Trade balance (Rs. million) TRADE INDICES Total export value Total export quantity Total export unit value Total import value Total import value	Jan-Feb 15 238,000 424,200 -186,200 Dec 14 139,9 123,5 113,3 160,9 158,2 101,7	Jan-Feb 14 228,400 402,200 -173,800 Nov 14 128,2 117,2 109,4 147,4 135,9 108,5	4.2 5.5 7.1 Year Ago 137.5 116.2 118.4 138.8 124.4
Exports (Rs. million) Imports (Rs. million) Trade balance (Rs. million) <b>TRADE INDICES</b> Total export value Total export quantity Total export unit value Total import value Total import quantity Total import unit value AGRICULTURAL PRODUCTION	Jan-Feb 15 238,000 424,200 -186,200 Dec 14 139,9 123,5 113,3 160,9 158,2 101,7 Jan-Mar 15	Jan-Feb 14 228,400 402,200 -173,800 Nov 14 128,2 117,2 109,4 147,4 135,9 108,5 Jan-Mar 14	4.2 5.5 7.1 Year Ago 137.5 116.2 118.4 138.8 124.4 111.6 Change (%)
Exports (Rs. million) Imports (Rs. million) Trade balance (Rs. million) <b>TRADE INDICES</b> Total export value Total export quantity Total export unit value Total import value Total import quantity Total import unit value AGRICULTURAL PRODUCTION	Jan-Feb 15 238,000 424,200 -186,200 Dec 14 139,9 123,5 113,3 160,9 158,2 101,7 Jan-Mar 15 79,0	Jan-Feb 14 228,400 402,200 -173,800 Nov 14 128,2 117,2 109,4 147,4 135,9 108,5 Jan-Mar 14 73,5	4.2 5.5 7.1 Year Ago 137.5 116.2 118.4 138.8 124.4 111.6 Change (%) 7.5
Exports (Rs. million) Imports (Rs. million) Trade balance (Rs. million) TRADE INDICES Total export value Total export value Total export unit value Total import value Total import value Total import quantity Total import unit value AGRICULTURAL PRODUCTION Tea (Million kg)	Jan-Feb 15 238,000 424,200 -186,200 Dec 14 139,9 123,5 (113,3 160,9 158,2 (101,7) Jan-Mar 15 79,0	Jan-Feb 14 228,400 402,200 -173,800 Nov 14 128,2 117,2 109,4 147,4 135,9 108,5 Jan-Mar 14 73,5 Jan-Feb 14	4.2 5.5 7.1 Year Ago 137.5 116.2 118.4 138.8 124.4 111.6 Change (%) 7.5 Change (%)
Exports (Rs. million) Imports (Rs. million) Trade balance (Rs. million) TRADE INDICES Total export value Total export value Total export unit value Total import value Total import value Total import quantity Total import unit value AGRICULTURAL PRODUCTION Tea (Million kg) Rubber (Million kg)	Jan-Feb 15 238,000 424,200 -186,200 0 et 14 139,9 123,5 133,9 160,9 158,2 0,01 158,2 0,01 58,2 0,01 58,2 0,01 58,2 0,01 50 50 50 50 50 50 50 50 50 50 50 50 50	Jan-Feb 14 228,400 402,200 -173,800 Nov 14 128,2 117,2 109,4 147,4 135,9 108,5 Jan-Mar 14 73,5 Jan-Feb 14 21,9	4.2 5.5 7.1 Year Ago 137.5 116.2 118.4 138.8 124.4 111.6 Change (%) 7.5 Change (%) -7.3
Exports (Rs. million) Imports (Rs. million) Trade balance (Rs. million) TRADE INDICES Total export value Total export quantity Total export unit value Total import value Total import quantity Total import quantity Tourist arrivals (000s)	Jan-Feb 15 238,000 424,200 -186,200 Dec 14 139,9 123,5 113,3 160,9 158,2 101,7 Jan-Mar 15 20,3 349,4 Jan-Feb 15 321,8	Jan-Feb 14 228,400 402,200 -173,800 Nov 14 128,2 117,2 109,4 147,4 135,9 108,5 Jan-Mar 14 73,5 Jan-Feb 14 21,9 465,0 Jan-Feb 14 288,5	4.2 5.5 7.1 Year Ago 137.5 116.2 118.4 138.8 124.4 111.6 Change (%) 7.5 Change (%) -7.3 -3.4 Change (%) 11.5
Exports (Rs. million) Imports (Rs. million) Trade balance (Rs. million) TRADE INDICES Total export value Total export quantity Total export unit value Total import value Total import value Total import quantity Total import quantity Total import unit value AGRICULTURAL PRODUCTION Tea (Million kg) Coconuts (Million nuts) TOURISM Tourist arrivals (000s) Earnings from tourism (Rs. million)	Jan-Feb 15 238,000 424,200 -186,200 Dec 14 139,9 123,5 113,3 160,9 138,2 101,7 Jan-Mar 15 79,0 Jan-Feb 15 20,3 449,4 Jan-Feb 15 321,8 67,700,0	Jan-Feb 14 228,400 402,200 -173,800 Nov 14 128,2 117,2 109,4 147,4 135,9 108,5 Jan-Mar 14 73,5 Jan-Feb 14 21,9 465,0 Jan-Feb 14 288,5 60,100,0	4.2 5.5 7.1 Year Ago 137.5 116.2 118.4 138.8 124.4 111.6 Change (%) 7.5 Change (%) -7.3 -3.4 Change (%) 11.5 12.6
Exports (Rs. million) Imports (Rs. million) Trade balance (Rs. million) TRADE INDICES Total export value Total export value Total export unit value Total import value Total import value Total import quantity Total import unit value AGRICULTURAL PRODUCTION Tea (Million kg) Coconuts (Million nuts) TOURISM Tourist arrivals (000s) Earnings from tourism (Rs. million) EXTERNAL FINANCE	Jan-Feb 15       238,000       424,200       186,200       Dec 14       139,9       132,5       133,3       160,9       158,2       101,7       Jan-Mar 15       203,3       449,4       131,3       141,3       158,2       101,7       Jan-Har 15       203,3       449,4       Jan-Feb 15       321,8       67,700,0       Fand Jan 15	Jan-Feb 14 228,400 402,200 -173,800 Nov 14 128,2 117,2 109,4 147,4 135,9 108,5 Jan-Mar 14 73,5 Jan-Kar 14 21,9 465,0 Jan-Feb 14 288,5 60,100,0 End Jan 14	4.2 5.5 7.1 Year Ago 137.5 116.2 118.4 138.8 124.4 111.6 Change (%) 7.5 Change (%) -7.3 -3.4 Change (%) 11.5 12.6 Change (%)
Exports (Rs. million) Imports (Rs. million) Trade balance (Rs. million) TRADE INDICES Total export value Total export value Total export unit value Total import value Total import value Total import value Total import value AGRICULTURAL PRODUCTION Tea (Million kg) Coconuts (Million huts) TOURISM Tourist arrivals (000s) Earnings from tourism (Rs. million) EXTERNAL FINANCE External assets – total reserves (Rs. million)	Jan-Feb 15 238,000 424,200 -186,200 101,235 101,23 101,23 101,23 101,23 101,23 101,21 101,2	Jan-Feb 14 228,400 402,200 -173,800 Nov 14 128,2 117,2 109,4 147,4 135,9 108,5 Jan-Mar 14 73,5 Jan-Feb 14 21,9 465,0 Jan-Feb 14 288,5 60,100,0 End Jan 14 1,207,736	4.2 5.5 7.1 Year Ago 137.5 116.2 118.4 138.8 124.4 111.6 Change (%) 7.5 Change (%) -7.3 -3.4 Change (%) 11.5 12.6 Change (%) -3.0
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# **MONTHLY TRENDS (%)**



MEDIA SERVICES RESEARCH

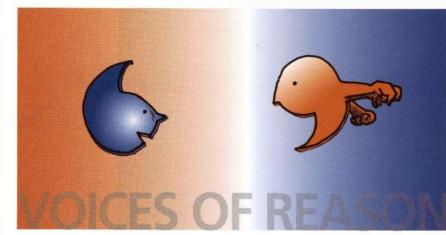
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BASED ON LMD BIZ INDICATORS - LAST 12 MONTHS

# QUOTE UNQUOTE



ADVERTISERS





# Only one opinion poll counts. This one (the general elections)...

Britain's newly re-elected chief, Prime Minister David Cameron, in the immediate aftermath of the 7 May general elections.

# Idiots fight enemies, geniuses build alliances...

**Tom Peters**, one the world's more influential management gurus, in his bestselling book – In Search of Excellence.

# Some people think that we must either fight the world, or surrender to world powers...







In a televised speech, President Hassan Rouhani remarked that "there is a third way. We can have cooperation with the world."

# You want to be the pebble in the pond that creates the ripple for change...

Apple's boss Tim Cook, in a recent interview published in Fortune. He plans to give away most of his fortune to charity.

# It's no good having friends who say 'yes' to everything...

Mahela Jayawardene describes the "healthy rivalry" between Kumar Sangakkara and himself, in an exclusive interview in Living, which features on the cover of the latest edition of the magazine.

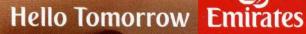
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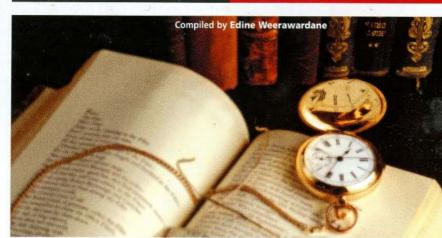
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# **NEWS JOURNAL**







# RAPE ABHORS MOTHER INDIA

Call for tougher laws on crimes against women

Bernstein in December 2012, India has been struggling with the stark reality of crimes against women on its soil. The Indian Government may have succeeded in banning India's Daughter – a BBC documentary that retraces the gruesome incident, in 2012 – but statistics on crimes against women are a grim reminder of the need for tougher legislation. Frontline reveals that reported cases of rape increased by a staggering 1,255 percent between 1971 and 2013. "There are many provisions under the Indian Penal Code and the Special and Local Laws that provide for severe punishment ... but they have hardly been a deterrent," the magazine notes.

## KILLING FIELDS IN PAKISTAN

Alarming rise in deaths of arrested individuals

Extrajudicial killings in Karachi are common, and the Herald reports that 771 suspects were killed by police in 497 days. Often, the police maintain that suspects are killed "in an encounter." As to how arrested individuals get involved in encounters, there's a familiar response: "The suspects tried to escape during an attack by their accomplices on the policemen holding them..." The journal urges the state to "undertake measures and devise policies to discourage extrajudicial murders. Even when there is nothing that can be immediately done to fix the myriad problems afflicting the judicial system, the state can still improve the police's professional capacity to investigate and prosecute."

#### NEW ANGLE FOR JOURNALISM

Virtual reality is augmenting photojournalism

Tunisian photographer Karim Ben Khelifa's exhibition at the Tribeca Film Festival, in New York, suggests that virtual reality could be photojournalism's future. In The Enemy – a virtual reality experience – Khelifa puts visitors to the exhibition in the middle of a face-to-face encounter between two fighters. By wearing Oculus Rift goggles and a backpack, they confront holograms of the combatants. "I wanted to know what would happen if we took the likeness of the combatants I've photographed off the wall and breathed life into them ... as journalists, we've always been trying to arouse empathy, so that viewers will care for a situation happening miles from their home," Khelifa says, in Time.

# **GREEN ENERGY REVOLUTION**

Will 2015 be the crunch for renewable energy?

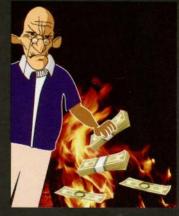
renewable energy ascendancy began, the moment when the

A world started to move decisively away from its reliance on fossil fuels," predicts a recent edition of The Nation. Noting that the transition from fossil fuels to renewables will inevitably produce winners and losers, it observes that "countries and companies that assume early leadership in the development and installation of advanced green technologies are likely to prosper in the years ahead, while those committed to the perpetuation of fossil energy will see their wealth and power decline or disappear. For the planet as a whole, such a transition can't come soon enough."

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# **ONLINE POLLS**



**BIZ CONFIDENCE** 

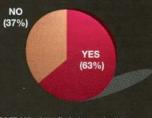
Do you believe that the private sector will play its part to stop corruption?

NO (42%) YES (58%)

BASE 227 VOTES (includes Facebook)

#### CULTURE CHECK

Are you confident that the political culture in Sri Lanka will improve?



BASE 225 VOTES (includes Facebook)

#### Results of polls on 11 May

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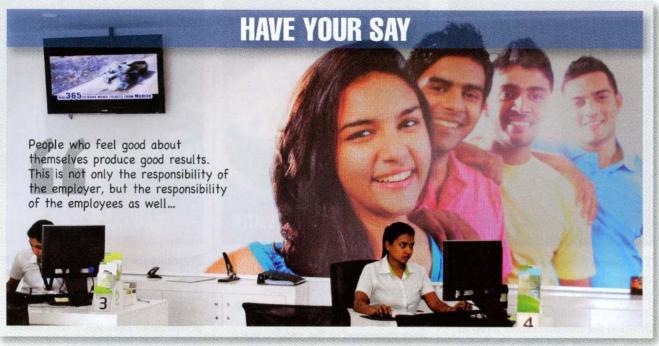
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# **WORKPLACES IN SRI LANKA**

How do you view Sri Lanka's workplaces – in terms of culture, working conditions and pay levels? What more should Sri Lankan business houses do to improve the local working environment? Likewise, how can working people assist the private sector to match the standards set by leading workplaces in the Asian region – what more must they do?

To start with, employers should do a lot to improve their workplaces... They must ensure they meet the minimum and standard requirements of employees, while paying them reasonably. For this, they may have to spend a little more, but they will benefit from a better work environment and increased productivity. People who feel good about themselves produce good results. This is not only the responsibility of the employer, but the responsibility of the employees as well.

Employees must feel that it's their own placenot to decorate their workstations with graffiti, but make them pleasant places for anyone. In addition, we must seriously think about the dress code as well. When we try to match our workplaces with others in the Asian region, we should not forget our culture. And we must discipline ourselves to follow good housekeeping principles, which is very important to keep our workplaces at a high standard. **Posted by** G. K. Vithanage

Whether competitive workplaces are essentially more productive is debatable, though there isn't the least doubt that they create a toxic work environment. Competitive work cultures result from expedient short-term thinking, while collaborative work cultures result from a long-term visionary outlook.

The fault doesn't lie solely with employers; employees with a self-centred mindset are equally culpable. Regardless of the root of the problem, in the long run, overly competitive work cultures hold back progress. Further, there are a good number of local businesses out there that have built collaborative work cultures, and thrive as a result... **Posted by** Jayashantha Jayawardhana A few companies are doing great, but the overall profile of Sri Lanka is too small to produce a strong rating. A considerable improvement is required in terms of pay, organisational culture, values and working conditions that fuel progress. Even today, industry pay norms are not formally known, unlike [other nations] in the Asian region, where professional recruiting firms furnish this information.

Many private sector local companies have pay deviations, and fall short of industry standards; in most cases, pay levels do not reflect employees' skills and exposure. There is a belief that an employee cannot be satisfied pay-wise, but culture and working conditions can [make a difference]. More transparency and open communication will produce a conducive work environment, with mutual trust and respect... **Posted by** G. Karunaratne



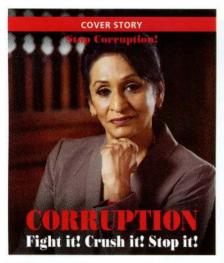
Digitized by Noolaham Foundation. noolaham.org | agayana bans org Sri Lankan business entities have taken up the challenge to improve the working environment in regard to health and safety, comfortable work areas and updated technology. This is to increase the productivity of their most valuable resource – viz. people. More and more companies have taken the cue and understood the importance of the Japanese '5S' system, which has been implemented to reap the ensuing benefits.

Employees, on the other hand, have to be responsible in carrying out their duties and work with commitment. Teamwork is most important in an organisation, in order to complete an assignment quickly and efficiently. Employees should be self-disciplined, in order to achieve results, as many industries have implemented performance appraisal systems. There has to be a policy of give and take. **Posted by** Lalindra Abeysekera

Some Sri Lankan blue-chip companies maintain high standards, vis-à-vis working environments... In response, employees have developed a great [sense of] loyalty towards such organisations. If our private sector is to become the best in the Asian region, it is important that it expands employee training programmes, as this would increase job efficiency and improve teamwork. **Posted by** Poornima

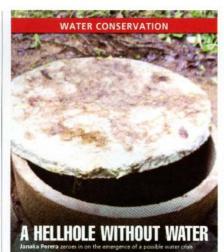
In Sri Lanka, the majority of the workplaces provide the basic necessities to their employees. Some private sector companies limit employee welfare costs, in order to meet profit targets. This is the major setback of the private sector in this country, as it undermines humane values... **Posted by** M. Bandara

# BLOGS FROM LMD ONLINE



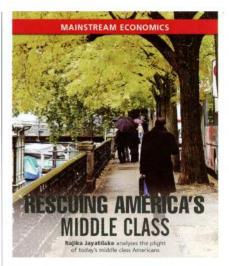
This country has gradually become corrupt; but having said that, my personal belief is that it is going to be stopped in time, before it filters down to the masses. I have lived in India, Vietnam and China. In India, they are all into it, to a certain degree. In Vietnam and China, corruption is organised, so it is kind of tolerable. In Sri Lanka, the politicians started being absolutely corrupt, and did not know when to stop. Slowly but steadily, the judiciary became corrupt. There was a time when we, the citizens. felt there was absolutely no point in relying on the justice system. There were enough judges willing to hold the hands of corrupt politicians, even when they knew it was wrong. But most of the ordinary citizens still had inherent decency. So I am hoping we will go back to being the good, old Sri Lanka! Thank you LMD, for doing your bit in fighting corruption. Posted by

A. Gunasekera



In regard to water conservation, people need to seriously look at rainwater harvesting strategies. Coming at a time of severe droughts in many parts of the country, we were awakened to the need to make better use of the available rainfall. Rainwater harvesting is not new to Sri Lanka. Sri Lanka has been a leader in rainwater harvesting and research in the South Asian region, where there is deep concern over the looming global water crisis, Rising and falling in popularity over the centuries, the technology has made a comeback over the past decades. Government should take necessary action to raise public awareness of the benefits of rainwater harvesting as a feasible, financially viable alternative to meeting the critical potable water needs of local communities throughout droughtprone areas in Sri Lanka. It should be encouraging rainwater harvesting. And storage at household level, for domestic use (cooking and drinking), can also help prepare us for future droughts. Posted by

Isuru de Silva



Preparing for a skilled workforce will only be known as a mere slogan for the next presidential race. So what concerns are there from Sri Lanka's perspective? Here too... tax evasion and income disparities are substantial. The middle income trap continues, and is exploited and taken for granted. Or perhaps being blind to their immense contribution to the economy. the middle class is deprived of its purchasing power... Despite their significant contribution to exports to America, they resort to saving by cutting down on non-essential goods when their disposable income shrinks. Thus, our export revenue dwindles and export markets tend to be shaky. Not all tiny nations are affected, with the exception of strong economies like Switzerland. But Sri Lanka is not a developed country to date, [and] its economy is rated as unstable. Until we are blown by the winds of giants, Sri Lanka may have to survive in murky waters. Posted by George Wijesuriya

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# Letter of the Month



# **NETWORKING** ALTERNATIVES

ince the advent of LinkedIn, occasionally called the corporate version of Facebook, our perspectives on networking have changed significantly. It is now a must-do to be on the network, so that prospective employers know you exist. According to LinkedIn, there are about 500,000 users of the network in Sri Lanka. Chances are that you are among them.

So has LinkedIn made us better at networking? What's more effective – a social network which allows people to

Let's evaluate the options. This is a great way to make connections with peers and potential hiring managers in your field of work, source jobs, engage in group discussions and share information. You can stay on top of current trends and help facilitate new ideas. With the new LinkedIn Pulse, individuals have the opportunity to write articles, showcase the depth of their knowledge and establish themselves as experts in their respective fields.

The flip side of LinkedIn is that, depending on user settings (some may not want strangers adding them) and the reasons behind getting connected (viz. a desire to find a job immediately), randomly adding people to your network isn't the best course of action.

Ask yourself what's in it for him or her. This will help ensure you don't become a LinkedIn Open Networker (LION), where you add everyone you come across, whether they add value to your connection or not.

Meeting personally is arguably the best way to connect with people and create a powerful first impression of you as a confident and capable professional. It leaves individuals with a positive image of who you are, and what you're capable of. This is the oldest form of networking, and if used properly, it has yielded dividends for many people from various walks of life around the world.

However, old-school networking is a skill which many find difficult to leverage successfully. Going up to strangers and introducing yourself can be scary. Making an impression is a lot like handling a double-edged sword. If you don't handle it well, it can hurt your reputation. Furthermore, spending time getting to know people is a tedious process.

Going out of your way, to a possibly unknown location, and partaking in time-honoured rituals such as swapping business cards may seem tedious even before talking to each other. This is compounded by the fact that we live in an 'instant age,' where people want to establish connections through clicks, not chats.

I firmly believe in a third alternative, which is a hybrid model where users break the ice via LinkedIn, and meet in person later. Or you can ask a friend to introduce you to the individual you wish to connect with. Using a mutual friend helps break the ice, and discussions can begin afterwards. Given the Sri Lankan tendency to prefer to speak with a known person, to get something done, this may be a viable option.

With time and a little effort, you'll be able to meet strangers and wow them. Being able to speak to strangers with ease is a skill worth learning. After all, who knows what a positive first impression can do?

YALA - SRI LANKA

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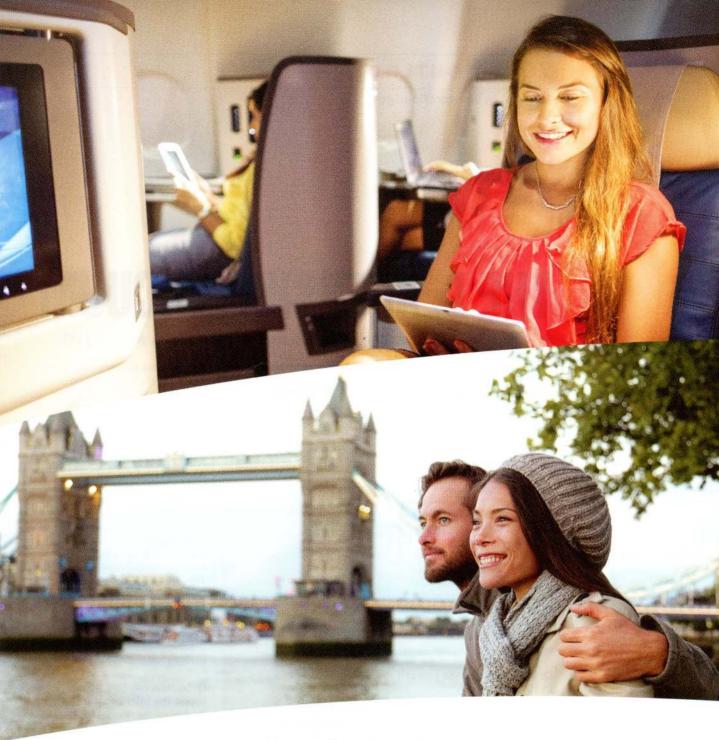


# LETTER OF THE MONTH

Write in to LMD. If your submission is published in Soapbox (Letter of the Month), you will win a voucher (one night for two, bed and breakfast) at Jetwing Yala.

Letters (of around 600 words) must be mailed to LMD – Letter of the Month, LMD House, 4 Greenlands Avenue, Colombo 5; or emailed to editorial@Imd.lk

All submissions must be accompanied by the writer's name, address and daytime telephone number. The publisher reserves the right to edit letters.



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# YOUTH OUTLOOK

Compiled by Savithri Rodrigo

# THE LEADERSHIP VACUUM

Sajeew Dihara discusses the leadership traits that Sri Lanka's youth expect

**Q:** Do we have young leaders who can take the country forward – and what traits should they have?

A: There are young leaders, but opportunities and patriotism are lacking. Leaders should be honest, have character, be incorruptible and possess the ability to inspire. King Dutugemunu, Mahatma Gandhi and Nelson Mandela inspired and motivated their people to reach great heights.

These are the traits of a true leader. We certainly do have a younger generation capable of being the driving force of the nation, but they lack incentive and encouragement to step forward and optimise their capabilities.

# **Q:** Where do you see yourself in 10 years' time?

A: My ambition is to be an aerospace engineer, and I have made detailed plans for myself, to expand my knowledge in aerospace engineering. But I know that even though I have plans, the reality is that the world changes constantly. While I'm not sure how my plans will pan out, or where my curiosity will take me, I know that I have a strong interest in the subject.

Q: What opportunities do you see for young Sri Lankans like yourself? A: With Sri Lanka being in continuous developing mode, there are many new and challenging opportunities for young talent. The opportunities depend on the field that each individual chooses, and his or her potential and ability to adapt to those trends. There

#### **SAJEEW DIHARA**

SCHOOL St. Sebastian's College

DATE OF BIRTH 19 July 1997

#### ACHIEVEMENTS

Head Prefect School choir conductor Active member of YCS Active member of the Science Society

#### HOBBIES

Playing the guitar Composing music Conducting research on aerospace

AMBITION To be an aerospace engineer

#### **NEXT GENERATION LEADERS**

Malala Yousafzai – For her activism on education and freedom for girls Mark Zuckerberg – For

connecting the world

#### ADMIRES

Kumar Sangakkara – For his leadership qualities and passion for cricket, and for inspiring young talent in Sri Lanka.

Dr. Sarath Gunapala (a leading scientist at NASA) – For bringing prestige to the country, through his knowledge and leadership qualities.

#### RESPECTS

John Keells Holdings – For the passion it brings to the world of work, and a strong brand culture.

**Toyota** – For continuing to introduce new innovations to the automobile industry are numerous pathways for young people to optimise on the best opportunities available, by using modern technology.

**Q:** How about the challenges facing the country today – what are they?

**A:** As Sri Lankans, we face multiple challenges. Reforming the institutional framework of key public sector enterprises is one, enabling them to operate more efficiently and be commercially sustainable to reflect market conditions. These are the issues that the Government must address, to sustain economic growth. Also, demanding concepts of globalisation make it challenging for the country to retain talent.

Q: So how can Sri Lanka retain the talent that it has? A: Among the reasons for educated and skilled professionals to migrate is the lack of opportunities, or insufficient remuneration in their field of work. For example, government engineers receive a monthly income of around Rs. 70,000; but overseas, this income would undoubtedly be very much more.

Another dismal feature is that talent and creativity are destroyed by society's greed and hatred. Another's opinion must not drown out our inner voice; and more importantly, we must eschew social stigma and attitudes, in order to take Sri Lanka to a better place. This, in turn, will retain our inherent talent.

Q: Who is responsible for

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#### global warming and climate change? And what must be done about it?

A: It took more than 20 years for mankind to accept that global warming is caused by the emission of greenhouse gases. But the real cause of global warming is our thoughtless attitude towards the natural environment. All decisions should be based on maintaining a deep respect and consideration for nature. There is a need for us to change our consciousness. We do not need international treaties or national laws to start changing ourselves.

#### Q: How do you view the growing importance of social media today?

A: Social media is vital in the modern world. Being conversant with the media revolution and managing a flexible presence on Facebook, Twitter and Google have become must-dos for any marketer striving to develop his business. Social media is an

Leaders should be honest, have character, be incorruptible and possess the ability to inspire...

imperative for all brands looking to be a part of the digital market. Although the importance of social media in today's economic landscape is indisputable, business hasn't yet made use of its full potential.

Q: What challenges do young people face, in a global context? A: Due to the prolonged global economic downturn, employment generation for young people has worsened. posing long-term implications for both youth and society. With less experience and fewer skills than adults, young people often encounter difficulty finding work.

The transition from school to work signifies a crucial stage of independence, the application of academic learning, and social and economic productivity. It also sets the stage for an individual's potential, in terms of earning capacity, job options and advancement prospects.

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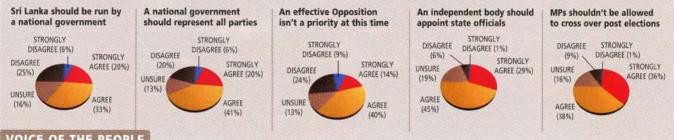


#### EXCLUSIVE NATIONWIDE OPINION POLL I CONDUCTED BY TNS LANKA I COMMISSIONED BY LMD

# **BY THE PEOPLE, FOR THE PEOPLE**

The people compile a list of key concerns for their political representatives

#### GOVERNANCE IN SRI LANKA



#### **VOICE OF THE PEOPLE**

he concept of good governance is being debated more extensively in Sri Lanka, especially following the regime change that took place earlier this year. Amidst the mainstream political and social deliberations on the subject, it is the area of curbing corruption that has drawn the most attention.

A statement issued by the President's Office notes that the new Administration aims to create a public service sans corruption, fraud and malpractices, and a political culture without family rule and nepotism, adding that a "majority of the people approved this policy at the recently concluded presidential election, as it was pledged in the election manifesto."

Meanwhile, during his visit to Sri Lanka in May, US Secretary of State John Kerry reportedly stated that the peaceful environment that prevails in Sri Lanka at present should be further strengthened. He also pointed out that the new Government of Sri Lanka has set an example to the world, by peacefully transferring powers, while maintaining a healthy rapport with the international community in relation to human rights concerns.

But according to the World Bank's Worldwide Governance Indicators, a country's METHODOLOGY Based on a random sample and face-to-face interviews with 400 respondents between 18 and 55 years of age, with an equal gender divide. The sample covers Colombo and the outstations in equal proportions.

governance can be evaluated on the basis of several dimensions - viz. voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality and the rule of law, as well as control over corruption.

It is against such a backdrop that TNS Lanka's latest countrywide survey considers the people's viewpoints on what constitutes good governance.

Poll results reveal that a majority of respondents (53%) agree that Sri Lanka should be run by a national government, with some going so far as to suggest that the system has delivered a 'new beginning' for the country.

Moreover, at least six-in-10 respondents state that a national government should represent all political parties, mainly because it would provide an opportunity to obtain the opinions of a wider segment of politicians.

But those who oppose this view (26%) argue that it would mean the lack of an Opposition in the local political sphere. Also

worthy of note is that 54 percent of those polled say that an effective Opposition isn't a priority at this juncture.

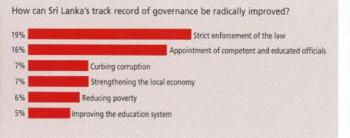
Nearly three-quarters of the survey sample feel that an independent body should be granted the responsibility of making highprofile appointments to state-owned entities (such as the Central Bank, CEB, CPC, Sri Lanka Telecom, SriLankan Airlines, the major state banks and so on). This, they say, would help put a stop to corruption within public sector organisations.

On that most contentious issue of political crossovers, an overwhelming majority (74%) assert that Members of Parliament should not be allowed to jump ship after elections. Respondents in this camp even state that political crossovers enable MPs to 'escape with the money,' and that such actions are 'the start of all problems.'

According to the people, Sri Lanka's track record of governance can only be radically improved if there is strict enforcement of the law, competent and educated individuals are appointed to key posts, and steps are taken to curb corruption - all of this, while the economy is strengthened, poverty is reduced and the education system is improved.

#### - LMD

TNS Lanka has taken due care and caution in compiling the published data. It has obtained information from sources it considers to be reliable. However, it does not guarantee the However, it does not guarantee the accuracy, adequacy or completeness of the information; and neither TNS Lanka nor Media Services will be held responsible for any errors or omissions, or for the results obtained from the use of such information.



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This column is based on a survey conducted by TNS Lanka, a leading market TNS research and information services company. TNS is part of the Kantar Group, the world's secondlargest research, insight and consultancy network with offices located in 106 countries. For further details, visit the TNS Lanka website (www.tnsglobal.com), email tns.lanka@tnsglobal.com or call 2808018-22.

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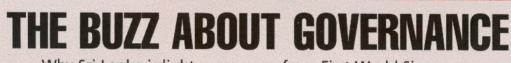
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# LMD THE VOICE OF BUSINESS

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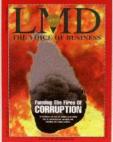


Why Sri Lanka is light years away from First World Singapore

ur prisons, and some hospitals for the suddenly sick, are filling up with politicians and their henchmen who have allegedly robbed a relatively poor nation of its limited riches. In the main, however, the men who are serving time for spreading the national sickness to the nth degree happen to be representatives of the all-powerful regime of old.

But as a few observers have pointed out, there are others who continue to serve on the Board of Sri Lanka, who are also rather sick – and for some reason, they seem to have the right not only to freely roam the streets, but even play a part in governance. Truth be told, some of them have been elevated to Cabinet posts, and they even have the right to point fingers at others who are allegedly corrupt!

The former regime has also been roundly criticised for turning a blind eye to rampant nepotism, and it has to be said that the idiom 'there's no smoke without fire' holds true on this score. But the fire has spread in the aftermath of the earth-shattering presidential election of 8 January,





On the brighter side of the fence that separates the good from the ugly, there's certainly a buzz about governance today...

with many state and civic sector appointments seemingly being made more on the basis of family ties and friendship, than high calibre and qualifications.

Moreover, many friends and relatives of incumbent bigwigs are now reportedly making hay while the sun shines, in the name of the nation – there are committees, consultants, advisers and even new businesses galore, these days, many of them manned by friends of the new regime. One assumes that the majority of these posts pay well - on the poor taxpayers' account, of course!

TEDIA SERVICES PHOTOFILE (CANON

On the brighter side of the fence that separates the good from the ugly, there's certainly a buzz about governance today. And thankfully, the anti-corruption lobby is gathering steam at a rate of knots – and for this, President Maithripala Sirisena and Prime Minister Ranil Wickremesinghe, who have led the way with great aplomb, must be commended.

PAGES

EDITORIAL

In a recent opinion poll on LMD's website (our online readers were asked to name Sri Lankans who are *not* corrupt), the PM and the Prez were voted No. 1 and No. 3 respectively, with the nation's favourite son Kumar Sangakkara taking second place.

Be that as it may, numbers one and three will have their work cut out on the governance front, because Sri Lanka is still light years away from emulating the likes of Singapore – which, incidentally, is run by highly qualified politicians who don't have their hands in side businesses... and aren't, therefore, tainted with conflicts of interest, like some of our rulers surely are.

But we need to get there... because that's where Asia's First World is.

- Editor-in-Chief

MISSION STATEMENT -

To be a vehicle for promoting management excellence, business acumen, a Sri Lankan identity and an evolving vision for national development.

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arents and educators are entrusted with the responsibility of teaching their charges about the attributes of truth, honesty and ethical behaviour. But how could such efforts make even a dent in instilling moral behaviour, in a society where children are privy to how the system is 'gamed' – as early as in elementary school?

How the state schools' admissions process works depends on where you live. But that guideline appears to be largely theoretical, going by the record. It is an open secret that more than half the students in Sri Lanka's more popular public schools are selected by this yardstick.

The residential criterion for school admissions, together with vigorous and increasing competition to gain entry into popular schools, seems to open the doors to corruption. Many parents prepare for school admission long before their child is out of his or her rompers. Frequent fraudulent practices include temporarily renting a house in proximity to the stipulated residential directive.

Allegations of bribery and corruption in school admissions are rife. Many parents oil the palms of school authorities and principals, to secure a place for their children in these institutions. This has become an islandwide malady, and no one seems capable of policing the deceptive trend.

The problem is neither new nor unusual, but it does smack of the need for more administrative controls.

So what we are experiencing is the reality that our children are learning lessons in bribery and corruption even before they can read and write! Small wonder, then, that such tender



and impressionable minds are ingrained with a widespread acceptance of corruption as being part of our nation's everyday life.

Corruption is both a menacing and an immoral phenomenon. We face the reality that the pervasive incidence of kickbacks and corruption in our land has been cheating our youth of their legitimate birthright. And the destruction that it inflicts on society today will be contagiously absorbed into the lifestyles of future generations.

That is because, as parents and educators, we are setting a reprehensible example of deceitfulness in formative minds.

We may preach and sermonise; but unless we practise what we moralise, we will be judged as liars and hypocrites of the highest order. Never underestimate the perceptive minds of tiny tots, because they absorb a lot more than you would be willing to imagine. Besides, they are great imitators to boot, and natural followers of adult behaviour.

Perhaps, most worrying is the likelihood that this acceptance would extend to those who will grow up to envision the future direction of the country. How could we help vulnerable young minds learn the difference between right and wrong, when we ourselves are guilty of so many unethical transgressions?

Still, unless we strengthen our educational values and teach children why bribery and abusing power are

# KIDS KICK BACK AT KICKBACKS!

**Charmaine Fernando** is concerned that kids are learning how adults are stripping the nation to the bone through bribery and corruption

The writer is a senior business and feature journalist, and a former business editor of a newspaper. She has worked in electronic media as a broadcaster and producer, and served leading INGOs in communications as well.

unacceptable – both personally and socially – the insidious cancer of corruption and exploitation of public wealth for personal benefit will continue to be replicated from one generation to the other.

In a larger sense, part of the blame has to be assigned to us – for encouraging such a virulent malaise; if not by subscribing to it directly, then by our very acquiescence. It seems that politics has

become a synonym for crime.

This is what is termed the criminalisation of politics, where many high-ranking government officials who have been indicted or face criminal or ethical investigations are let off with a rap on the knuckles or walk away scot-free, in spite of the enormity of their alleged crimes.

Certainly, tougher anticorruption laws and stricter enforcement are necessary to discourage politicians and bureaucrats from pocketing public funds, demanding kickbacks and demanding other forms of bribes. But civil society must not let up on pressuring the powers that be. It must continue to critically and relentlessly engage in these issues, and demand accountability from the powers that be.

It would certainly be a great lesson for our children to know that deterrent punishment is meted out to offenders, no matter who they are. For as long as we fail to address the disease where it takes root – in the youngest members of society – we will be condemning ourselves to a future in which our collective wealth will continue to be plundered, and related social problems helped to flourish.

Besides, no one would relish the prospect of being held accountable for the dubious distinction of nurturing a whole generation of future criminals. The only way corruption could be rooted out, is if we teach our children to recognise it, reject it, fear its consequences and condemn it.

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# THE VOICE OF BUSINESS

PLIGHT OF IMMIGRANTS

THE PERILS OF MIGRATION Zulfath Saheed laments the plight of those braving the high seas in search of refuge

t is a tale that is becoming all too common – one of immigrants risking their lives, in search of greener (or at least, less violent and dangerous) pastures. Despite the end of the civil conflict in 2009, we continue to hear of Sri Lankans who embark on similarly perilous journeys, often at the behest of wily trafficking agents. And the outcome can be laced with tragedy, as in the case of the migrant boat that capsized in the Mediterranean, in May.

Amidst these tragic events, there has also been heated debate over how the crisis should be handled in the future. Some in Europe are calling for a controversial Australian-style model of turning back migrant boats, with reports indicating that Europe-Australia talks are already underway. However, the Office of the United Nations High Commissioner for Refugees (UNHCR) has reiterated that it is "greatly concerned by forcible returns or barriers placed by some countries preventing the entry of asylum seekers and refugees,' especially as "among those seeking protection in Europe are large numbers of unaccompanied and separated children."

"Asylum systems in many countries are still not fully in conformity with international standards: poor reception conditions, status determination procedures, low recognition rates, as well as lack of access to durable solutions, are particular challenges," it observes.

The UN refugee agency says it is committed to preventing the loss of life at sea, and that it will "continue to work with states in the region for more concerted European action." This work will be guided by the Central Mediterranean Sea Initiative (CMSI) it has developed, which



Some in Europe are calling for a controversial Australianstyle model of turning back migrant boats...

includes actions within the European Union (EU), in transit or first-asylum countries, and in countries of origin.

According to data from the UNHCR, asylum applications to wealthy nations reached their highest level in over two decades last year, with approximately 866,000 applications submitted (that's a 45% increase, year-on-year), two-thirds of which were within the EU.

A particularly sharp rise was witnessed in Southern Europe, amid applications to Italy ballooning to 157,000 last year, as a greater number of migrants braved the waters of the Mediterranean to journey across to the famously boot-shaped nation. In the past, asylum-seekers' applications to wealthy nations reached a similarly high level at the inception of the Bosnian War, back in 1992. And the causes for the recent surge are equally unsurprising.

With such dire circumstances as jihadists in Iraq and Syria displacing millions, human rights abuses reported in Eritrea, the disenchantment and lack of economic progress in the Balkans, and the ongoing conflict in Ukraine, the number of individuals seeking asylum in the West has jumped in recent times.

Nevertheless, those who are successful in seeking asylum in wealthy states are but a lucky few. For instance, in 2013, more than 50 million individuals were unwillingly displaced across the world, comprising 17 million who were deemed refugees. Only 1.2 million were asylum seekers.

UNHCR notes that the ongoing economic squeeze in Europe is having an impact on the capacity and readiness of many countries to strengthen their protection systems. In addition, austerity measures have affected civil society organisations that provide services to asylum seekers and refugees.

Meanwhile, xenophobia and intolerance have led to incidents of discrimination and violence in the region, with nation states responding by limiting irregular movements, including tighter border controls and detention, and penalisation of those entering illegally.

As the UN refugee agency points out, regrettably, there remains a substantial risk that as countries ramp up border controls, even more lives will be lost – as they may drive refugees and asylum seekers to employ unconventional means, in their quest for security.

MEDIA SERVICES PHOTOFILE (AMANTHA PERERA

Zulfath is LMD's Business Journalist. She has experience in investment research, and a penchant for business news and economic affairs.

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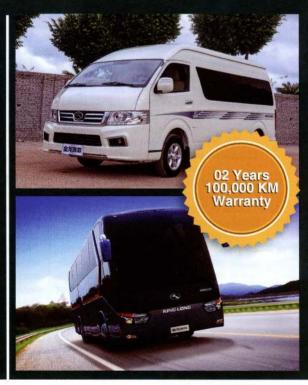




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t's a cliché to say that smartphones have disrupted traditional human behaviour. But larger than the obvious shifts that turn hordes of smartphone-wielding citizens into egotistic, instant communicators, is the capacity of ordinary people to disrupt the way in which cities work, politicians lead... and everything in-between.

The ride-sharing company known as Uber is leading the charge among leaner start-ups. In its simplest form, Uber overturns the entrenched taxi business - the business of owning cars and hiring drivers - by making each and every driver a potential taxi service.

Cities ought to love the idea... Instead of putting additional fleets of cars or buses on the road, citizens can get from point A to B by grabbing a ride with someone who is already heading in that direction. A ride 'fare' is negotiated beforehand - via a smartphone app, of course - and both are served well.

Or are they...? Well, a new breed of same-day delivery providers has been thrown into this mix. They're citizens on bicycles. While they cannot offer passengers a ride, they're giving customer service a 'lift' - by picking something up and delivering it to the doorstep of the customer.

How can this be disruptive? you ask. Consider pizza delivery. The drivers who deliver hot pizzas within minutes of the pick-up are serving a popular need. In addition, they're stretching the reach of pizza businesses such as Domino's and Pizza Hut: 'You don't come to us, we come to you.'

Enter Uber... once again. It's a way for

Angelo Fernando sees signs of the Internet transforming economies

OF BUSINESS

TAXI

STAND

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the company to use riders to pick up and

deliver purchases the same day. THE BIG RUSH So what kind of business will this disrupt? Possibly companies such as Amazon, which can deliver within two days but use this capability as a way to lock-in customers. I shop on Amazon because it is convenient, and I don't mind the two-day wait. Amazon Prime turns that feature into a 'free' service - if you are willing to interpret 'free' as paying a one-time membership of US\$ 99.

The business model that Uber is testing called UberRUSH (it is based on smartphone connectivity), enables sellers and courier firms to hand over their products and receive payment from buyers seamlessly, by way of digital transaction.

When you connect products in the sup ply and purchasing chains, it is often called the Internet of Things. But now as the General Manager of Uber, in New York City, puts it - the service has turned into "An Uber for Things."

The other disruptor is probably going to be the Apple Watch, which was launched in March. I've followed developments surrounding the smartwatch for more than a year. And while I remain underwhelmed by the device, there's no doubt that it would be perfectly timed for what we now loosely call the 'Uber economy.' As for the watch itself, it does not do

anything different from other personal devices. Certainly, its main feature is not about keeping time. The watch is seriously overpriced and is unlikely to dislodge the market for biorhythm trackers, which are some US\$ 200 cheaper.

But what the Apple Watch or any other smartwatch might change is how people

Angelo has been covering the intersection of business, technology and culture for over 20 years. You can find his writing on his blog (hoipolloireport.com) or reach him via email (angelo@hoipolloireport.com).

# THE UBER WORLD

use the data that streams into their lives, and permits them to engage with untapped parts of the economy.

The smartwatch could double up as a smartwallet. Now that the Apple Watch is set to stop people using their phones to check email, it could become the device that speeds up payments for trains and buses, or even take the place of boarding passes, via RFID.

Apple built in a 'Secure Element' chip that encrypts and stores your credit card information. When you're ready to pay, you tap the phone and engage the Apple Pay payment process. Near-field communications, using such small RFID chips embedded in devices, is becoming very common (See Internet of Things, in the February edition of LMD), so a wearable device like a watch could account for heaps of small transactions.

PERSONAL INTERNET The Uber economy is a blend of new work habits and disruptive services that are enabled by a more personalised Internet. Think of it this way: we have moved far away from the onesize-fits-all Internet of the 1990s, to an Internet that is device and app-based, and data driven. Over time, we have had many labels for these evolutionary stages.

We began calling it the 'sharing economy,' where people didn't simply compete for resources, but shared them. This was also considered the peer-to-peer economy, where it became easier and better to bypass middlemen, and engage with each other without costs or 'rules' set by an intermediary. And yes, the peer-to-peer movement also brought in illegal music sharing, which didn't last long. A good example of this has been eBay. It permits us to buy and sell; and sell our delivery times, and shipping and handling charges.

This is not to say that the personalised Internet makes companies such as Visa or HP obsolete. On the contrary, the personalised device-based and data-driven Internet enables these large organisations to also oil the gears of this new economy. They build the infrastructure, such as routers and cloud storage, and provide us with free (or nearly free) methods of encryption and financial processing.

And it doesn't have to be a company that permits passengers to connect with drivers via an app, to be part of the Uber economy. The following examples will make this clearer.

CROWDFUNDING Rather than sit in front of an officer at a bank, to qualify for a small loan, you can now have a project funded in micropayments by your extended network. UNDER THE MICROSCOPE An Uber application is on show, as cars drive by in Washington b. C. Uber has said it is ramping up safety, in response to rape allegations against a driver

UNDER THE MICROSCOPE An Uber application is on show, as cars drive by in Washington D. C. Uber has said it is ramping up safety, in response to rape allegations against a driver in India and growing concerns about background checks for operators of the popular ridesharing service. In other cities where Uber operates, critics have complained that a lack of licensing and background checks of drivers could imperil those who use the service.

It could be to fund an independent film or raise money for someone who is terminally ill.

Kickstarter (Kickstarter.com) began in 2009. It was the economic platform through which 8.2 million people pledged more than US\$ 1.6 billion to fund 80,000 creative projects. That's about the sum that Warren Buffett pledged to the Bill and Melinda Gates Foundation! Like Kickstarter, similar sites such as GoFundMe and Indiegogo work because people can be made aware of the need (demand), and collectively fund it (supply).

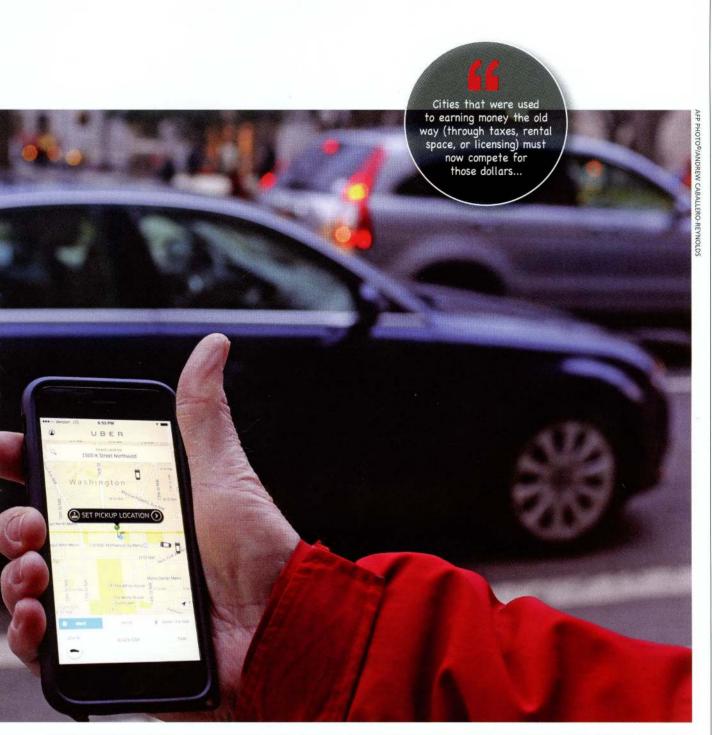
GoFundMe emerged in 2010, when social

media had begun to mature. "Just as we share parts of our lives on Facebook," the site states, "we also want to share our dreams, pursuits, celebrations and challenges online, with crowdfunding." People 'share' the burden, once they identify with the cause.

HELP WANTED Though advertising costs are unreasonably high, it is still possible to place an ad in a newspaper to hire employees.

Enter the Uber economy. It matches employees and talent, and projects and skilled workers. Sittercity (Sittercity.com) provides a service that targets a narrow slice of

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the 'Help Wanted' business, such as parents looking for childcare services.

Sittercity is not a new company. It is a model of how the new people-powered, app-driven economy works. It began when a young college student saw a pregnant woman walking around her campus, posting 'Help Wanted' fliers. She took a flyer... and got the job. Later, she took her idea to a venture capital firm and was 'laughed out of the room.'

It seemed a ridiculous idea – connecting families and babysitters. Today, Sittercity matches parents and sitters for children, including those with special needs. It also finds caregivers for the elderly. Based on the same business model are Indeed.com, oDesk.com and Elance.com – the former is a niche for finding computer-related talent. It enables a person to screen the freelancer on the basis of a portfolio, track record and process payments (securely) via an escrow account.

At the time of writing, Elance boasts 271,000 programmers and 302,900 writers on its database. That was a part of the supply side. On the demand side, there were 127,856 job postings. Of the US\$ 1.3 billion that freelancers had earned at the time, eight million dollars was made by talent in

Digitized by Noolaham Foundation. noolaham.org the Philippines, US\$ 4.8 million in Pakistan and 23.2 million dollars in India. It certainly sounds like a global supply chain is at work!

The Ubers of this world are irritating city planners. That might be a good thing – because, while they look like the old business models (say, transportation or advertising), they add new layers such as logistics and payment systems.

Cities that were used to earning money the old way (e.g. through taxes, rental space or licensing) must now compete for those dollars. And that may be the most important change that the Uber economy delivers.



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VIVANTA BENTOTA SRI LANKA BY TAJ

pqi

n the early 20<sup>th</sup> century, Thomas Edison predicted the extinction of books in schools and stated that motion pictures, alone, could be successfully used as a primary instructional strategy. Einstein feared that technology would create

'a generation of idiots.' Regardless of the countless debates on technological advancement and its impact on student performance, we cannot deny that this necessary evil has spread its branches into classrooms across the globe, starting at the youngest

grade and on up to university. We're seeing keyboards replacing pens, the Internet replacing libraries and LCD screens taking the place of hardcopy books. This technological revolution is transforming the traditional learning environment drastically, so much so that some US schools require and supply iPads to all students.

The arguments, both for and against technology in the classroom, are equally strong. One might argue that the Internet has broken the barriers of manual research, with limitless sources of information available at the click of a button. The arduous strolls between floor-to-ceiling bookcases are defeated by their high-speed competitor that connects its users to a much larger variety of information on a single device.

Indeed, the World Wide Web lives up to its name, creating a vast empire of knowledge across the globe, making it easier for students to expand their learning independently. With the introduction of ebooks, virtual note taking and online assignments, the gruelling task of lugging books and papers is deemed pointless.

Teachers benefit, too, not



just from the convenience of online grading, but also from the unconventional toolbox of instructional strategies that technology provides - which, if utilised well, creates a far more engaging exchange of knowledge that students can relate to. Classroom instruction has drifted from traditional methodology and progressed into the world of videos, podcasts, online forums, music and interactive SMART Boards which are rapidly replacing blackboards in US classrooms.

Technology has also made a significant impact on Special Education, giving students who previously had limited access to education an opportunity for learning and integration. As an educator, I have been in classrooms where students Skype in from hospital rooms, since surgeries and medical exams are frequent occurrences for them.

Augmentative and Alternative Communication (AAC) devices provide students with limited verbal or auditory skills, the ability to use expressive and receptive language, harnessing the benefits of the skills they already possess, which is the goal of assistive technology.

Students with physical limitations can now control wheelchairs using their tongues to manipulate a small sensory pad which is placed in their mouths, just as eye-gaze technology enables students to use the computer simply by moving their eyes – ideal alternatives for victims of paralysis.

While technology has undoubtedly transformed the field of Special Education, providing students with a wide array of adaptations to make learning accessible and effective, the argument against technology in the general education classroom still stands strong. Technology reduces the need for social interaction and also causes students to experience what special educators call 'learned helplessness' – learning to be helpless, for convenience sake. Similar to Einstein's fear, this argument states that with technology being as savvy as it is, students are no longer required to learn concepts in depth on their own, since the device does it for them. A classic example of this is the calculator – a simple technological advancement

which has conquered our ability to mentally solve simple math, pushing our brains to be helpless and accept that such devices can replace even the simplest cognitive function.

The American Educational Research Association published a meta-analysis in 2011 (Tamim, et al.), which reviews the results of 40 years of studies investigating technology and student achievement. The overall analysis suggests an increase in student performance in classrooms utilising technology, when compared with technology-free classrooms. And the study reveals that computer-based instruction can be greatly beneficial when teaching and learning statistics. The analysis concludes that the average student in a classroom utilising technology performed 12 percentile points higher than the average student in a more traditional, technology-free classroom.

While the results of this study may have useful implications, it is important to note that ultimately, student performance is largely dependent on how the available resources are utilised in order to enhance student learning, placing special focus on the instruction itself, teaching philosophy, subject, grade level and appropriate technology implementation.

While I partially agree with Edison's remarks and fully concur with Einstein's fear, society can avoid this catastrophe if technology is used as a tool to complement the learning process, rather than to replace it.

THWART LEARNED HELPLESSNESS Saashya Rodrigo tracks the debate

ECH AND

on technology in the classroom

The writer is an educator and researcher in Special Education. Saashya holds a BSc in Education from Georgia State University, Atlanta, where she is also pursuing her Masters in Multiple and Severe Disabilities. Apart from writing for LMD and Living, she is also an artist and avid traveller, and enjoys playing several musical instruments.

PHOTODISC

iteracy is an accepted educational tool – one of crucial importance to daily life in a literate society, and an instrument to advance

economic growth. UNESCO states that "a person is functionally illiterate if he cannot engage in all those activities in which literacy is required for effective functioning of his group, community and in his individual reading, writing and calculating."

And literacy is the implicit right to education. As stated in the 1948 Universal Declaration of Human Rights, literacy is a "fundamental education." The rationale for recognising literacy as a right is the benefits it confers on individuals, families, communities and nations alike.

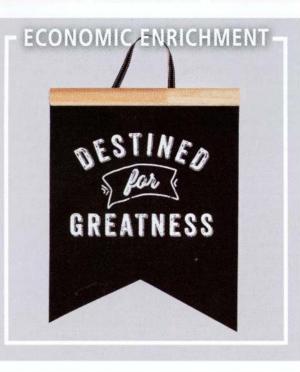
Indeed, it is widely reckoned that, in modern societies, literacy skills are fundamental to informed decision-making and personal empowerment, and for active participation in a social community. However, the benefits of literacy ensue only when broader rights and development frameworks are in place and operating effectively.

At the end of the day, economic benefits materialise when there is sound macroeconomic management, investment in infrastructure and other development policy measures.

Sri Lanka is known for its healthy track record of human development. Our Human Development Index ranks as high as the best in the developing world. Improvements in education are reflected in indicators such as the literacy ratio, life expectancy and infant mortality.

However, despite our achievements in human capital development, Sri Lanka has been unable to leverage its human resources to comple-





# LITERACY MATTERS

on the literacy-economy nexus

ment economic growth, compared to other Asian economies such as Hong Kong.

Although Sri Lanka's per capita income has increased over the last few years, this is mainly due to the inflow of loans, which have to be repaid eventually. And to pay the interest on these loans, the state has to increase taxes on virtually every product and service.

For substantial and sustainable development, we need to improve productivity across the board. And to improve productivity, the public needs to be educated. Literacy involves acquiring skills such as reading, writing and learning, while education is about applying these skills and learning for the benefit of individuals and, in turn, society as a whole.

It is widely believed that the high literacy rate enjoyed by Sri Lanka is mainly due to its subsidised education system, from primary education to first-level degrees, thanks to the Free Education Act of 1949. It is evident that no country has achieved economic



Increasingly, economies are being buoyed by knowledge, and less by physical capital and natural resources...

success without investing in educational development, so it goes without saying that literacy plays a vital role in the growth of an economy.

Government expenditure on education in Sri Lanka currently amounts to approximately 1.7 percent of national income – a comparatively low level of investment, compared to the standards of other developing countries such as Malaysia and Thailand. These South-East Asian nations allocate 20-30 percent of state expenditure to education.

Sri Lanka's deficiency, in terms of spending on education, results from the array of public subsidies that eat into state coffers and the astronomical cost of war expenditure, in the recent past.

Low capital investment constrains the expansion of the education system. Such restrictions mar investments that could otherwise be used to fund the rehabilitation of rural schools and supply of basic educational services, and enhance facilities such as laboratories and libraries.

Besides the low level of capital investment in education, one of the many reasons for Sri Lanka's poor rate of return on education pertains to widespread regional disparities.

Greater disparities in literacy rates between the richest and the poorest regions in Sri Lanka are associated with income inequality. And the widespread regional disparity in educational facilities across Sri Lanka is a major hindrance to achieving further increases in the literacy rate which, in turn, affects the economy. Most rural schools struggle to match the standard of teaching in city schools.

It is a fact of life that education is a major determinant of an individual's earning power, alongside his or her professional experience. Therefore, it is the right of every citizen to receive quality education, regardless of where he or she resides.

Increasingly, economies are being buoyed by knowledge, and less by physical capital and natural resources – and literacy plays a key role in this transformation. The more people with access to knowledge, the greater the likely economic benefits.

Thus, average literacy is a better indicator of growth than a proportion of the population recording high literacy rates. In other words, a country that focusses on the literacy of all its people is bound to reap economic benefits.

Today, the nation awaits the fulfilment of promises such as raising of Mahapola scholarships and transparency in Grade 1 admissions. Having said that, it is up to every citizen, along with government, to work towards building a workforce that propels Sri Lanka's economic development.

Anya is LMD's youngest team member. She represents the next generation of business journalists in Sri Lanka.

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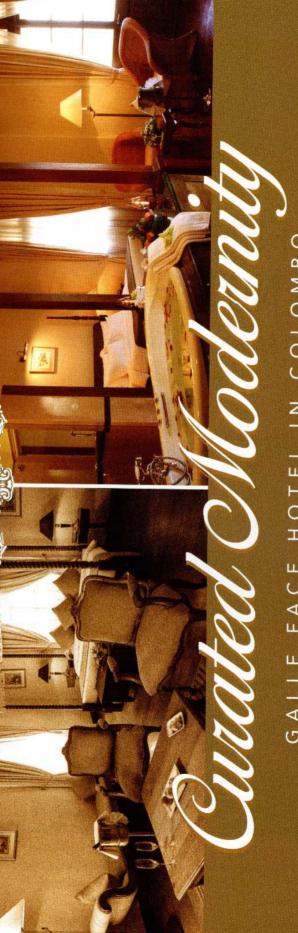
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## **DEVELOPMENT BLUNDERS**

Blogger TO

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t is one of the hottest days of the year, and the security guards don't bother to come out of their small office by the entrance; they wave us through, like waving off pesky flies. There's a 10-foot-wide entrance, while the rest of the 40-foot-entrance is blocked by a pullout fence. The brightly coloured bougainvillea is overgrown.

The moment we pass the entrance, a gigantic rusting peacock stares down at us. It is huge, maybe 20 feet tall, and is in need of a paint job. The rusting metal and overgrown and unkempt flowerbeds make the surroundings look like something out of a 1970s Mad Max movie.

No, we are not in the fiction land of some book by the great Gabriel García Márquez, though parts from The Autumn of the Patriarch seem so apt. We have just entered the Mattala Rajapaksa International Airport, aka MRIA.

ALIEN CONTRAPTION The airport cost US\$ 210 million to build. It sits like an alien contraption amidst the wilderness of the Hambantota landscape. Commissioned in March 2013, the complex covers an amazing 2,000 hectares, and is beautifully designed. The interior is homely and boasts floor-to-ceiling windows which allow the sunlight to gush in, unlike the dark corridors that welcome you into the belly of the Bandaranaike International Airport (BIA), where there is a feeling of being sucked into a vacuum cleaner.

Indeed, the airport means so many things to so many people. To former president Mahinda Rajapaksa, whom I met before my trek to the airport, it is a significant achievement of his drive to modernise what was not so long ago the

# HAMBANTOTA

Amantha Perera visits the white elephants of the Deep South underdeveloped backwaters of the island's south.

To those who took over the reins of the country from him, it is nothing more than one of many vanity projects. "What do we do with this? What do we with all of these projects that have come up in Hambantota?" an exasperated Prime Minister Ranil Wickremesinghe asked, the day before I took off to Hambantota.

**PROJECT GRANDEUR** There is no doubt that these were grand projects. The airport is linked to the main Kataragama Road by a 30-kilometre highway with four perfectly laid out lanes. I remember touring the area when these projects were under construction, and also being at the Mahinda Rajapaksa International Stadium when it was nearing completion – then, I saw a lone wild elephant staring at the structure from the nearby scrub jungle. It looked as confused as I was, staring at the high concrete walls that were being built.

I was also present when the new Magampura Mahinda Rajapaksa Port, in Hambantota, was commissioned. Yes, I watched the dancers – and there were hundreds of them, a ship that had been remodelled

after ancient lore and the dominating symbol of the peacock.

But grandeur aside, have these projects delivered on their promise?

'No' seems to be the reverberating answer.

#### **DESERTED DEEP SOUTH As**

we drove to the airport, along deserted roads, our van crossed motorcyclists (sans helmets) literally dashing in the opposite direction. They

CURRENT AFFAIRS

The writer is a journalist and foreign correspondent, based in Sri Lanka.

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## **DEVELOPMENT BLUNDERS**

would suddenly appear over the horizon, like moths heading straight at us.

My driver is more used to the 'sneakingin-and-out' traffic chaos in Colombo, so he was aghast. Here, in the Deep South, he was completely out of his comfort zone, driving on a wide road with no one but himself on it... and suddenly, there is a motorcyclist heading straight at him!

"Where are we?" he exclaimed. I had to calm him down, and tell him that we were on our way to the airport. He did get the unintended joke. "Ah! That is why these guys want to fly," he said, laughing.

For the record, the suicidal motorcyclists were being practical. There is hardly any traffic on this road, where the centre island runs for miles without a break, so they take the easy option and ride on whichever side they enter. They would have been equally surprised to see a shiny, blue van on the road, as we were to see them.

The airport was deserted. When we arrived, five people were outside the entrance – two security guards and three cleaning personnel. Only our vehicle was in the car park. We were allowed to walk in without any fuss.

There were no travellers in the spanking new airport. All the booths were empty, except for the information desk and money exchange booth.

**TIME STANDS STILL** The amiable young lady at the information booth told me that on that day there had been seven arrivals, which was quite a leap from the day before, when no one had used the airport. In the last 72 hours, she tells me there had been 10 arrivals and four departures. There was only one flight – flydubai, which was extending its contract on a monthly basis, and indicated that it too was stopping flights.

A family had come to visit the airport. They were taking pictures everywhere, as if this was a museum. "Those days, lots of people came to see the airport. We even allowed visitors to go near the boarding areas. Now, very few come here; people think this is going to be closed down," the information officer told me, despondently.

She said that soon after the new airport opened, thousands of schoolchildren would come on educational tours. "Now, no one comes," she repeats. But she tells me that the airport's information desk is manned 24/7, though for whose benefit she did not know.

It was surreal walking inside the airport. I have probably been through more than 100 airports, from bustling international hubs like Heathrow, to little known Biratnagar, in Nepal. This was the first airport where I

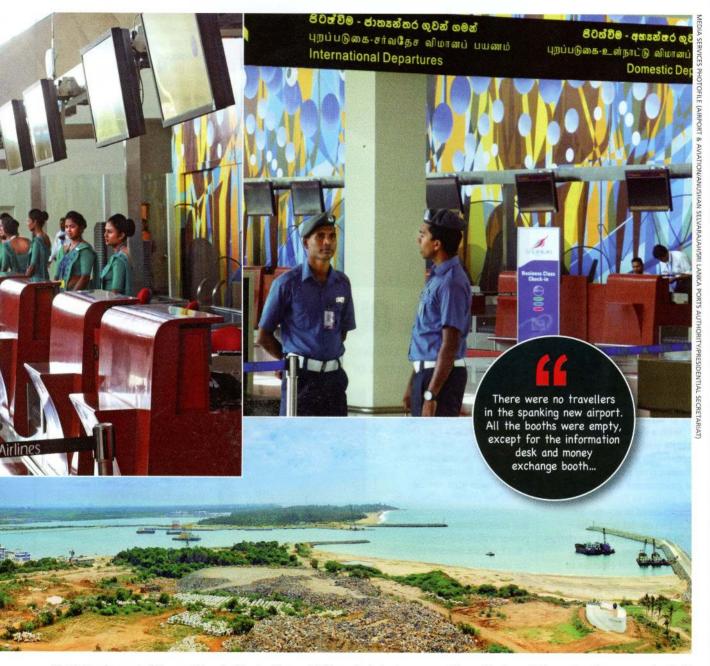


saw a flight schedule showing arrivals and departures that were 24 hours away – and hence, everyone walked about as if they were taking happy midday strolls.

It was a miracle that we did not see anyone asleep anywhere – maybe because the air conditioning was off, or running low. But nobody was taking a step in a hurry. It was as if time stood still at MRIA.

**SUPERIOR FACILITY** On the other hand, MRIA is far superior to BIA. The clear windows, a high wooden ceiling and open spaces gives it a homely look. If only there were a few people around, the ghostly feeling would have disappeared. It must also be the quietest airport ever built... I could hear my own footsteps!

When these projects came off the drawing board and on to the dusty plains of Hambantota, they were part and parcel of a larger grand design. The only significant real estate on the way to the airport is the eightstorey hospital which is under construction, a new administrative complex and the Magampura Mahinda Rajapaksa International Convention Centre.



The latter rises out of the scrub jungle like a shiny behemoth scanning the horizon. There's no one near the gates.... we could have walked all the way in, and ended up being the only visitors.

**POTENTIAL FTZ OR HUB?** What can be done with these projects is the vexed question for those who replaced the Rajapaksa administration. A Cabinet Minister told me soon after the new Government took office that Hambantota could be turned into a Free Trade Zone (FTZ). This makes sense, since the infrastructure is in place.

But an FTZ needs industry – something that the planners of these grand projects seem to have overlooked, ignored or simply left for another day. Setting up industry here will take a major effort, and call for substantial funds and heaps of time.

There was a rumour that the visiting Emir of Qatar had expressed an interest in using Mattala as a service hub for Qatar Airways. That is an option that had reportedly been considered even by the Rajapaksa government. And there were public announcements by the then management of Sri-

Digitized by Noolaham Foundation. noolaham.org bลองณะอุปจราเพย Lankan Airlines, that German carrier Lufthansa was considering using Mattala as a service hub. However, even though these claims were made, nothing worked out.

But something has to be done here, before these investments end up being massive black holes of public funds. No one seems to have given much thought to what must be done. It will probably take a more stable government to make such calls.

Till then, MRIA will remain the worst example of self-aggrandisement taking precedence over national needs.

## FOREIGN POLICY

bolishing the presidential system has been part of the election manifesto of previous presidents, but it

was Maithripala Sirisena who demonstrated – in practical form – his commitment to shedding the powers of the presidency. While the passage of the 19<sup>th</sup> Amendment was a major achievement, the President's success in pushing through a constitutional amendment that reduced his own power is a rare example of statesmanship.

Meanwhile, there is a great deal of international expectation about progress in Sri Lanka. And the visit of US Secretary of State John Kerry highlighted the goodwill that Sri Lanka has mustered in recent times.

Sri Lanka is now able to position itself as a post-war country with a message to other countries struggling to come out of their own conflicts. The Sri Lankan model of changing governments through a democratic process is one that the international community would wish to support in other parts of the world, where a change of government is necessary.

With a President from one major party running a Government with a Prime Minister from a rival major party – and a government that has almost all parties in Parliament represented in it – the Sri Lankan model is unique.

In the aftermath of the change of government, following the presidential election in January, there has been a spate of visits to Sri Lanka by high-level representatives of foreign governments.

Kerry's visit was especially significant, not only because the US is the most powerful country in the world, but also since it was behind the UN human rights resolutions on Sri Lanka from 2009 onwards. These resolutions, calling for an investigation into the last phase of Sri Lanka's war, were resisted tooth and nail by the government of former president Mahinda Rajapaksa.



## **GLOBAL OUTREACH**

Dr. Jehan Perera believes that Sri Lanka can replicate the success of South-East Asia

The former president turned the UN call into a personal battle, in which he pledged his willingness to face the 'electric chair,' for the sake of the country and its armed forces. The Rajapaksa Government also roused Sinhalese ethnic nationalism, to resist foreign intervention and consolidate political power within the country.

Sri Lanka's attitude towards the international community, in particular the West, turned adversarial. The former regime's defiance of the international community took on the character of defying international institutions, including the UN human rights system, and calling it into question.

This was a challenge that the international system, led by the United States, could not afford to tolerate, as it could lead to an undermining of a system that had been established to ensure post-World War II order.



Following the presidential election in January, there has been a spate of visits to Sri Lanka by high-level representatives of foreign governments... Under the Rajapaksa regime, Sri Lanka became overdependent on an emerging superpower, for both economic assistance and political protection at international forums. The large loans at relatively high rates of interest that Sri Lanka secured from China, for low-yield and massive infrastructure investments, led to the prospect of Chinese expansion into the economy, in the event of inability to repay the loans on time.

The Colombo Port City project, which gives China outright ownership of land next to the Colombo Harbour, is being challenged at the present time, on the grounds of economic viability, environmental degradation and geopolitical considerations.

In the course of the main speech he delivered while in Sri Lanka, Kerry made an offer of US assistance to Sri Lanka in four key areas: reconciliation and post-war healing, justice and accountability, human rights and strengthening democratic institutions.

He revealed that the US, having experienced a civil war in which a movement of separation had to be defeated on the battlefield, had much to contribute from its own experience, adding that "until just recently, our diplomats routinely clashed with yours on these issues at the Human Rights Council in Geneva, and the UN in New York, Now, with the new Government, and with the turning of this critical page, we have the opportunity to work together."

Accompanying this was an offer of a "partnership dialogue," and expanded bilateral assistance with regard to trade and investment, that could help consolidate the country's post-war gains.

The large-scale and generous US assistance that helped transform South-East Asia could now come to Sri Lanka, albeit half a century later. Indeed, the opportunity to be supported by the most powerful and wealthy country in the world is one that Sri Lanka cannot afford to miss.

The writer is the Executive Director of the National Peace Council of Sri Lanka. He is also a political columnist of a national newspaper, and contributes regularly to international publications.



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## THE PROXY WAR

# THE POWER PLAY FOR YEMEN

Saro Thiruppathy unravels the complex machinations operating within Yemen

hen the Houthi rebels from northern Yemen stormed the capital Sana'a, in September

last year, not many around the world raised as much as a quizzical eyebrow. The Houthi march and occupation of Sana'a was possibly not so memorable at the time, because other issues in the Middle East – which is now dogged by drama – were grabbing the headlines.

ISIS' cruelty, AI Jazeera's imprisoned journalists in Egypt and the burgeoning refugee crisis in the Mediterranean Sea are cases in point.

But the situation in Yemen is much more than a domestic crisis. It has an extremely complex international dimension, as Saudi Arabia and its allies suspect that the Houthi rebels are backed by Iran.

To better understand the dynamics and the proxy war being fought by Saudi Arabia and its allies (which includes the ubiquitous US) in the skies over Yemen, one needs to travel back in time, to when the Iranian Revolution took place – and Iran was transformed from a monarchy, to the Islamic Republic. Saudis and Iranians belong to different sects – the former are Sunnis who follow Wahabism, while the latter are Shiites.

Nevertheless, the suspicion with which Saudi Arabia views its northern neighbour is not only because of sectarian differences, but largely in view of Iran's political goals that include the unseating



DEMO AGAINST MILITARY STRIKES Iranian students hold placards during a demonstration - outside the UN offices, in Tehran - protesting about the Saudi-led coalition's military strikes against the Iran-backed Shiite rebels in Yemen. The UN envoy to Yemen resigned

of elites, anti-monarchism, support for 'meaningful' democratic structures, et al. Iran's Parliament is more activist and independent than most Arab states.

Combining a nationalistic approach with an anti-

American stance on political and military domination of the region, Iran has also extended strong support to Palestine – too much for Saudi Arabia to contend with, as Iran seems to be the antithesis of the Kingdom. There's more to why Yemen is a crown jewel for these two mighty contenders – and that includes the porous border that Saudi Arabia shares with Yemen, and fears that Iran would sneak in, if Yemen is controlled by an Iran-backed

Saro is a freelance writer who advocates for the rights of workers, women and children. She has served national and international NGOs, and worked in the media.

after failing to avert large-scale violence, dealing a blow to hopes of a diplomatic solution to the conflict between rebels and Saudi-backed Government forces.

leadership. Nor has the recent thawing of relations between the US and Iran contributed to providing even a modicum of comfort to the Saudis.

According to Stephen Zunes (Professor of Politics and Coordinator of Middle Eastern Studies, at the University of San Francisco), the Arab Spring of 2011 in Yemen resulted in a broad-based, non-violent

#### Saudi Arabia and its coalition, together with intelligence and logistical support from the US, continue to rain fire from the sky on hapless Yemenis...

democracy movement against US-backed President Ali Abdullah Saleh and his repressive regime.

The US, which was funding Saleh's Government in the fight against Al-Qaeda, did not extend its support to the National Council (democratically constituted, following the Arab Spring), to establish an interim government in Yemen. The National Council consisted of 143 members representing a broad coalition of protest leaders, tribal sheiks, South Yemeni separatists, Opposition military commanders, former members of the governing party and Houthi militia which represent the Zaydi minority in the north.

Washington's failure to accept the democratic outcome of Yemen's non-violent struggle was conducive to the resurgence of the armed Houthi uprising, previously confined to the far north of the country.

Zunes notes that, despite the ongoing repression of the prodemocracy movement in July 2011, a US congressional committee had approved US\$ 120 million in aid to the Saleh Government, as military and security-related assistance. He states: "The aid was conditional on the State Department certifying that the Yemeni Government was cooperating sufficiently in fighting terrorism, but there were no conditions regarding democracy or human rights."

Finally yielding to pressure by the US and Saudi Arabia, Salch stepped down as president, and his vice president – Abd Rabbuh Mansur Hadi, also an ally of the United States and Saudi Arabia – took over the reins, after contesting as the only candidate in the presidential election held in February 2012.

Publicly endorsing Hadi, despite his key role in the previous regime, President Barack Obama said that the election was a "model for how peaceful transition in the Middle East can occur." This statement made the pro-democracy movement give up on the US, with a prominent activist claiming that the revolution had been stabbed in the back. In the meantime, the rebels

were helped along in their efforts by the lack of credibility,

### THE PROXY WAR

ongoing corruption and nepotism by President Hadi's Government. As politics makes strange bedfellows, the Houthis (who are led by Abdul-Malik Badreddin al-Houthi) are said to be backed by their former foe – ex-president Saleh.

On 25 March, in response to assistance sought by Hadi, Saudi Arabia, leading a coalition of nine Arab states, began battering the Houthis in Yemen through a series of airstrikes codenamed Operation Decisive Storm.

Saudi Arabia declared an end to Operation Decisive Storm on 21 April, stating that the focus of its intervention would shift from military operations to a political process. Together with its coalition partners, the Kingdom announced that it would be launching Operation Restoring Hope, which would comprise political and peace efforts.

However, in spite of this rebranding of the 'operation,' Saudi planes have continued to bomb Yemeni targets, often mistaking civilian locations such as villages and hospitals for Houthi strongholds. In an article in the New York Times, on 3 May, Human Rights Watch (HRW) claimed that in the past few weeks, the Saudiled military coalition has been using cluster munitions supplied by the US. The human rights watchdog said, in its report, that photographs taken at the site of an airstrike on 17 April show the remnants of a type of cluster munitions that had been supplied in recent years by the US, to Saudi Arabia and the UAE, which is part of the coalition. HRW goes on to say that in 2009, too, Saudi airstrikes had used cluster bombs on the Houthis, in their home province of Saada.

Most countries have banned the use of cluster munitions, since they are imprecise and scatter bomblets over a wide area. Needless to say, neither the US nor Saudi Arabia have signed the Convention on Cluster Bombs.

Though facing international criticism over the high civilian death toll, injured and displaced, Saudi Arabia and its coalition, together with intelligence and logistical support from the US, continue to rain fire from the sky on hapless Yemenis.

According to Yemen's official Saba news agency, which is controlled by the Houthis, the death toll at 27 April stood at over 3,500 Yemenis, including nearly 500 children. However, these numbers vary from agency to agency. It is estimated that over 300,000 people had been displaced at around this time, and many countries – including China, Pakistan, India and Sri Lanka – have evacuated their nationals from Yemen.

As the Saudis continue to bomb Yemen, the Houthis are making overtures to Russia and China, seeking their support.

Iran is in dialogue with Pakistan and Turkey, which have pledged their support to the Islamic Republic – this, despite

the fact that Turkey has momentarily pledged allegiance to Riyadh in the past.

In spite of 72 percent of the Turkish population and 68 percent of Pakistanis being Sunnis, both countries have decided to throw their hat into the ring with the Shiite Iranians.

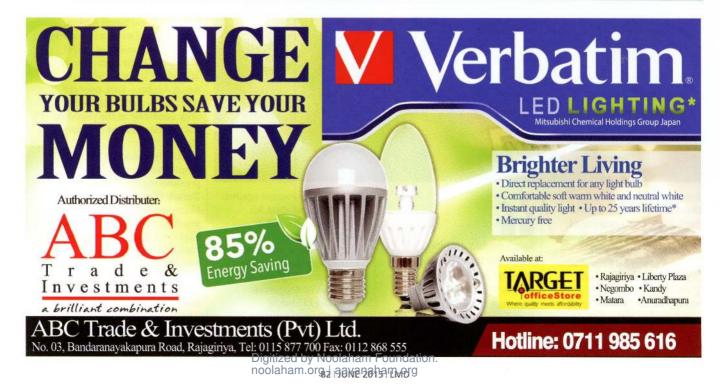
Graham E. Fuller, a former senior CIA official and author of many books on the Middle East, offers an interesting insight into yet another scenario, as he describes the geopolitical concept of the 'Northern Tier states' that appeared on the radar of NATO allies during the Cold War.

Turkey, Iran and Pakistan – and sometimes, Afghanistan, which forms the southern border of the then Soviet Union – were seen as a potential bulwark against Soviet aggression and incursion into the Middle East. However, it now seems that the 'bulwark' is not united against Russia.

The Northern Tier bloc appears to be in consensus with the views of Russia and China, on Eurasian geopolitics. And the humanitarian crisis in Yemen is providing the impetus for Iran's efforts to forge a new loose power coalition in the Middle East.

Fuller says that while there may not be a formal Northern Tier bloc as yet, there is a convergence of views among these states on many issues. The countries in the bloc offer a more progressive, moderate and forward-looking coalition than the current Sunni coalition "that is divisive, ideological, destructive and sectarian."

"The approbation of both Russia and China for these non-interventionist geopolitical policies of the Northern Tier additionally lends these states greater clout. Such a bloc would also represent a clear non-Arab vision for the Middle East, at a time when the Arab world itself seems to lack any visionary and constructive leadership representing a genuinely modernist future," he notes, providing much food for thought.







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## **BEYOND THE COLD WAR**

# THE US-RUSSIA PROXY WARS

Yasmin Helal watches the US and Russia go head to head while the world looks on

WWII ANNIVERSARY AMIDST BOYCOTT Russian soldiers prepare to take part in the Victory Day military parade at Red Square, in Moscow, on 9 May. President Vladimir Putin presided over the parade, celebrating the 70<sup>th</sup> anniversary of the Soviet win over Nazi Germany, amid a Western boycott of the festivities over the Ukraine crisis.

quarter of a century ago, the world thought that the Cold War was over, and that both the US and Russia

would co-exist peacefully as world powers. The public celebrated. People got drunk in the West and bowed down in prayers in the East. No one wanted to predict trouble on the horizon. However, the war – cold or hot – was far from over.

While the Eastern Bloc and the Soviet Union began to

crumble, the power of the West started rising, perhaps on the back of the fallen USSR legacy. A couple of decades earlier, only a few were able to

predict such a power shift. One such person was Anwar El Sadat, the former president of Egypt, who saw greater gains in the West and defied the Arab World, separating his government from the Soviets and establishing ties with America. Despite initial resistance, the majority of the region eventually followed suit. As a child growing up in the Middle East, one of the casual remarks that I often heard from bewildered news watchers was: "What was (Mikhail) Gorbachev thinking when he agreed to sign an agreement with his worst enemies?"

Was it a historic moment? Or does this represent a historical mistake?

Until today, Russia still believes that the West did not honour the agreement, which was supposed to guarantee that the US would not attack the Soviet Union or encroach on its interests.

While the EU and US tried to incorporate the newly independent countries of East Europe, Western leaders were not quite as receptive to such attempts made by Russia. Instead, Russia saw its sphere of influence melt away, as it lost the Eastern Bloc, country after country, to the West. And this resonated with Moscow.

So Russia was kept away, driven partly by a lingering mistrust in the West. And while

Yasmin is an Egyptian journalist with a special interest in women's rights and post-colonial studies. Having worked mostly in the Middle East, she follows an anthropological approach to news reporting, with a special emphasis on fieldwork. She intends to move to Sri Lanka, to conduct field research on the local culture.



the Kremlin turned inwards, preoccupied with internal organisation and the national economic crisis, the West continued to rule the world. But not for long...

As America began perceiving itself as an unrivaled world superpower, its hunger for more power started to consume its own military resources, the support of the public and the patience of its allies, after numerous battles that had no clear results or achievements.

In Eastern Europe, Russia was on alert, developing its nuclear power and strengthening its sphere of influence across Asia. When the West attempted to The real damage has been more drastic in countries that were used as proxies to fight their battles for them...

spread its reach at its doorstep, by offering NATO membership to Georgia and a trade deal for Ukraine with the EU, Russia struck. And apart from condemning the move, the US kept out of it.

Russia also continued to cast great influence over Central

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Asia where, following Russian demands, the Kyrgyzstan authorities ordered the forced closure of its US military base – which was used to supply US troops in Afghanistan – denying the US a strategic foothold in the region.

And now, following the Arab Spring that shook the Middle East, both rushed to demonstrate their ability to protect their allies and interests, in an unmarked territory where the lines are blurred – and it remains unclear who the primary actors are.

Today, the digital revolution and the phenomenon of citizen journalism have brought the public onto the battlefield, like an audience cheering two boxers who fight aimlessly inside the ring. But who is the victim here? The collapsing fighters, or a blindfolded audience?

To win more supporters, both the East and the West changed their media strategies. Instead of the old propaganda schemes, cultural imperialism took over and, in some regions, political disagreements among individuals became personal... too personal, in fact. The political conflicts covered in the news turned into internal struggles in the hearts of spectators, who unsuspectingly got too involved.

"Hi, I am Yasmin; 30 years old, from Egypt. And I support the annexation of Crimea by Russian troops. You...?"

"Nice to meet you. I am Mustapha; 36 years old, from Syria. And I don't understand why America doesn't come to rescue us immediately!"

Some analysts call this the post-Cold War era. This brings us to the big question: will all this translate into another war? And if so, what type of war? Cold or hot, cultural or military, psychological or physical, virtual or real?

One thing is certain – the choices are plenty.

A survey conducted by American research consultancy Gallup reveals that half of the American public believe that the US and Russia are heading back to fight another war. Scholars, on the other hand, seem to disagree. American magazine Foreign Policy conducted a study in collaboration with Teaching, Research, and International Policy (TRIP), for which 1,395 international relations scholars were interviewed. The results revealed that only 26 percent perceived the risk of war between the US and Russia as significant; 38 percent said that the two countries might be on the verge of another war; and 47 percent felt that another conflict is unlikely.

Even if war is unlikely, amiable relationships between the East and West remain highly improbable.

A Dubai-based political analyst agrees with this notion: "While Russia's military buildup and domestic politics are making reconciliation with the European neighbours difficult, the adversarial discourse in the US Congress is not offering a possibility for better relations, either."

He elaborates: "While Russia will, in the future, lose international influence, due to its declining population, technological standards and a resource-reliant economy – and will therefore turn inward – the US will lose its ability to shape global events because of its declining position internationally, relative to rising countries such as China, India and Brazil."

"I expect that it will take two to three decades for a new balance of power to emerge globally, and attitudes in the US, Europe, Russia and China to change significantly enough to appreciate the new distribution of power and influence and allow for a stable global governance arrangement that ensures relative peace and prosperity," the analyst adds.

As the outlook for better relations in the near future remains unlikely, both Russia and the US are expected to continue to be world powers for another century or so. The real damage has been more drastic in countries that were used as proxies to fight their battles for them. They include Korea, Vietnam, Central America, the Middle East, Georgia and Ukraine, for which the future remains uncertain. **CLIP ADVICE** The phenomenal growth of podcasting, with its obvious appeal over traditional books, offers millions of users access to material on a near infinite number of subjects. Bringing this advantage to the business zone, Audvisor offers a library of free, three-minute-long audio clips containing bite-size chunks of business advice from hundreds of experts.

The Audvisor smartphone app hosts thousands of clips created from longer interviews with experts such as author Seth Godin and venture capitalist Heidi Roizen, on an array of subjects. Users can listen to around 1,000-bite-size audio files for free, or pay for the premium version with access to the full library.

With users able to interact with the content (they can give it a thumbs up or skip clips), the app learns preferences and tailors its content over time. Each clip covers a single topic, and users can search by contributor or subject, as well as share the content on social media.

**START-UP APP** Small businesses often find it difficult to offer employees the same benefits as large companies. Honest Dollar aims to rectify this, by helping start-ups which are introducing retirement plans for employees, by reducing many of the associated fees and hurdles.

The expense and hassle involved in setting up employee retirement plans often deter employers from making such a move, depriving employees of a valuable benefit post retirement. Honest Dollar simplifies this process with a comprehensive service that's structured as SIMPLE IRA (Savings Incentive Match Plan for Employees Individual Retirement Account), which is becoming popular in the US.

Doing away with the intricacies of traditional retirement plans, there are set-up fees and businesses are charged at a monthly rate of US\$ 10 for an employee. Employees can contribute up to US\$ 12,500 a year to their plan, which has lower fees than typical retirement plans.

The app is tailored for small businesses and start-ups with about 50 employees. The final platform will include an app and dashboard for users to manage their retirement accounts easily, making it an attractive alternative pension policy.

**VIRTUAL VIEWS** Mention 'househunting,' and you will hear stories of the long and arduous process, the time and money spent travelling around looking for the perfect home, etc. But now, househunting has entered the digital age, with virtual reality headsets which enable potential buyers to explore multiple properties.

CommonFloor Retina is a cardboard VR headset. To begin, users insert their smartphone into the device, with the CommonFloor app running. They then



Digitized by Noolaham Foundation. noolaham.ogg เมืองหลุ่อากุญการ simply hold it up to their eyes and are instantly immersed in 3D images of the properties. Users control the view with head actions, enabling them to move around each room – this gives them an understanding of the space, layout and ambience that 2D renderings simply cannot deliver.

The headset is especially useful for those looking to migrate, or considering properties that are yet to be built. For developers, it could also mean doing away with having to build model apartments.

**FOOD PLATFORM** The success of a new restaurant or bar ultimately depends on customers who vote for it with their patronage. EquityEats is a crowdfunding platform that helps new eateries raise capital from future customers.

Restaurateurs with viable business plans can turn to EquityEats, to raise funds for their venture by crowdfunding the start-up capital in exchange for future equity. Investors are encouraged to be from among local community members – so their support, in itself, is proof of the concept.

Businesses have to raise the full target amount to be granted the pledged funds, and investors receive a majority of the restaurant's profits until their initial investment has been repaid, thereafter falling back to a quarterly distribution of profits.

EquityEats charges a one percent management fee on profits, but this is only after all investments have been repaid. Businesses can also choose to express their appreciation to investors, by offering advantages such as invitations to opening parties and reservation priorities.

**PERKS FOR ALL** Larger companies can generally afford to offer their employees more perks than their smaller counterparts, usually as a result of mutually beneficial partnerships with other businesses. Now, AnyPerk enables smaller companies to offer employees attractive perks, thanks to a monthly subscription-based platform.

Businesses can pay AnyPerk a minimum monthly fee of US\$ 7.50 per employee, to offer the latter access to over 850 deals that have been negotiated across an extensive range of products and services. These include up to 50 percent discounts, in addition to special rates on entertainment, dining, clothing, travel and fitness clubs.

Employers can choose to create a customised set of offers to suit their brand or corporate culture, and also monitor the perks update – this will tell them which deals are most popular, and how much has been saved.

The service will also be introducing a feature where employers can reward their employees with perk credits – i.e. a specific dollar amount which they can use towards buying gifts of their choice, on the AnyPerk platform.

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## **GLOBAL ANTI-CORRUPTION DRIVE**

# SAYING 'NO' TO DIRTY MONEY

Rajika Jayatilake assesses Uncle Sam's role in global efforts to combat corruption

ower corrupts, and absolute power corrupts absolutely, said historian and moralist Lord Acton, in a letter to Bishop Mandell Creighton, in 1887.

The truth of these words is apparent today, as never before. In fact, President Barack Obama calls the fight against corruption "one of the great struggles of our time."

Indeed, the cost of corruption is staggering. According to the World Economic Forum and the World Bank, it accounts for five percent of global GDP (amounting to US\$ 2.6 trillion), and over a trillion dollars are paid in bribes annually. Corruption leads to a 10 percent increase in the cost of global business ventures. And it comprises 25 percent of the cost of winning contracts in developing countries.

According to a recent Transparency International global survey, political parties are seen as the most corrupt institutions, followed by the police. Former Chair of Transparency International, retired Canadian civil servant Huguette Labelle, urges: "It is time to stop those who get away with acts of corruption. The legal loopholes and lack of political will in government facilitate both domestic and cross-border corruption, and call for our intensified efforts to combat the impunity of the corrupt."

Perceiving global corruption as an increasing threat to its national security, and that of its allies, the US has assumed leadership of a strong global





anti-corruption drive. It was the first country to enact, as domestic legislation, a foreign bribery law – the Foreign Corrupt Practices Act – in 1977.

The Act bans Americans from winning foreign contracts through bribery. The US also encouraged other OECD countries to criminalise bribery. The OECD Anti-Bribery Convention – signed in 1997, and implemented two years later – is considered the 'gold standard' in combatting bribery, as Transparency International terms it.

In 2009, the OECD Council adopted the Recommendation for Further Combating Bribery of Foreign Public Officials and endorsed a Good Practice Guidance to strengthen its efforts. Two years later, in 2011, former OECD Deputy Secretary-General Richard Boucher (he was also the longest serving Assistant Secretary of State for Public Affairs in the US State Department) launched CleanGovBiz, which is a drive to help governments around the world bolster their anticorruption efforts, while

Rajika is a journalist and former diplomat. She is experienced in international strategic communications, and media relations and advocacy. She currently resides in the Washington D.C. metro area, in the United States.



Former Mayor of Washington D.C. Marion Barry was sentenced in 1990 to a prison term and fine, for possessing cocaine. Although it was not a public corruption case, the sentencing judge said that Barry betrayed the public trust.

In February this year, lawmakers in Connecticut a state with a recent history of corruption - decided to support the Connecticut Public Corruption Task Force, which consists of representatives from the FBI, US Postal Inspection Service, Criminal Investigation Division of the Internal Revenue Service, and Inspector General's offices of the US Department of Health and Human Services and the US Department of Housing and Urban Development.

Sentences for corruption appear to have become more formidable since the United States Sentencing Commission amended its guidelines in 2004, to heap more punishment on corrupt politicians. The Commission concluded that "offenders who abuse their positions of public trust are inherently more culpable than those who seek to corrupt them, and their offences present a somewhat greater threat to the integrity of governmental process."

In his address to the UN General Assembly, in 2010, Obama declared: "So we are leading a global effort to combat corruption which, in many places, is the single greatest barrier to prosperity... and a profound violation of human rights."

Seen from the perspective of American author, lecturer and filmmaker G. Edward Griffin, who once said that "to oppose corruption in government is the highest obligation of patriotism," by leading a global effort to fight corruption, the US is also encouraging patriotism on a global scale.

drawing in the private sector and civil society to ensure meaningful promotion of integrity.

As global leaders also need to lead by example, the US is fighting corruption nationally as well. The Federal Bureau of Investigation (FBI) considers public corruption to be its top priority among criminal investigations, and bribery heads the list of public corruption. Other forms of corruption focussed on are extortion, embezzlement, racketeering, kickbacks, money laundering, and wire, mail, bank and tax fraud.

In January 2015, Robert McDonnell became the first Governor of Virginia to be convicted for bribery. He was sentenced to two years in federal prison and two years' probation, for accepting a bribe to promote a dietary supplement. In April, Senator Bob Menendez – a highranking Hispanic lawmaker – was indicted on corruption charges of accepting nearly US\$ 1 million in gifts and travel, in return for political favours.

Last year, in July, former New Orleans Mayor Ray Nagin, who began the first of his two terms in office by cracking down on corruption, was sentenced to 10 years in prison – for bribery and money laundering. And three months earlier, California State Senator Leland Yee – an advocate for government accountability and transparency – was indicted on bribery and racketeering charges.

## CLIMATE CHANGE

# **EXTINCTION OF ECOSYSTEMS**

Yamini Sequeira reports on the outcomes of a conference on climate change

he Seventh International Conference on Climate Change: Impacts and Responses – held on 10 and 11 April, at the University of British Columbia, in Canada – focussed on the vulnerability of Planet Earth to the impact of adverse human actions. It sought to promote dialogue across diverse fields and multiple perspectives, on the question of climate change.

This crucial conference examined evidence of climate change, considered its impacts, and addressed current and potential responses. Essentially, it was pitched at anyone with an interest in – and concern for – scientific, policy and strategic perspectives concerning climate change.

The conference, journal, book series and news blog aspire to share international research based on local experiences, so that mitigation and adaptation to climate change can be understood by scientists, policymakers and practitioners concerned with the management of different ecosystems.

There were four main themes on which the conference focussed: Scientific Evidence – What evidence is there of climate change? Assessing Impacts in Divergent Ecosystems – What are the impacts of climate change on natural environments? Human Impacts, and Impacts on Humans – What evidence is there that human activity has contributed to climate change, and what are the impacts of climate change on human life?



Humans are agents of climate change, due to the production of greenhouse gases and patterns of land use

Technical, Political and Social Responses – How do scientists, technologies, policy makers and community members respond to climate change?

One of the chief attractions at the annual gathering was a lecture by the Director of the Goddard Institute for Space Studies at NASA Dr. Gavin Schmidt, who recently gave a TED talk on the emergent patterns of climate change. His main research interest lies in understanding the variability of the climate – both its internal variability and the response to external forces.

It is now widely accepted that the most recent phase of human society has had an impact on the Earth's climate. Greenhouse gases are heating the planet we live on. Ice that was permanent until recently, is rapidly melting. And sea levels are rising. Extreme weather events are occurring with greater frequency. Different regions are affected by these changes, in numerous ways.

Some of the changes we are experiencing today may be part of the course of natural history. Other changes, many scientists agree, are the by-products of human activity. The key questions raised during the conference revolved around

Yamini is one of LMD's Contributing Editors, and a regular columnist in the magazine.



how we measure and explain these changes, what their immediate and likely future impacts are, and what should be done about the predicament we find ourselves in.

These are questions of practical concern and growing urgency. The potential for disastrous impacts on ecosystems, communities, species and genetic diversity could well lead to mass extinctions in a relatively short period. Some ecosystems could be highly vulnerable, and will not be able to respond even to shortterm impacts such as natural disasters.

In the presence of climate change, these short-term events could be even more cataclysmic. Extreme weather events could be especially damaging. Thus, there's an urgent need for scientists and practitioners to be brought onto a common platform – at the very least, to reduce the ill effects on species ecosystems

and protected areas. Humans are agents of climate change, due to the production of greenhouse gases and patterns of land use.

Humans will also be affected by climate change in many ways, including shifting shorelines, declining agricultural productivity, crisis in food supply, availability of water, the health of populations and extreme weather events.

For instance, environmentrelated diseases could spread rapidly – and in epidemic proportions – with changes in water availability and quality. These impacts will be felt in different ways in the developed and developing worlds.

A special focus of the 2015 conference was 'Whose climate? Negotiating the Governance of Environmental Change.' It is now widely agreed that one of the principal obstacles to addressing climate change is structures of governance. A consensus is emerging, in the form of scientific analysis, and there's a growing sense of the types of technological transition and transformations in social practices that are needed.

However, the main stumbling block is a lack of political will, particularly in an international regime where governance structures are very weak, despite globalisation.

Within the broad range of themes addressed by this knowledge community, a special focus of the conference was structures of governance to address climate change – from local communities, to nation states and national arenas.

So what ways forward do we have, given the structural weaknesses in our systems of governance at every level? This is a question governments should be asking themselves.

Like no other creature in natural history, and like no other time in this creature's history, is there a moment like this – when the future of the planet is in our hands. The consciousness which made us a unique species, perhaps a hundred thousand years ago, puts us in a position of unprecedented responsibility for the course of natural history.

The key, however, will be the extent to which our species take a proactive role, be it technological or acts of social and political will that produce changed patterns of land and energy use.

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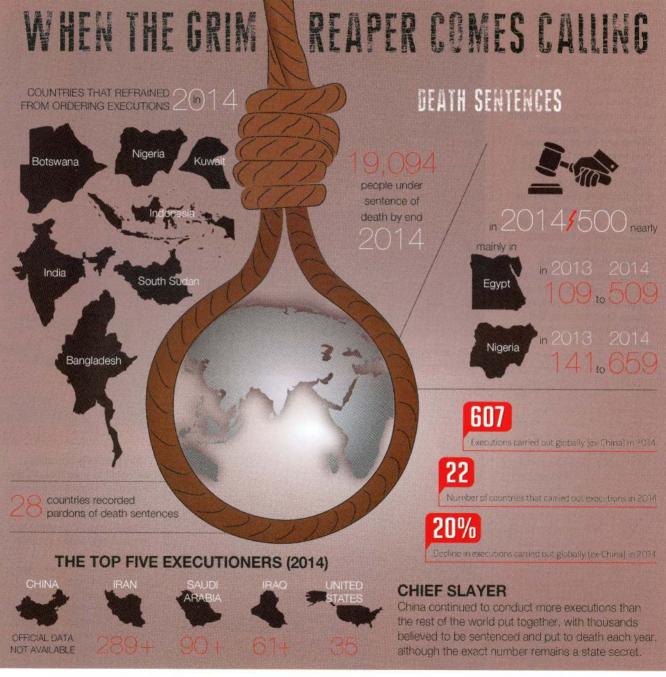
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#### **INFOGRAPHICS BY CHAMIKARA JAYAWARDANA**



## WHEN THE GRIM REAPER COMES CALLING

The death penalty is a weapon of choice among an alarming number of countries, in dealing with threats to national security, says Amnesty International. In 2014, the number of death sentences grew by nearly 500 from the prior year, mainly due to sharp increases in Egypt and Nigeria – the US remains the only country in its region to enforce the death penalty. But the good news is that fewer executions were carried out in 2014, versus the year before, and many nations moved towards abolishing the death penalty.

## THE PHILIPPINES TODAY

# **ISLANDS IN THE STREAM**

Monita Pesumal weathers the Filipino storm to profile a bright economy

hen I hear of the Philippines, many people immediately spring to mind. Hard working Flori - my grandmother's helper; Jagie and Emily friends enjoying a dream life; my grand uncle Johnny - owner of a thriving Indian restaurant, in Manila; and colleagues Mylah and Diego - who are passionate about the good things in life.

The Philippines has the 15th-largest economy in Asia. It boasts exports such as electronic equipment, woodcraft, furniture, machinery, medical and technical equipment, oil, vehicles, aircraft, spacecraft, ships and boats, as well as agricultural produce like cocoa, tea, coffee, spices, Dole bananas, Del Monte pineapples, nuts and animal oils.

In fact, electronics and semiconductors make up almost half the islands' total exports. And the Philippines provides around 10 percent of the world's semiconductor manufacturing services, including chips for mobile phones and microprocessors. The country's main trading partners include Japan, China, the US, Singapore and South Korea.

The Filipino economy grew by a whopping six percent in 2014, reportedly the second fastest-growing economy in Asia (after China, of course). What's more, its economy is predicted to grow by eight percent this year.

San Miguel may have started business as a brewery, but today, it stands tall as one of the Philippines' largest conglomerates, having generated approximately 6.5 percent of the nation's GDP in 2013, through diversified investments in alcoholic and non-alcoholic beverages, food, packaging, oil refining, power and expressways.



LAOS CAMBODIA PHILIPP MALAYSIA

#### PHILIPPINES IN A NUTSHELL

AREA	300,000 square kilometres
NUMBER OF ISLANDS	7,107 islands which are categorised broadly under three main geographical divisions (Luzon, Visayas and Mindanao)
POPULATION	101 million
CAPITAL	Manila
CURRENCY	Philippine Peso
OFFICIAL LANGUAGES	English and Tagalog
LITERACY	93%
UNEMPLOYMENT	6.6%
INFLATION	2.4%

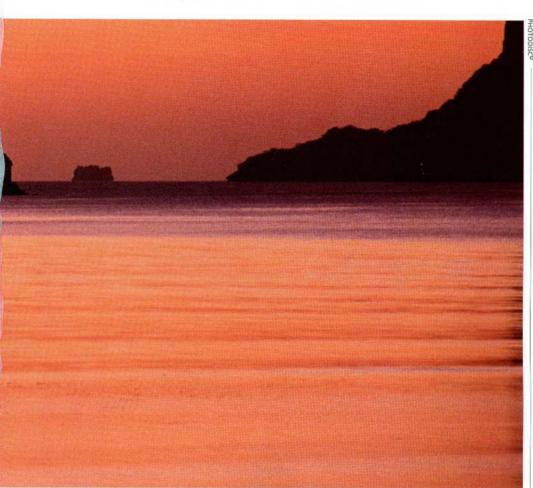
SOURCE: MONITA PESUMAL/MEDIA SERVICES RESEARCH

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airport infrastructure projects which fall in line with the 'pocket open skies' policy of the Filipino Government, to encourage traffic to other airports.

Similarly, SM Investments Corporation is the largest integrated real estate and property developer on the islands. It manages 50 mega shopping malls, countless residential and commercial complexes, and hotels and convention centres, as well as holding diversified investments in several leading banks.

The group provides employment to 160,000 people, while the company's Chairman Henry Sy (a Chinese-Filipino) remains the richest person in the Philip-



pines. Indeed, three of the 10 largest shopping malls in the world belong to SM Investments Corporation.

A rather strange sight in shopping malls is local men browsing while pushing strollers and attending to their children. The women have little or no time to waste on shopping. For starters, over one million people are employed in the booming BPO industry. They work the



late shift, to accommodate international working hours. Out of the over 2.4 million

overseas Filipino workers on contract in the Middle East, Hong Kong, Singapore and Malaysia, 20 percent or more are estimated to be employed as domestic workers and caregivers.

While the Government prides itself on training tens of thousands of domestic workers each year, Filipina migrant maids continue to face unspeakable abuse at the hands of their employers in the Middle East and elsewhere. Nevertheless, the Filipino economy is dependent on them, as overseas Filipino workers support the economy by remitting some US\$ 2 billion every month.

The latest Natural Hazards Risk Atlas (NHRA) reveals that 56 percent of the 100 most exposed cities to natural disasters are situated in four countries, with 21 cities located in the Philippines, 16 in China, 11 in Japan and eight in Bangladesh. The most susceptible to a range of natural perils such as earthquakes, typhoons, landslides and severe storms is the Philippines, with eight of the country's cities ranking in the top 10.

Around 20 typhoons and tropical storms hit the Philippines each year, which

Monita is based in Qatar, and has over 15 years experience in the retail banking sector in Sri Lanka and the Gulf – credit card portfolio management and corporate communications being her forte, along with a passion for exploring the world.

## 6

The Filipino economy grew by a whopping six percent in 2014, reportedly the second fastest-growing economy in Asia...

is an average of two a month. And many of them are deadly.

When typhoon Haiyan wreaked havoc in central Philippines, in November 2013, over 6,300 people were rendered dead or missing, while approximately four million people were displaced. The cost of rebuilding houses, schools, roads and bridges was estimated at six billion dollars.

So while the collective wealth of the 50 richest people in the Philippines reached US\$ 74 billion last year, the republic continues to have the highest incidence of poverty among the larger South-East Asian nations – namely, Indonesia, Malaysia, Singapore, Thailand and Vietnam – with 26 out of every 100 people being classified as poor.

A job creation programme pledged by President Benigno Aquino to create 10 million jobs and reduce poverty is still a critical challenge for his Government. Data indicates that nearly three million people are unemployed, while an additional seven million are underemployed.

During Pope Francis' visit to Asia's largest Catholic nation earlier this year, Filipinos nicknamed him 'Lolo Kiko' (Grandpa Francis). Despite their hardships, there is one fact of life my happy-go-lucky colleagues Mylah and Diego thrive on: everything is more fun in the Philippines – a place they call home! **NEPAL'S RACE AGAINST TIME** Rescuers use stretchers to carry the injured at Everest Base Camp, after an earthquake-triggered avalanche crashed through parts of the camp, killing scores of people. Rescuers faced a race against time, following the mammoth earthquake that devastated large parts of one of Asia's poorest nations.

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**NEPAL AID IMBROGIO** Even in early May, large swathes of Nepal had yet to receive any outside help, as aid workers battled landslides, avalanches and a helicopter shortage, to reach communities in some of the world's remotest terrain.

Relief workers said it was a race against time to get desperately needed shelter, food and clean water to survivors in the far-flung mountain villages flattened by the disaster, before the monsoon rains begin in June. But many of the worst hit communities are tiny villages perched on the side of mountains that are inaccessible by road, and where it is difficult or impossible for helicopters to land.

The country's poor infrastructure and a weak National Government, beset by infighting among coalition partners, have compounded the difficulties of mounting a massive emergency relief operation in the world's highest mountains. "One of the big challenges of working in Nepal is the nature of the terrain," UN humanitarian chief Valerie Amos told AFP, in Kathmandu, recently.

"There are a lot of villages which are on the top of hills, but there are no real roads that go up to those villages, and we know that there are quite a few areas like that, because the epicentre is in a mountainous region. It's not been possible to land even small helicopters (in some places), because there have been landslides," she added.

An Indian Air Force pilot described how he had to abandon efforts to rescue survivors from a remote village in Gorkha – one of the worst hit districts – because he could not land: "We tried for 20 minutes, but there was no possibility of landing in a village that was on a slope and covered in debris from collapsed houses."

The Nepalese Government said it faces a severe shortage of both helicopters and heavy machinery to clear roads blocked by landslides, following the 7.8-magnitude quake which hit on 25 April, killing thousands of people and flattening entire villages. The army has only seven helicopters of its own, and while India has lent the country another six for rescue and relief efforts, Nepal desperately needs more help to transport aid materials.

"This was a calamity of enormous proportions, and the relief operations have been a challenge, given the resources we have," Information Minister Minendra Rijal concedes, adding that the authorities are "putting all our resources into increasing the effectiveness of relief efforts, and have deployed people to reach every affected district by air, road or even on foot."

**INVANIMAR PRESS FREEDOM** On 3 May, the United Nations urged Myanmar to ensure that journalists can report "without fear" during crucial general elections to be held later this year, as the former junta-ruled nation marked World Press Freedom Day in Yangon.

The call comes amid international concerns that Myanmar is backtracking on media freedoms won since the country began emerging from outright military rule in 2011, after a slew of arrests of journalists and the death of a freelance reporter in army custody last year.

Head of the UNESCO office in Myanmar Sardar Umar Alam said: "We urge authorities to make special efforts during the election period, to ensure that the media community has free and full access, and reports freely without fear and intimidation from anyone." He was speaking at an event co-organised by UNESCO and the Ministry of Information.

Opposition leader Aung San Suu Kyi, who delivered the keynote speech at the event, also reflected on the media's role, ahead of the November election which is seen as a key test of the country's political transition. The press can help ensure "a free and fair election," she told an audience of more than 100 people including journalists, government officials, and the UK and US Ambassadors to Myanmar, at a hotel in downtown Yangon.



"Our country's journey towards democracy has stalled. I urge Myanmar's press community to help restart that journey," she remarked, adding that genuine press freedom in Myanmar "has a long way to go." The Paris-based media + watchdog Reporters Without Borders ranked Myanmar at No. 144 (of 180 countries and territories) for press freedom, in its annual list released in February.

Myanmar's quasi-civilian Government has ushered in sweeping press reforms since assuming power in 2011, including the release of jailed journalists and scrapping draconian pre-publication censorship which once applied to everything from fairy tales to the lotteries.

But relations between the Government and the often rambunctious press have worsened in recent months, with prosecutions against the media that have seen several journalists handed prison terms. Information Minister Ye Htut insists that "press freedom, alone, can't deliver true information to people." He claims that media organisations have their own biases.

#### GERMAN COMMEMORATION

German Chancellor Angela Merkel warned that society must "never close its eyes" to anti-Semitism, as she joined Holocaust survivors on 3 May, to mark 70 years since the liberation of the former Nazi concentration camp at Dachau.

"We are all forever called upon, to never close our eyes and ears to those who today accost, threaten and attack

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people when they identify themselves as Jews, or also when they side with the state of Israel," Merkel told a solemn ceremony.

After laying a wreath with a former French deportee, Merkel thanked ageing survivors of the death camp who had travelled to Dachau for sharing their life stories, saying she was "greatly moved" that so many had made the journey. "We all are forever called upon to make unmistakably clear that Jewish life is part of our identity," Merkel added. American forces liberated the Dachau camp on 29 April 1945. They discovered, on arrival, the unspeakable horror that had led to the death of around 43,000 people from starvation or disease.

Similar 70<sup>th</sup> anniversary commemorations took place at other former camps this year, beginning in January with Auschwitz, in what was Nazioccupied Poland. But Merkel only attended the

commemoration at Dachau. In pouring rain, the silence interrupted only by the tolling of the chapel bells, more than 130 survivors – some in wheelchairs – as well as former US veterans and political figures participated in the ceremony.

When American forces liberated the camp, "I felt I'd become a human being again," said former French inmate Jean Samuel, in a moving and vivid testimony. The troops "didn't believe their eyes on seeing the heaps of bodies" on their arrival at the camp, he said, adding: "I was 21 years old – the war had stolen my youth."

Merkel joined another French

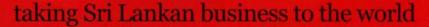
former deportee Clement Quentin, to place a wreath of flowers in front of the former camp's crematorium. Quentin told AFP that when the liberation of Dachau came, he was simply "waiting to die."

"We were no longer normal human beings; we weren't yet animals, but only just," the 94-year-old former resistance member, who lives in western France, said. On the eve of the ceremony, Merkel stressed, in her weekly podcast message, that "we Germans have a particular responsibility here, to handle what we perpetrated in the period of National Socialism attentively, sensitively and also knowledgeably."

#### CHINA'S TAIWAN TAKE

Chinese Communist Party chief and President Xi Jinping warned Taiwan against being seen as a country, as he met the head of the island's ruling party in early May – the first such encounter in seven years. Xi welcomed Kuomintang (KMT) party head Eric Chu at the Great Hall of the People. And the official Xinhua news agency ran photos of them smiling and shaking hands.

The two parties fought a civil war that ended in 1949, with Taiwan splitting from the mainland. But both sides stress there's a single China, a key concept for Beijing, which is





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Digitized by Noolaham Foundation. noolaham.org 993avanabam.org constantly wary of the potential for Taiwan to eventually go its own way and declare independence. Xi urged against any semantic erosions such as 'one country on each side' and 'one China, one Taiwan,' Xinhua reported.

Beijing still regards the island as a province awaiting reunification, and has never ruled out the use of force to achieve it. But relations have been improving since Chu's party, which has a non-confrontational stance towards the mainland, returned to power in Taipei, in 2008.

Xi said Taiwan would receive "priority" on the mainland, but did not provide details: "Our efforts to open up to Taiwan compatriots will be bigger," he said, adding that "the two sides can consult with each other on (an) equal basis under the principle of 'One China,' and reach a reasonable arrangement."

Chu affirmed that both Taiwan and the mainland were Chinese, and said he hopes that cooperation between the two sides would help ordinary people such as the young and small businessmen.

The meeting comes in the wake of Taipei's application to join the China-led Asian Infrastructure Investment Bank being rejected, with Beijing saying the island could join NATION RANKINGSWORLD HAPPINESSJota 14 (2010-12 RANKINGS IN BRACKETS)1 (3)<br/>Switzerland2 (9)<br/>Iceland2 (9)<br/>Iceland3 (1)<br/>Denmark4 (2)<br/>Denmark5 (6)<br/>Canada11 (11)<br/>Israel12 (12)<br/>Costa Rica13 (8)<br/>Austria14 (16)<br/>Mexico15 (17)<br/>United States

later under an 'appropriate name.' Taiwan's official name is the Republic of China; but the International Olympic Committee refers to it as 'Chinese Taipei,' and at the Asian Development Bank, it is known as 'Taipei, China.'

However, Xi was upbeat on Taipei's desire to participate. "We welcome Taiwan's willingness to join the Asian Infrastructure Investment Bank," he announced.

IRAN'S LAW ENFORCEMENT Iran's President Hassan Rouhani says it is not up to the country's police to deliver Islamic guidance, distancing himself from efforts to involve law enforcement in religion. Rouhani, a relative moderate, has faced criticism from the Islamic Republic's clerical establishment and conservative lawmakers, for insisting that the police has no role to play in religion.

But in a speech to teachers last month, he raised the issue again, saying it was for officers to carry "handcuffs and pistols" and not act like clergy. "If we tell them you are the seminary and you can also interpret Islam, there would be chaos," he said.

Rouhani also noted that "all teachers in schools, universities and of course in the seminaries whose mission is to better understand and express religion have a responsibility to teach, spread and explain Islam."

Last year, he spoke out about draft legislation that would hand more power to the police and volunteer militias, to enforce women's compulsory wearing of the veil. "We should



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not be overly focussed on one issue such as bad hijab, to prevent vice," he said, in reference to women who are deemed not properly veiled.

The proposed law was later ruled unconstitutional. And last month, he told law enforcement commanders that the "police should only enforce the law," drawing a rebuke from the country's powerful religious establishment.

Ayatollah Mohammad Yazdii, the head of Iran's highest clerical body – the Assembly of Experts – said the Government is "bound to implement the laws of Islam, and cannot say 'no' to Islam." Conservative lawmakers also wrote a letter, protesting against Rouhani's remarks, saying it was up to the Government "to defend Islam in any meeting."

Rouhani was elected in 2013, to replace the more conservative Mahmoud Ahmadinejad. He has faced resistance from hardliners on a range of issues, including efforts to reach a deal with world powers, on Tehran's highly contested nuclear programme. FRENCH-GCC RELATIONS French President François Hollande sought to boost ties in the Gulf, as he oversaw the signing of a warplanes deal with Qatar and arrived in Saudi Arabia for a summit. Hollande was the first Western head of state to attend a Gulf Cooperation Council (GCC) leaders' meeting, when they gathered in Riyadh early last month.

The extraordinary summit came at a crucial time for the six-nation GCC, with a Saudiled coalition bombing rebels in Yemen, concern over the rise of Islamist militants and regional worries over a potential nuclear deal with Iran.

With Hollande in attendance, the CEO of French acrospace firm Dassault, Éric Trappier, signed the 6.3 billion euro (US\$ 7 billion) deal with Qatari defence officials, in Doha. The agreement includes an order for 24 Rafale fighter jets, with an option for a further 12. At the signing ceremony, Hollande hailed France's ties with Gulf countries and his invitation to the GCC summit. "It is an honour for France – a sign of friendship." he said.

Hollande met Qatar's Emir Sheikh Tamim bin Hamad Al Thani, before flying to Saudi Arabia for the GCC summit and separate talks with Saudi King Salman.

International concern has been growing over the conflict, which has seen thousands killed and wounded since late March. The UN has repeatedly warned that the already impoverished Yemen faces a major humanitarian crisis.

The French President also said a joint French-Saudi declaration touching on political, economic, strategic and military affairs will be signed, as Paris deepens political and economic relations with the energyrich Gulf monarchies.





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Courtesy Centre for Poverty Analysis (CEPA)

ri Lanka's universities are facing a barrage of criticism. Many observers point to the severe shortfall of resources, in terms of both funds and manpower, spanning several decades. They argue that the quality of education has deteriorated as a result of this. Others charge that our universities are failing to produce graduates whose skills are demanded by the labour market.

This debate is largely conducted without a historical perspective. The evolution of tertiary education and educational policy in Sri Lanka suggests that the tension between providing a quality education and opening access to a wider mass of students has been a recurring concern since the establishment of the University of Ceylon, in 1942.

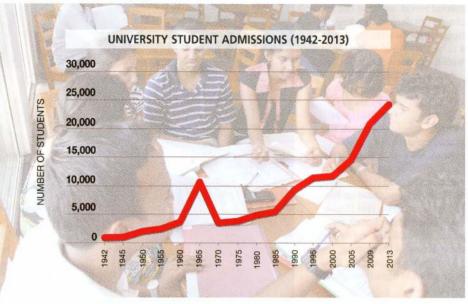
At the turn of the 20<sup>th</sup> century, formal education was accessible only to a finite number of Sri Lankans – a mere two percent of the population was English-literate, back in 1901. Under colonial rule, education policy was based on the needs of the administration, and aimed at creating an elite body of middle class natives who cultivated European attainments and served as intermediaries to the masses.

With moves towards independence, policymakers such as C. W. W. Kannangara pushed to reform the education sector. The concept of Central Schools, introduced in 1940, was a pivotal change which helped provide free education in the English medium to the rural population. Education was gradually beginning to change from being a privilege of the elite, to a democratic right.

The University of Ceylon was established after prolonged agitation over many decades. When it opened in 1942, however, the university admitted only some 950 students. This elitism was intentional.

A former Registrar, quoted in W. Warnapala's The Making of the System of Higher Education in Sri Lanka (2011), notes that the university "... was intended to be an isolated teaching institution preparing a chosen few for traditional degree courses in selected disciplines, and cut away from the people at large."

The residential nature of the campus was a pillar of the university's design, with Sir Ivor Jennings extolling what



## **ENDING THE ELITIST FACTOR** Tertiary education in Sri Lanka – a historical perspective of student access

was then known as the Oxbridge Model, where scholars "lived a common life in which they learned to adapt themselves to each other's ways, discussed each other's personal problems, argued about everything from religion to racing, read books that were not prescribed, played games together and developed a high sense of communal loyalty."

Despite this elite, socially removed strain of the idyllic, the Ceylon University Ordinance clearly stated that it was open to all persons, irrespective of gender, race, class or creed.

The University of Ceylon's elitist philosophy was challenged from the outset. There were also popular demands for university education to be made available in the national languages. Consequently, the government of the day began expanding university education, first by upgrading the two leading Buddhist centres of learning at the time – the Vidyodaya and Vidyalankara Pirivenas – to university status. Also, the number of admissions to the University of Ceylon rose with the switch to Sinhala and Tamil as the mediums of instruction.

For the first time, in 1960, candidates who had received a secondary education in the local languages were permitted to seek admission to the University of Ceylon. Furthermore, on the basis that a qualified applicant had every right to a university education, the government compelled the university to admit a large batch of non-residential students to the Arts Faculty, in 1961.

The founding pillars of the University of Ceylon – elitism and a residential campus – were eroded with this expansion in enrolment. Thus, university education became the means to socio-economic empowerment and mobility for many people in postcolonial Sri Lanka.

University admissions have continued to rise over time, as depicted in the accompanying graph. By 2013, close to 120,000 students were studying in the 15 universities under the University Grants Commission. From under 10 percent in 1942, the number of women undergraduates had risen to over 60 percent by 2013.

Much still needs to be done, as only around 17 percent of all eligible students were admitted to universities in 2013. Nevertheless, access to a university education is available to more students than in the past. While we constantly seek ways to improve the tertiary education system in this country, these are achievements to be proud of and valued.

- Compiled by Nadhiya Najab

CEPA is an independent Sri Lankan think tank promoting a better understanding of poverty-related development issues. It strives to influence related development policy, as it believes that poverty is an injustice that should be overcome. Digitized by Noolaham Foundation.

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### BOOKRACK

eoffrey Bawa once told author Robert Powell that a house in the tropics is about living in close proximity to the natural world, and that one should not destroy any large trees on the site. He then added a rider: "It should be designed with the minimum use of glass."

Powell expands on this, by saying that Cinnamon Hill House (designed by Bawa, and completed in 1993) was virtually free of glass, and had shutters and timber louvers instead. He says it is, perhaps, the simplest house he has ever encountered, and it made a huge and lasting impression on him. In fact, Cinnamon Hill House established a benchmark by which he would thereafter judge every house in the tropics.

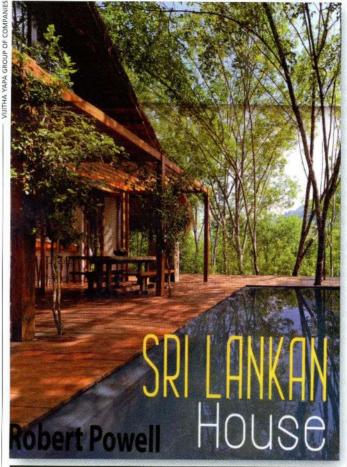
The houses selected for this book seem to have been guided by this view.

Indian architect Charles Correa believes that houses being open to sky space is of crucial importance to Powell, for it can make the difference between a liveable habitat and claustrophobia. Meanwhile, Malaysian architect Jimmy Lim notes that the excess of sun and rain have to be taken into account for houses in monsoon Asia.

The book also pays attention to the house as a place of retreat – a fortress of solitude. In urban cities like Colombo, the dust, high walls and the heat mean that air conditioning is also examined in detail.

Robert Powell is the author of over 30 books on architecture, and a former Associate Professor of Architecture at the National University of Singapore. He says it is evident that, in Sri Lanka, there are a number of creative young architects who are producing architecture that is on a par with the best in the world. Indeed, this is something we must be proud of.

And David Robson – the author of the bestseller Geoffrey Bawa: The Complete Works – says, in his preface to this book, that Sri Lanka's middle class often built houses for themselves on small plots that were not serviced, because the housing



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projects were pitched beyond their pockets.

He adds that this brought a flood of commissions for architect-designed houses which are much more common in Sri Lanka than in many parts of the world. Though the country is one-sixtieth the size of its giant neighbour India, Robson believes that in the field of architecture, it punches well above its weight.

The book contains the work of 21 architects, and it features 26 houses. The detailed plans are also included, showcasing the talent and versatility of local architects. As it observes, accessibility to some houses is restricted and vehicles have to be parked some distance away, requiring a trek to these abodes. This leads to a sense of isolation – and being closer to nature.

Another interesting feature of the book is the stables at Horagolla, which was



The value of the book also lies in the work of Sri Lanka's best new architects, which have been featured and given pride of place...

#### **BY Vijitha Yapa**

transformed under Geoffrey Bawa's guidance, for Sunethra Bandaranaike. It was an amplification of his belief in embracing the new, while learning from the past. The belief is that the stables were fashioned from an older house on the premises. The original plan included a swimming pool, which was never built.

The construction and furniture in some of the residences are described in detail. For example, the Madanayake Retreat – in Ridigama – is home to unique furniture, where temple carts have been converted into a dining table and a daybed.

Though no houses in Jaffna are featured in the book, the description of Siva and Vasuki's house – in Digana – states that though minimalistic and modern, there are numerous aspects of Tamil culture and the traditional Tamil house embedded in its design. Architect Shayan Kumaradas' family has been the custodian of the Nallur Kandaswamy Kovil for generations.

The value of the book also lies in the works of Sri Lanka's best new architects, which have been featured and given pride of place. And the works of renowned architects like Channa Daswatte, Madhura Prematilleke and Anjalendran are also featured in it. In addition, the work of architects Shigeru Ban and Tadao Ando. from Japan (they built two homes, in Mirissa), and Australian Kerry Hill (he designed the Armitage Hill, in Galle) are also showcased.

And the Architects' Directory at the end is very helpful. It lists not only the names of the architects, but also their office addresses, telephone numbers and email addresses.

Sri Lankan House may have been aimed at replacing the successful book Living in Sri Lanka, which publishers Thames and Hudson have decided not to reprint.

However, though this publication is affiliated to Thames and Hudson, the quality is not the same. Many of the outdoor photos don't seem to have been taken early morning or late evening, when colours tend to be richer.

The writer is the Chairman of Vijitha Yapa Group of Companies. He was the Founder Editor of three newspapers.



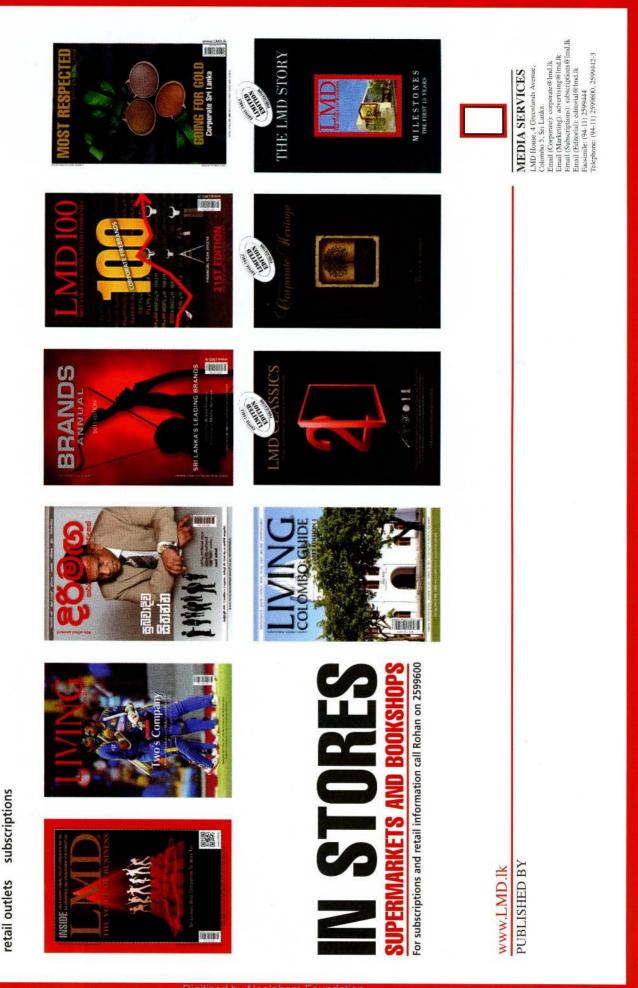
## Ayubowan! Welcome to Kithala Resort, Tissamaharama-Yala.

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Yamini Sequeira

milk import bill of US\$ 400 million a year has prompted successive governments to seek new avenues to develop the domestic dairy sector. The avowed goal of reaching self-sufficiency by 2016 now seems like a pipe dream, considering that only a third of the country's demand for milk is met locally.

This scenario is in stark contrast to the situation before Sri Lanka opened up its economy, in the 1970s, when domestic supply of fresh milk met nearly 80 percent of our consumption needs! The lack of a long-term vision and the political will to see it through by subsequent governments, over the years, has eroded the sustainability of the sector.

Despite this less-than-ideal situation, Managing Director of Fonterra Brands Lanka Leon Clement perceives tremendous potential for the dairy sector, stressing that this is an exciting time to be in it.

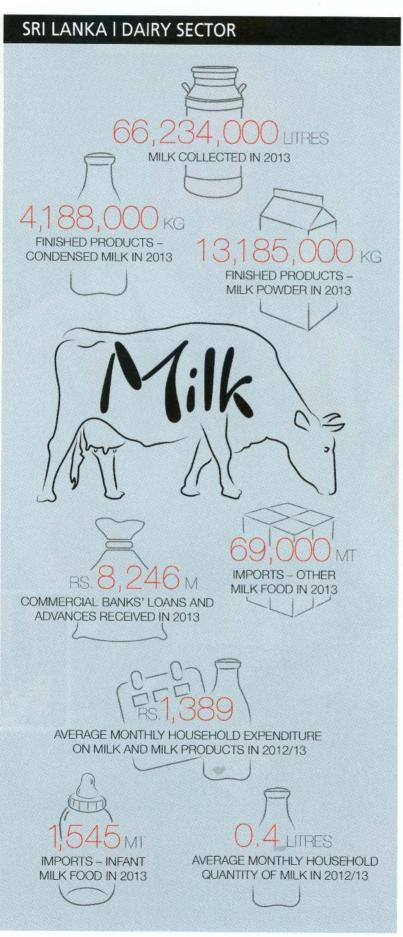
**MEASURED OPTIMISM** There is no doubt that a vibrant dairy sector plays an important role in the nutritional well-being of citizens and the food security of the nation. While the scenario in Sri Lanka is far removed from the prosperous dairy farming sector of New Zealand, where Clement hails from, he is upbeat about prospects for the sector in Sri Lanka, provided that certain fast-track measures are taken.

"Although I am optimistic about Sri Lanka's potential for a thriving dairy sector, it is still at an emerging stage. The main challenge faced by the state is to increase the supply of fresh milk, due to a number of hurdles which will have to be cleared before the dairy sector can forge ahead," he emphasises.

**GLOBAL BENCHMARKS** Globally, dairy is growing by a steady four to five percent annually, with a large chunk of this increment emanating from the Asia-Pacific region. China and Brazil are ramping up their respective dairy sectors through massive investments in technology and know-how, to meet the growing demand.

**Leon Clement** assesses Sri Lanka's dairy sector and stumbles upon many hurdles

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The first hurdle Clement lists pertains to low yields from local cows. In New Zealand, a cow yields an average 20-25 litres of milk a day; but in Sri Lanka, they yield but a mere three to four litres. He says that while genetics are important, animal health contributes as much as 80 percent to the high yield of milk.

"This means that cows that are fed high-quality, nutritious feed, watered, exercised, allowed freedom of movement, and kept in comfortable conditions produce greater milk output," he explains.

Hailing from a country with a strong dairy farming sector, Clement is hopeful that Sri Lanka can learn from global best practices and share simple yield-improving techniques with farmers.

LAND RESOURCES While Sri Lanka has adopted a few best practices of the New Zealand model, land availability poses an enormous challenge. There is an acute lack of large-scale dairy farms in Sri Lanka, as most of the land used for dairy, apart from state-owned lands, are private smallholdings. Climate is another aspect that needs to be taken into consideration, Clement points out, because cows thrive in cool, flat landscapes.

"The Central and North Central Provinces provide the ideal climate and terrain for dairy farming. Pasture-based feed and the availability of water are two other key concerns for dairy farmers," he declares.

Clement says: "While the Government should develop the dairy sector further, it remains to be seen how it decides to make optimum use of its arable land. An estimated 44 percent of agricultural land (about 20% of the total land area) is sparsely used, which indicates the potential for expansion. It is important for the state to decide which sectors will generate maximum value for the nation."

**LIVELIHOOD DEVELOPMENT** Sri Lanka's greatest triumph in the dairy business will be to develop economically sustainable farming family units which can eke out a suitable lifestyle from dairy farming. Moreover, a cooperative unit of such smaller units can ensure consistent supply and profit-sharing.

"Whether these cooperatives consist of four or 20 units, its cooperative nature will definitely enhance yields and improve their standard of living," Clement states.

In New Zealand, dairy farming is carried on by many generations in the same family. But in Sri Lanka, rapid urbanisation and lower returns in the sector force rural youth to migrate to urban centres in search of sustenance. Lack of mechanisation and modernisation discourages the younger generation from perceiving dairy farming as a livelihood which holds a future for them.

"There is potential for companies such as ours to grow the dairy sector in Sri Lanka, because consumption of milk remains centred on the occasion of 'tea.' There are many other dairy products that provide similar nutrition, and we are committed to diversifying this sector further," Clement remarks.

Regarding the debate on whether milk is needed for growth, he declares: "There is a lot of research data which proves that dairy is a strong nutritional factor in improving the health of populations. Two glasses of milk a day, or an equivalent dairy

# **DAIRY SECTOR**

## **FACT SHEET**

### SRI LANKA'S DAIRY SECTOR

- Sri Lanka imports around 65,000 metric tons of dairy commodities
- Dairy is acceptable to all ethnic groups and religions
- The dairy sector is predominantly based on smallholders keeping two to five cows
- In the Dry Zone, the herds tend to be large, though the animals are mostly indigenous, with poor milk yields.
- The estimated annual milk production in the country is 350 million litres, and it is produced in all the districts.
- The districts with a significant milk production are Kurunegala, Badulla, Anuradhapura and Nuwara Eliya.
- Of the total milk that is available, the volume entering the formal milk market annually is around 100 million litres.
- The rest is channelled through informal routes, and consumed domestically.



serving, provide a large amount of the necessary calcium, protein, vitamins and nutrients the body needs, in a relatively accessible format, making it an important part of a balanced diet."

**SECTOR CHALLENGES** But despite its relatively non-controversial nature, the sector – like any other form of farming – does impact the environment. Clement acknowledges that "dairy farming can have an environmental impact, if it is not managed properly."

"Therefore, as the sector looks to grow in Sri Lanka, it is important that responsible and sustainable farming methods form a key pillar of dairy farming," he adds, noting that the sector not only provides livelihoods for farmers, but also encourages a parallel cottage industry for dairy-related products.

Another challenge is that of milk management in the post-collection stage. Clement stresses that "the milk collection value chain needs to be significantly strengthened. There is a strong need for adequate chilling centres, which are vital in the tropical heat. In addition to the existing competencies in product development, there is a strong opportunity to strengthen the R&D aspect of the local dairy sector."

He continues: "A strong research facility can significantly contribute to the sector by exploring new varieties of grass, conducting research into the most nutritious fodder, identifying appropriate breeding programmes and looking at the most suitable genetics for the country's climate and economy – thereby impacting yield and contributing to sector growth."

While Sri Lanka may not be able to duplicate another country's model, Clement reiterates that improving farmers' productivity by 50 percent will have many potential benefits. That said, there needs to be a long-term development framework for the sector that should be sustained, no matter the government in power.

The interviewee is the Managing Director of Fonterra Brands Lanka

#### SRI LANKA I SWOT ANALYSIS

#### STRENGTHS

Stable economic indicators and steady GDP growth compared to other emerging economies

High literacy rate with good competency among a competitive workforce

Welcoming culture for tourists and investors

#### WEAKNESSES

Complex regulatory environment which needs simplification across all businesses

Emerging infrastructure slowing down the economy

#### **OPPORTUNITIES**

Greater opportunities to engage in global trade

Leveraging higher literacy and value-added sectors such as the apparel industry

Developing opportunities for higher education

#### THREATS

Urgency to strike a fine balance between the need to feed the nation and optimising arable land

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### TRAVEL TALK

Compiled by Savithri Rodrigo

## **UNIQUE JOURNEY OF DISCOVERY Rienzie Wijetilleke** appraises Sri Lanka's fledgling tourism product

**Q:** How is the inbound tourism sector faring at present?

A: The prospects for Sri Lanka are immense and our infrastructure has undoubtedly improved, but the loose ends must be tied up. Public rest areas, and manned, clean washroom facilities at major tourist areas – including national parks – are two urgent requirements. The end target of enticing tourists to Sri Lanka is to showcase its diversity, the inherent experiences and a journey of discovery that very few places on Earth can offer.

We need to make that experience memorable, by adding those basic facilities and offering a happy experience overall.

## **Q:** What sets Sri Lanka apart in the region?

A: Very simply, its natural beauty would appeal to a wide demographic. In Vietnam, for example, the selling points are completely different. Similarly, the Maldives sells against a backdrop of beautiful beaches, while Thailand showcases its royalty and entertainment.

Sri Lanka has plenty of attractions to entice tourists, urging visitors to explore and discover. Consider the Bawa gardens, for instance; we must expose the works of this world famous artistry, and how nature has been honed and taken to unimaginable heights of beauty.

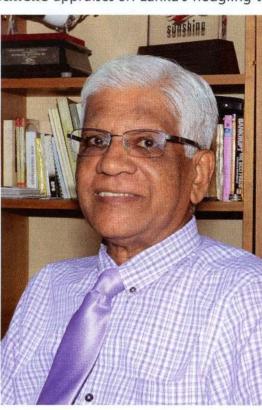
Similarly, tourists can walk around the vicinity of Ella and experience nature at its best. There are hundreds of similar sights in Sri Lanka; some lesser known, but all holding a uniqueness that no other country can offer.

## **Q:** So what must be done to optimise on prevailing conditions?

**A:** I foresee a major social problem looming, stemming from the large number of housemaids being employed abroad, as well as the thousands of graduates and school leavers emerging with no prospects of employment.

Expatriates' foreign exchange earnings





presents a fillip to the country's economy, but this poses negatives that may ultimately smother us. The dependency on these earnings must stop. At some stage, these individuals return to the country, whereupon there is no repatriation plan or even a method to assimilate them into regular employment.

## **Q:** Is it realistic to expect them to want to enter the tourism industry?

A: Why not? It is an industry that holds immense earning power. But, as a country, we need to equip them with the right knowledge and tools. Their IQ is good, and hence can be used to add a dose of creativity and innovation to our end product.

Similarly, returning housemaids of even average intelligence can be trained via a six-month to one-year programme that is geared to bridge the gaps currently found in the tourism-related sphere.

## **Q:** In which vocations could this segment be trained?

**A:** Given the growing number of arrivals, one area that needs to be bridged immediately is by having qualified, knowledge-

able tourist guides. Having travelled around the country and the world, I've seen a fair share of both good and bad tour guides. Our country is known for its hospitable, warm people. So we could add to that dimension, by having a collective of well-honed guides who will add value to a visitor's memorable trip.

A priority is teaching languages – maybe English, French, German and Japanese – and then, a familiarisation tour of Sri Lanka, to gain knowledge of the country and an education on proper guiding techniques. They need to be given a licence to operate, with an accredited qualification, whereby they gain respect, achievement and dignity in carrying out their duties.

# **Q:** How do you view prospects for medical and religious tour-ism?

**A:** Sri Lanka can easily capitalise on both these areas. However, while we are on a par with international standards, what is a necessity in medical tourism is the availabili-

ty of more best-in-class consultants which heralds a paradigm shift in attitudes and policies.

As a multifaith country, Sri Lanka is blessed with varied and significant events and sites that are revered among Buddhists, Hindus, Muslims and Christians. Sri Lanka can undoubtedly add these to its diverse list of attractions.

## **Q:** Is the target of 2.5 million tourist arrivals achievable, by 2016?

A: If the country rolls out a cohesive plan, maximising its abilities and the competencies of youth and its people, this can easily be done. We have a destination that appeals to all demographics and cultures – history, adventure, beaches and experiences that no other country can offer, all within a small space.

What is missing is the trained human resources factor; but it is a challenge that can be easily overcome, provided the government and the private sector work interactively on an integrated plan.

The interviewee is the Chairman of Ösara Lanka Destinations

Savithri is LMD's Special Correspondent. She is a freelance electronic and print-media journalist who has won Presidential and Zonta Women of Achievement awards. Savithri has been a news presenter for state television and radio, and is a Fellow of the ICSA (UK).

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### **TOBACCO TRAVAILS**

Compiled by Savithri Rodrigo

# **NOT QUITE GONE UP IN SMOKE**

Dinesh Dharmadasa chews over the tobacco industry's future

O: How is the tobacco industry faring in the current operating environment?

A: The Sri Lankan tobacco industry - and more specifically, the cigarette sector - has faced significant challenges in the past few years. But we are optimistic about the future, given the increasing level of business confidence in Sri Lanka.

Q: How do you function in a 'dark market' such as this?

A: The tobacco industry is one of the most heavily regulated. Ceylon Tobacco Company (CTC) has conducted business in a 'dark market' for over 15 years, commencing with voluntary self-regulation through the adoption of British American Tobacco's (BAT's) internal code of conduct - i.e. International Marketing Principles.

It has always been our stance to support effective, evidence-based regulation that helps reduce the impact of tobacco consumption on public health, while balancing this with the freedom of choice of informed adult consumers and pre-

serving the right of the legally established tobacco industry to operate and compete fairly.

#### Q: What implications do the packaging laws have on the business?

A: While health warnings have been adopted by governments to educate smokers, this should not infringe on the intellectual property and brand communication rights of a legally established corporate entity.

The implications of the current regulations mandating an 80 percent pictorial health warning on packs will be felt in the planning process, as any changes to the packaging will require detailed planning to ensure timely compliance.

#### Q: Is there a level playing field in the tobacco market?

A: There is no level playing field among the different tobacco products. The beedi trade has an unfair advantage, as it continues to be under-regulated and unaffected by regulatory price increases. Legal cigarettes have undergone excise-led price hikes annually, but taxes on beedi have not increased since 2007. The result of this anomaly is that a cigarette stick is priced at 30 rupees, while beedi sells for Rs. 2.50.



Thus, while the highly regulated and taxed legal cigarette market has not grown in the past three years, beedi has gained popularity, especially amongst the lowerincome rural population. Approximately 42 percent of the estimated tobacco market in Sri Lanka belongs to this cheaper alternative.

#### Q: How do other countries working in a similar market ensure that their businesses are sustainable?

A: Tobacco regulation is seen at varying degrees across the globe. As a member of one of the most international companies in the world, CTC has the opportunity to learn from other markets, in implementing best practices that will ensure long-term business sustainability.

#### Q: What is the good, bad and ugly of the tobacco industry?

A: Tobacco is a controversial product, but a legal item that is in compliance with relevant laws and regulations. Over-regulation of the legal tobacco industry can fuel the black market. Currently, cigarettes are among the most commonly traded products on the black market, as evading taxes results in huge profits.

A salient question that needs to be asked in this milieu is: To whom do we want to

supply products - criminal gangs that lack responsibility and don't care how young their customers are, or about the quality of the product; or an accountable busi-PHO ness selling a legal product that meets stringent quality standards and contributes to government revenue?

SERVICES

(CEYLON

TOBACCO COMPANY

We have gone beyond local laws in ensuring responsible practices, by adopting our own International Marketing Principles. As a company, we do not promote smoking, but accept that many adults enjoy it - and will continue to do so.

Q: Why is the industry emphatic about sustainability, despite manufacturing a controversial product?

A: Sustainability is not a choice, nor is it something that is 'nice to have '

It is crucial to securing the future, and for creating shared value, ensuring that what it does as a business benefits both shareholders and society. This is a concept that underpins the approach to

sustainability. As a business in a controversial industry,

BAT has a long history of focussing on sustainability. It has produced independently assured reports since 2001. The group has made significant progress, as reflected by its inclusion in the Dow Jones Sustainability Index (DJSI) for the last 13 years, all but one as industry leader.

We have improved our approach with the development of a new sustainability agenda, focussing on the most important issues for the business and its stakeholders - viz. reducing harm, sustainable agriculture, farmer livelihoods and corporate behaviour.

Q: How do you see the industry panning out in the medium to long term? A: Although the global tobacco industry is facing a challenging economic environment, we remain optimistic about the medium to long-term future, despite the tightening of tobacco regulations across the globe.

Even tobacco control groups have accepted that global consumption will remain stable in the future, even though the incidence of smoking may reduce.

The interviewee is the Corporate & Regulatory Affairs Director of Ceylon Tobacco Company

# HUMAN RESOURCES MANAGEMENT

Dilrukshi Kurukulasuriya

Attitude tops the list for any recruitment, as the absence of the right attitude may result in the person not being successful...

Dilrukshi is the General Manager of Human Resources at DIMO

# PEOPLE + PASSION = POWER!

## The HRM scenario is evolving: What's new in people management?

Yes, the HRM landscape has changed immensely, for many reasons such as technical developments, changing composition of the workforce and new work ethics, among other trends.

All these changes, and the VUCA (short for volatility, uncertainty, complexity, ambiguity) environment, are forcing HR to change – and be sensitive to personal and business needs. One-size-fits-all policies and practices are gradually becoming obsolete, and HR is taking a more personalised approach towards people and businesses today.

#### So how do you adapt to a VUCA environment?

There is no magic formula. Prepare the working people to rediscover themselves constantly, through training and experiences... and to expect the

unexpected. Recharge, reflect and reposition – this is my way forward.

### How have you positioned HR, against this evolving scenario?

HR is a strategic function, but it has to prove its credibility and competence, for an organisation to accept it as a strategic function. Once it is accepted, HR can be positioned as a strategy or game changer.

## Do you find that new trends in HRM are posing challenges?

Change is inevitable. The challenge is to know when and from where the change is coming. We need to 'keep smelling the cheese,' to know this.

#### Would adaptation and embracing trends be the only way forward, then? Trends emerge when certain factors exist. What's important is to know the relevance and customisation. 'Copy and paste' will not be effective.

What's your strategy to survive and thrive, in the face of competition? By understanding and adapting to change, and assessing and bettering ourselves.

## Are there any HRM-related problems here, in Sri Lanka?

HRM is often perceived as a back office or support function, rather than a strategic function. At times, it is not given its due place, for various reasons. Sometimes, business leaders are unaware as to how they can leverage HR competencies to differentiate and win in the marketplace. A few companies that have identified this, use HR as a leverage.

## How would you think we should tackle the brain drain?

Brain drain takes place due to political, social and economic reasons. But it is inevitable, because of the attractive conditions prevailing in most developed countries. Providing more facilities and opportunities for professionals, and enriching living conditions, may help tackle the brain drain.

#### What 'people driving' issues do you face?

I would see them as challenges, rather than issues. It's very difficult to provide solutions to the diverse needs of employees, as what makes one person tick is different from another.

## So what transforms a workplace into a great place to work?

Workplace ambience and culture, with trust among all stakeholders.

## How about outsourcing? And what is in it for a business?

Outsourcing was perceived differently a few years ago. Only non-core functions were outsourced. Today, even strategic functions are outsourced, due to the unavailability of expert knowledge within companies. This is a mutually beneficial arrangement for both the company and the source.

#### Leadership, talent, attitude – what's the order of priority in recruitment? Attitude tops the list for any recruitment, as the absence of the right attitude may result in the person not being successful, despite possessing other skills.

### People, profit, performance – who or what comes first?

At DIMO, we believe in 'people first.' This doesn't mean that others come second, as people will drive performance and deliver profits.

#### What are the emerging trends in

HRM? And how do we shape up? The landscape is changing. Many technological changes are taking place due to the unavailability of expertise, so even some key functions are outsourced. HR works closely with CEOs and business leaders, to achieve a competitive edge through people.

HR is about learning business and numbers, holding hands with business leaders, and trying to align and create value.

## How important is workplace culture, for the worker?

We spend more than a third of our day at work, and when employees come to work, we don't want them to leave their hearts at home.

We believe that they should enjoy their work. In order to enjoy the job, trust has to be present around all relationships at work. Likewise, the people should believe in similar values.

#### Equality in the workplace -

is it a challenge or a standard? At times, the challenge is to make everyone understand that there is no inequality.

#### In your view, who drives our economy: marketers, accountants or HRM?

Finally – no matter what discipline we come from – as leaders, we end up managing human resources more than any other resource. In this case, I believe we drive our economy together.

In one word, what draws you to HRM? Passion!

- Compiled by Charmaine Fernando

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### WOODEN WONDERS

Compiled by Tyronne Jayamanne

## **CARVING OUT A GLOBAL NICHE** Sameera Samarakkody urges carpenters to emerge from the woodwork

## **Q:** What ails the present-day woodworking sector?

A: Sri Lanka's heritage is interwoven with carpentry, and the timehonoured vocation has a lineage which is parallel to Buddhism. Legend has it that it was during the time of the Portuguese that the people of Moratuwa started producing furniture, as a means of occupation. This cottage industry expanded during the time of British rule.

Following the halcyon days of the 1960s, the sector has not moved with changing times. Today, the woodworking sector faces many impediments. It is widely acknowledged that unless stakeholders work in unison towards the betterment of the sector, its long-term viability could be at stake.

Traditionally, Sri Lankans love furniture – every home is adorned with furniture that is mostly made of solid wood. But sadly, when one compares our present woodworking sector, it is below Asian standards. Countries like India, Malaysia and Indonesia produce furniture to attract new-age global customers.

Sri Lankan woodworking and associated enterprises are unable to cater to higher expectations, in terms of quality, deliverables and the technical expectations of clients, who now have exposure to international markets.

Although we're probably lacking in the use of technology, we possess skills which are second to none.

## **Q:** How important is change to the sector?

**A:** Hard work is required to bring about a marked change in the domestic wood-work sector, not only in terms of imparting technical skills, but attitude as well. When it comes to carpentry as a vocation, in developed countries, it is almost on a par with a white-collar job. But sadly, in Sri Lanka, this is not so.

To attract youngsters to take up this vocation with passion, it must command respect in the first place. For this, the Government should acknowledge and recognise their skills, while providing more educational opportunities that are relevant to the sector.

In developed countries like Australia and Germany, for example, one has to follow a professional qualification programme in carpentry. Thereafter, one



works under a Master Carpenter – as an apprentice, for a few years – prior to being acknowledged as a Master Carpenter.

To be in line with the Asian market, our woodworking sector is in need of an immediate input of increased skills and expertise on the latest technological know-how, resources, components and machinery.

# **Q:** What is the mandate of the Forum for Woodworking Professionals in Sri Lanka?

**A:** The Forum for Woodworking Professionals in Sri Lanka was initiated with the collective assembly of leading professionals. Its purpose is to revive the local woodwork sector, with the assistance of international expertise. The programme was held with over 30 organisations representing the kitchen and furniture segments.

Nearly 80 distinguished guests offered their support for the programme, making a tremendous effort to emphasise the importance of uplifting the woodworking sector here, in Sri Lanka.

It served as a platform for local wood and wood-based professionals to share their experiences and highlight common limitations faced regularly in the sector. Key issues that came to light at this forum revolved around the notion that, despite the existence of standards, knowledge, skills, infrastructure and financial means, our woodworking sector falls short in many areas.

SERVICE

The lack of coherence and imparting of technical advancements, limited access to high-quality alternative resources, limited exposure to mature markets and the dearth of qualified trainers were considered as contributory factors to deterring sector growth.

**Q:** In the light of the above, what measures must be adopted to uplift the sector, in your view?

**A:** As part of long-term initiatives, highly trained staff should be allocated to provide necessary training requirements, catering to the needs of the local woodwork sector and assisting in an array of woodworking scenarios, while sharing technical know-how gathered from different markets.

For this to take place, the woodworking fraternity should invite overseas professionals to impart updated knowledge. Also, training centres and forums should be initiated to unveil the latest trends in the sector. Exposure to international markets and events should be organised, to enhance local sector standards.

Furthermore, an influential body comprising professionals should form an association, to represent the sector to government. Accordingly, a path should be mapped out to ensure that the sector is more appealing to export markets.

## **Q**: Finally, is the woodworking sector aligned to environmental goals?

A: Unlike the Sri Lankan apparel industry – which is keeping abreast of global trends, to manufacture garments in line with sustainability goals – there is no real cohesive strategy to comply with environmental objectives in woodworking.

Issues like green manufacturing and energy usage are key priorities for forestbased manufacturing sectors like woodwork, but despite global trends, the local trade has yet to fall in line with this model.

The interviewee is the General Manager -Sri Lanka of Häfele India

#### BANKING BENCHMARKS

Compiled by Ayesha Reza Rafiq

# **CUSTOMER IS KING PHILOSOPHY**

Hasrath Munasinghe has win-win customer relationships on his radar

he banking sector is in the throes of change. As nations recover from the global economic downturn and set their sights on a more stable future shored up by lessons learned, global industries find themselves having to chart a stable course in the choppy waters of heightened competition.

Five years ago, in the midst of the global credit crunch, the banking sector struggled to stay afloat. Having survived the crisis, the sector has focussed on growth. Banks around the world have slashed payrolls, shed non-core businesses and written off trillions of dollars in non-performing assets.

While in terms of geography and population, Sri Lanka remains relatively small, its banking sector has maintained healthy growth, with a 70 percent increase in net income since 2009, along with steady Returns On Equity (ROEs).

Among the realities faced by the banking fraternity is the coming of age of Generation Y customers.

The Deputy General Manager – Marketing of Commercial Bank observes that "Generation Y presents both challenges and immense opportunities for the banking sector."

Hasrath Munasinghe points out that "typical Gen Y customers are informed, educated, individualistic, impatient and don't hesitate to voice their opinions. They are also tech-savvy, and seek instant results. Unlike traditional banking customers, who evaluate risks and wait for the right moment, Gen Y customers want to achieve instantly – and their expectations are high."

Effectively responding to this challenge will be key to growing client bases in the future, especially since customer loyalties are diminishing, while their bargaining power has risen sharply.

While streamlining and fast-tracking traditional processes, Munasinghe believes that the need for tech-savvy products will





grow, requiring a larger portfolio of customised products and services. Non-conventional marketing channels such as social and other digital media will become second nature in capturing the attention of new customers, and they'll have to be mastered, he emphasises.

"The banking sector is extremely competitive. Therefore, acquiring new customers and retaining existing clients is always a challenge," Munasinghe concedes.

He adds: "The prevailing business environment has created a segment of customers who will not wait for things to happen automatically – they make sure it happens. In this context, Customer Relationship Management (CRM) and Customer Lifestyle Management (CLM) play crucial roles, and enable targeted marketing."

Munasinghe emphasises that while "rising costs and lower margins have compelled banks to seek customer profit maximisation," no compromise should be made on maintaining service excellence, since it is key to customer acquisition and retention. He also believes that the sector is faring well, in relation to regional counterparts – and that in some aspects, it is superior. "The banking sector is well regulated in Sri Lanka, and its standards of service quality are quite high. Our financial reporting standards are recognised as being among the best in the region. Due to strategic decision-making and well managed regulations, banking is a secure sector. In the tech space, Sri Lanka works with world-renowned service providers, and most banks have achieved international quality standards for [their] systems," he notes.

However, Munasinghe concedes that, in terms of product offerings, some improvements can be made. He adds that considering Sri Lanka's smaller market size, compared to its neighbours, the sector's performance is in line with the region.

It is this resilience that makes banking an attractive career option. It does not traditionally suffer from the manpower shortages that are typical of many service industries. Munasinghe attributes this to the sector's focus on grooming entrants and ensuring career progression opportunities, but he cautions that it is by no means "a free ride."

"Banking is a profession in which you have the opportunity to start at the bottom and rise to the top. However, one must be aware that absolute dedication is required in any field that you are employed in – even more so in banking," he stresses.

Munasinghe continues: "The sector requires professionalism, and a thorough knowledge gleaned both from experience and formal qualifications. Bankers are required to keep abreast of local and global economic scenarios, and possess dynamic and accurate decision-making skills. Apart from formal qualifications, a banker is also expected to have the highest level of integrity and ethical behaviour."

As for the future, he envisions the Sri Lankan banking sector charting a course of innovation, leaner business models, and products and services designed to offer convenience to customers.

Backed by a stable political and economic environment, Hasrath Munasinghe is confident that Sri Lanka's banking sector has the potential to become as developed and competitive as its global counterparts.

The interviewee is the Deputy General Manager – Marketing of Commercial Bank

Ayesha is a freelance journalist with over a decade's experience in news and feature writing. She also contributes to leading INGO publications.

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#### SRI LANKANS OVERSEAS

# **BLUEPRINT** FOR POST-WAR SRI LANKA

Mohan Perera shares his concerns for post-war Sri Lanka and moots respect for human values

DATE OF BIRTH 15 August 1962

#### FAMILY Wife (Sharmini) Two sons (Charitha and Akitha)

SCHOOLING St. Joseph's College

#### QUALIFICATIONS

Fellow of the Australian Institute of Management (AIM)

Member of the Chartered Institute of Marketing (UK) Member of the Chartered Institute of Logistics and Transport (UK)

OCCUPATION Managing Director/ Chief Executive Officer

COMPANY Transco International

COUNTRY OF RESIDENCE Australia

CITY OF RESIDENCE Melbourne

#### **OTHER INFORMATION**

Trade Representative for the National Chamber of Exporters of Sri Lanka, in Australia. Q: How do you perceive Sri Lanka today, in the context of the progress it is making in the post-war era? A: Wherever I may be living, my

heart and soul will always remain in Sri Lanka. Having said that, I believe the country is making encouraging progress in the area of infrastructure development – a case in point is the facelift it has received.

However, I have doubts about whether this development drive is being carried out with the bigger picture in mind. We have seen many countries develop, but in hindsight, policymakers often say that things could have been done differently.

Sri Lanka needs to be mindful of the fact that development should have the common man at the very heart of the process.

# **Q:** How do compatriots in your country of domicile view Sri Lanka?

A: Most of my Sri Lankan friends and acquaintances share a similar view. However, since the January 2015 presidential election, we have adopted a 'wait and see' approach – hopefully, this period will not be too long, as we underwent a similar situation from the mid 1980s to May 2009... one of 'waiting and seeing.'

**Q:** What were your impressions of Sri Lanka on your last visit to your

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country of birth? And how much has it changed from the past, in your assessment?

A: From a Sri Lankan perspective, I feel that people are being driven to becoming more and more selfish, which may be due to a sense of insecurity. However, during a brief visit just a few days after the 8 January election, I noted a sense of freedom and hope among the people I met.

Q: How do you view the brain drain – and why is there still no reversal of it, in your opinion? A: Sadly, I see a situation where people have agreed to disagree in most political and economic relationships, resulting in endless conflict. In this scenario, people who do not want to be in the midst of such an environment look for other societies to reside in.

The political situation, which is due to power-hungry politicians and their actions, often results in development programmes being implemented with their own agendas in mind, rather than for the good of the people and the nation.

All these issues contribute to valuable human resources preferring to migrate, as opposed to remaining in the country and struggling to come to terms with the status quo.

Q: In your opinion, what must be done to entice Sri Lankans living



TO COMMENT ON THIS ARTIC and airports - it is also about

overseas to contribute or return to their country of birth? A: In my view, contributing and returning are two different things altogether. Contributing to the country can be by way of individual contributions, or contributions in the form of investment. To me, both are important, and they will benefit the country economically.

Sri Lankans overseas continue to assist their family and friends, while investors help improve economic indicators such as employment, foreign exchange inflows and infrastructure, amongst others. Sri Lankans residing overseas continue to care for their motherland.

However, if people are to be persuaded to relocate to Sri Lanka. the socioeconomic conditions in the country need to be attractive. The systems of justice, health care, education and transport, in particular, must improve; and for that to happen, policymakers, political leaders, leaders from civic society and religious heads have a very responsible part to play.

#### Q: Going forward, what should Sri Lanka focus on most in the coming decade?

A: Before the protracted war ended, the problems the country faced related to security, the lack of infrastructure development - in particular, roads and highways - and a high level of indiscipline and corruption.

After the war ended in May 2009. there is an evident improvement in the areas of safety and infrastructure development, with the construction of expressways and roads. But to my mind, corruption continues to prevail in fact, it seems to have worsened. If this situation can be addressed and rectified, Sri Lanka will eventually become a country we can all be proud of.

The President has rightly said that development is not only about building highways, bridges, ports and airports it is also about upholding human values

#### O: And last but not least. can you describe your hopes for the country, in the post-conflict era?

A: Learn from the root causes of the issues we have had to deal with, as a result of manipulative individuals since independence. This may call for some drastic and firm decisions to be taken: but in the end, the rewards will be immense for future generations.

We must dilute the emphasis placed on race, and motivate all citizens of Sri Lanka to be proud of representing one nation. Let's shun the manipulators who try to use race, religion and language to create divisions among Sri Lankans, for their own petty egoistic gain.

- LMD

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#### SRI LANKA | SWOT ANALYSIS

not only about building highways, bridges, ports

upholding human values...

#### STRENGTHS

- O Positive historical relations with many countries
- O Richness of natural and human resources
- O Excellent geographical location
- O Socio-economic policies such as free education, health care and Janasaviva
- O Sound fiscal policies which helped Sri Lanka survive the Asian and global financial crises

#### WEAKNESSES

- O Nepotism and cronvism
- O Remote areas are off the development radar (other than at election time)
- O Lack of discipline
- O Lack of respect and value for human life

#### **OPPORTUNITIES**

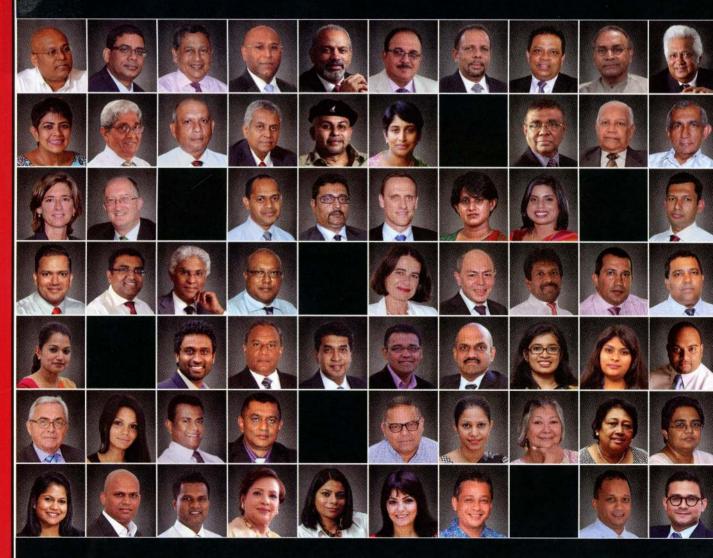
- O Interest shown by foreign nations to take advantage of Sri Lanka's strengths
- O Post-conflict period could be used as a springboard for sustainable economic initiatives

#### THREATS

- O The strengths and weaknesses stated above can be manipulated by richer countries for their benefit
- O Indiscipline can cause the country to be a less desirable place to live in

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DHL Keells	Logistics 1980		237
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Gamma-Pizzakraft Lanka	Food services	1993	1,017
GlaxoSmithKline Consumer Healthcare	Health care and pharmaceuticals	1956	500
IFS R&D International	Enterprise applications	1997	666
MillenniumIT	Trading technology	1996	771
Oxford College of Business	Education	2003	58
Prime Lands Group	Real estate	1994	195
Singer (Sri Lanka)	Diversified	1877	1,762
Taj Samudra Hotel	Hospitality	1984	629
Triumph International Lanka	Branded lingerie	1994	73*
Union Assurance	Life insurance	1987	441
Virtusa	Consulting and IT outsourcing	1996	2,492

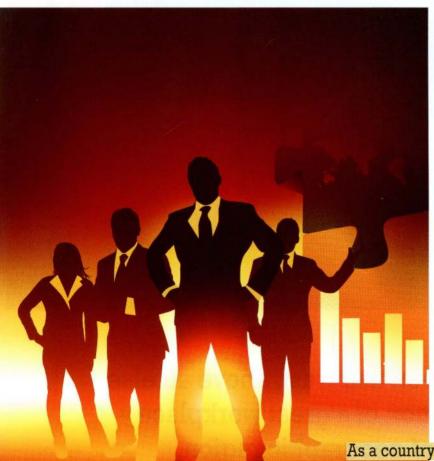
\* Directly employed staff

We have proven that trust, above all else, is the foundation of a great workplace – irrespective of geographic region, industry or the size of the workforce...

# **COVER STORY** GREAT WORKPLACES IN SRI LANKA

# SRI LANKA'S BEST COMPANIES TO WORK FOR (2015)

Kshanika Ratnayaka describes the underlying elements of the Sri Lanka's Best Companies To Work For study for 2015



or the third consecutive year, Great Place to Work® Institute presents the Best Companies to Work for in Sri Lanka for 2015, in partnership with LMD and the Ceylon Chamber of Commerce. The study encompasses a tried-and-tested model that has proven itself over a span of 36 years, in over 50 countries – *it recognises that, in essence, high levels of trust create an engaged workforce.* 

It has been a privilege to study over 12,000 employees from in excess of 60 companies representing over 14 business sectors. This, in turn, has provided a truly unique insight into the dynamics of employee engagement. And some Sri Lankan companies which were assessed have surpassed global juggernauts in certain aspects of employee engagement.

Sri Lanka is part of the institute's global research on best workplaces. In the past three years, the study has been expanded, connecting with over 27,000 employees and positively impacting over 60,000 working people to date. An elevated level of participation has enabled us to identify 20 list-makers in 2015, versus 15 in previous years.

As a country that is competing with emerging Asian economies, Sri Lanka's competitive edge lies in a quality workforce that is qualified and competent...



MEDIA SERVICES PHOTOFILE (GREAT PLACE TO WORK)

Since 1980, Great Place to Work Institute has been seeking employees' thoughts on what characterises a great place to work. Throughout our history, which spans 36 years, we have spoken to millions of employees in various geographies, and asked them a simple question: 'What

makes your organisation a great place to work?'

Their responses have been the backbone of our definition of a Great Place to Work where employees trust their management, take pride in their job, and express feelings of community and teamwork with their colleagues.

SOLID FOUNDATION We have proven that trust, above all else, is the foundation of a great workplace - irrespective of geographic region, industry or the size of the workforce.

If the crucial element of trust doesn't exist in the relationship between an employee and management, there will be no foundation for building strong relationships within the organisation - and, therefore, no opportunity for an organisation to create a culture that is performance-driven, innovative and retains the best talent.

An environment of trust ensures that employees do not merely labour for money, but strive to give their personal best and offer their discretional effort. Such workforces provide the impetus that enables businesses to enjoy greater stability, seize opportunities and remain competitive through innovation. It goes without saying that all of these attributes lead to incremental business benefits.

NATIONAL IMPORTANCE Sri Lanka is

The 2015 study reveals that the 20 Best Companies To Work For score highly on the dimensions of pride, credibility and camaraderie...

moving towards establishing itself as a talent hub in the global market, and lays claim to a quality workforce that outperforms the competition in many spheres.

In such a context, retaining and nurturing talent nationally has been a major challenge, in view of the better opportunities for personal development and superior workplace cultures elsewhere. It has come to a point where Sri Lanka has to compete for its own talent in the global market.

The impact of this is far greater than what is evident from the surface of what we call the 'brain drain.' As a country that is competing with emerging Asian economies, Sri Lanka's competitive edge lies in a quality workforce that is qualified and competent. Thus, measures must be taken to instil a culture of trust, and create best practices within corporates that are effective and efficient at engaging and harnessing the strength of the Sri Lankan workforce.

SCOPE OF THE 2015 SURVEY This year, Great Place to Work Institute conducted the survey amongst more than 12,000 employees in Sri Lanka, of which, close to 80 percent responded.

The 2015 study impacted almost 25,000 employees. With encouraging representation from the information technology, manufacturing, and retail and trading sectors, along with a strong presence among multinationals, the composition of participants in this year's study is worthy of note.

Surveys were administered to a stratified random sample of employees from each organisation that undertook the assessment. Employees included in the sample were able to respond to

the survey either online or in the paperpencil format. Surveys were made available in English, Sinhala and Tamil.

SURVEY HIGHLIGHTS The 2015 study

reveals that the 20 Best Companies To Work For in Sri Lanka score highly on the dimensions of pride, credibility and camaraderie. Employees in these companies are extremely proud of the organisations they work for, and believe that they will not be discriminated against on the basis of religion.



Workplace safety and a friendly environment are also held in high regard by working people, whilst survey responses also indicate that they recognise and appreciate additional steps taken by employers to welcome new team members.

Celebration of special events is another key attribute that stands out in the study's findings. Employees believe that the celebration of special events is an integral part of their working life. It also appears that the best companies to work for employ people who have implicit faith in the competency of senior management to run the business. STAMP OF APPROVAL Overall, the high-

est scoring statements for the 20 Best Com-

# **COVER STORY GREAT WORKPLACES IN SRI LANKA**

panies To Work For are spread across the five dimensions of pride, respect, camaraderie, credibility and fairness. This suggests that a balanced approach in establishing these dimensions is the core of creating a great workplace, instead of focussing on one pillar.

Interestingly, employees in the 20 best companies to work for believe that they have special and unique benefits. They also play a key role in advocacy, by recommending their organisations to their friends and acquaintances.

Another key highlight is that employees of the best companies to work for hold their management in high regard. They believe that their management appreciates good work and extra effort, does a good job of attracting the right talent, delivers on promises and walks the talk.

It is evident, therefore, that the *credibility* of the management and *fairness* in the workplace play pivotal roles in creating great workplaces.

**THE WAY FORWARD** There is much room for Sri Lankan organisations to improve. Although many have mastered the art of creating safe and friendly work environments, there are gaps to be filled – from

#### Another key highlight is that employees of the Best Companies To Work For hold their management in high regard...

avoiding favouritism, to saying 'no' to gender discrimination. For example, based on the data collected, it is evident that the proportion of women in senior managerial roles is far lower than that of men, at only 13.5 percent.

Sri Lankan businesses also need to ensure that employees perceive their career progression as being dependent on performance, that favouritism is minimal and that they receive a fair share of the profits.

Our global research shows that more attention must be paid to millennials, in terms of driving and motivating the new generation workforce that has already entered the talent market. Corporates need to map out a strategy to engage and drive these employees, who insist that their passion and talents be used to the fullest, that they are given the opportunity to bond with co-workers and, most importantly, believe in the vision of the organisation. **BRIDGING THE GAP** Organisations differ from one another, and the way forward to creating a Great Workplace will be unique to each one. The first step is to assess and obtain an initial health check for the organisation. These results can be compared to a

national benchmark, to gain an understanding of how the organisation compares with others in the country.

Focus areas can then be ascertained, and action plans and agendas put in place to bridge gaps and leverage strengths. The follow-up is to reassess and measure the impact of action plans on levels of employee engagement.

It is imperative that organisations listen to their employees and regularly gather the right type of feedback. This will ensure that organisations stay the course.

NOTE For more information on how to begin your journey in creating a great workplace – contact lk\_greatplace@greatplacetowork.com or visit www.greatplacetowork.lk

The writer is the CEO of Great Place to Work Sri Lanka (she can be reached at Kshanika.Ratnayaka@greatplacetowork.com)

#### SURVEY METHODOLOGY

Great Place to Work is one where employees *trust* the people they work for, have *pride* in what they do and *enjoy* the company of the people they work with. Great Place to Work Institute is a pioneer in studying and recognising the best workplaces around the world.

For over 30 years, and in over 50 countries, Great Place to Work Institute has been conducting studies to understand and identify the best workplaces. The study conducted in Sri Lanka is based on the same model and methodology that is followed in carrying out similar studies around the world, including the Americas and Europe.

The study adopts a unique, employee-centric framework that measures levels of trust, pride and camaraderie in an organisation through the Trust Index<sup>®</sup>, a proprietary employee tool developed by the Great Place to Work Institute. It has 56 statements that measure employee experience through five dimensions of the Great Place to Work Model<sup>®</sup> and five customised statements for the Sri Lankan context. It also captures employee comments about what makes their workplace great, and what would make it better.

Participating companies are evaluated and selected primarily on the basis of their employees' responses to the Trust Index survey, which is given a twothirds weight in the overall score. The remaining one-third of the score is derived from the Culture Audit<sup>®</sup>, a questionnaire where the company submits detailed and comprehensive material that is subjected to rigorous evaluation using the Great Place to Work Culture Audit Evaluation Framework.

This helps gauge not only the structure, demographics, compensation and benefits, but also the company's philosophy and values, and the manner in which they are woven into people practices.

This year, the study covered over 12,000 employees from all the companies that participated. Within each participating company, a sample of randomly selected employees participated in the Trust Index survey. The sample size has a confidence level of 80 percent, and is dependent on the overall employee population. This sample is selected by Great Place to Work Institute, from a list of employees of the organisation.

To maintain the reliability and validity of the study, stringent audit processes are followed during and after the survey. Employee survey scores are tracked, and an audit requirement is triggered wherever abnormal trends are observed in employee survey scores. Thereafter, suitable steps are taken to ensure the authenticity and validity of scores. There have been instances of employee surveys being re-administered, especially where the audit team deemed there to be a need to verify employee survey data.

There are also examples of companies that have not been considered for ranking purposes, because the standard survey process was not adhered to adequately.

Great Place to Work Institute Sri Lanka also engages a field agency to supervise employee surveys in some companies where paper-based surveys were to be administered. The agency was deployed at locations with the largest concentration of the company's workforce.

Maintaining and enhancing the rigour of this one of a kind study is the topmost priority at Great Place to Work Institute Sri Lanka, which prides itself on upholding this process in all parts of the world in which it operates.

FO A.E.R10.53% A FR - Annual Effective Rate

Better

for

PERIOD months	SENIOR	SENIOR CITIZEN (ABOVE 55 YEARS)			
	MONTHLY	A.E.R	MATURITY	A.E.R	
12	8.00	8.30	9.00	9.00	
24	9.00	9.38	10.00	9.54	
36	10.00	10.47	11.00	9.97	
48	10.50	11.02	12.00	10.30	
60	11.00	11.57	13.00	10.53	

Eligible deposit liabilities are insured with the Sri Lanka Deposit Insurance Scheam implemented by the Monetary Board for compensation up to a maximum of Rs 200, 000 per depositor.

" Registered Company under Monetary Board of The Central Bank of Sri Lanka".

# A UNION BANK COMPANY

# Anarkalee 0718 844 844

ess Act No: 42 of 2011. Financials (31.03.2014) Shareholders Funds: Rs.617,177,261/=, Total Borrow Ananda Atukorala (Deputy Chairman), Davis Federick Golding, Chithrupa Premalal Ajith Wijeyese ratne, Rienzie Anthony Fernando (Alternate Director to Davis Golding)

# **COVER STORY** GREAT WORKPLACES IN SRI LANKA

#### **BEST IN CLASS ACCOLADES FOR 2015**

Great Place to Work Category Awards aim to promote excellence in specific areas, by identifying and recognising great workplaces that provide a favourable work environment and set the standard for exemplary work cultures. They felicitate organisations that have been the best in class for the 2015 study in Sri Lanka, under two main categories: Best Practices (five selected practices); and Organisation Size and Classification.

# **CATEGORY AWARDS**

**BEST PRACTICE AWARDS** Great Place to Work Institute recognises best practices that help create great workplaces and build high levels of trust. When finalising winners for these categories, it not only evaluates people practices, but employee perception scores in relation to these practices as well.

The study discovered that practices in such key areas have permeated these organisations and impacted workforces in an extremely positive manner. The five practice areas selected for awards this year are based on their relevance to creating a significant impact on organisations operating in Sri Lanka.

**GREAT HIRING POLICIES** Great hiring practices begin with identifying the kind of people that make the organisation successful and resonate with its culture. It's important to hire for the organisation, rather than the role. Finding the 'right fit' is pivotal for long-term retention, and to build a cohesive team.

The hiring mechanism begins long before an interview. Attracting the right fit is made possible by building a strong employer brand that enables an organisation to maintain entry barriers and hire the right people.

Early and regular engagement with talent pools creates a bond with the organisation. Clearly disseminating an accurate picture of job roles and the organisation, itself, allows prospective candidates to understand whether they will fit in. A key strategy to hire the best people lies in showcas-



#### A key strategy to hire the best people lies in showcasing talent – great people want to work with other great people...

ing talent - great people want to work with other great people.

Exceptional hiring practices incorporate measures to test the effectiveness of tools, techniques and channels of the overall hiring process, and provide a great hiring experience – so that even rejected candidates become the organisation's brand ambassadors.

TALENT DEVELOPMENT Best practices

in this sphere emphasise nurturing individuals' talents to foster continuous personal growth, as well as offer job-specific training through a multitude of all-inclusive formal and informal programmes integrated into the employee life cycle.

It is commendable that many organisations have embraced the 70:20:10 (70% on-the-job experience, 20% developmental relationships, 10% formal learning) principle in learning and development.

Establishing a development framework helps connect processes, tools and programmes, to orchestrate effective employee development. However, employees – supported by their immediate manager and the organisation – must be accountable for their own development.

Effective development programmes focus on identifying individual gaps, enhancing inherent employee strengths and continuously measuring overall progress.

Attention should be paid to investing in and growing people from within the organisation, whenever possible. Although HR sets the overall direction of development plans, people managers carry the responsibility of driving them through their teams. **EMPLOYEE RECOGNITION** The key to unlocking this practice lies in realising that everyone wants to be appreciated and recognised – and that everyone should be. Notable practices strive to create a climate of appreciation, by thanking and rewarding employees for good work and discretionary efforts. Recognition schemes should be practised not only to identify major achievements, but everyday victories as well. Schemes such as these can be tailored to be catchy and unique to the organisation. Creativity can be a focal point in this space, as there are countless ways and means of appreciating working people.

It is important that an employee's accomplishments be recognised for the right reasons, and in an appropriate and timely manner. Suitable acknowledgement should be conveyed to each individual, as well as the team.

Many programmes recognise behaviours that promote core organisational values. Incentivising practices around areas such as collaborating, supporting and contributing encourage higher levels of employee engagement. Extending recognition to employees' families, for the support they offer, takes this concept a step further.

**THE WORK-LIFE BALANCE** Great workplaces respect the fact that employees desire and deserve a life beyond work. They understand that a work-life balance is important for the well-being of employees. So employees are encouraged to meet personal commitments while focussing on their professional duties.

Flexibility in work arrangements is essential. It is worth encouraging employees to balance their work and life, as their personal life ultimately affects performance at work. Managers and teams also play critical roles in this balancing act – cooperation and generosity are key.

#### Charity begins at home – a good work-life balance is a strong enabler of active employee participation in giving back to society ...

um, and they communicate that adopting such policies is desirable – and are not taboo. Paid vacation days, flexible scheduling and 'compressed work weeks' are good indications that a company respects its employees' time.

However, depending on the nature of

work, not all companies can offer such perks. Family-related benefits such as jobprotected leave, maternity and paternity leave and childcare benefits, as well as facilities such as gyms and health clinics that promote healthier lifestyles, are noteworthy signs of a company's efforts to encourage employees to maintain a worklife balance.

**CSR ENDEAVOURS** What sets great workplaces apart from the rest is that they involve employees in their contribution to society, instead of merely funding CSR projects. Employees inherently want to give back to society and feel good about the company they belong to. Generosity should not be restricted to monetary donations, but encompass employee time, effort and ideas as well.

Great workplaces encourage volunteerism and foster opportunities for employees to contribute towards causes that they truly believe in. Organisations can leverage their core competencies and values, to determine which areas to focus on and how to involve employees. Branding CSR initiatives around core organisational values instils a stronger message.

However, charity begins at home – a good work-life balance is a strong enabler of active employee participation in giving back to society. Measuring the effective-ness of CSR endeavours helps sustain this practice in the long run.

FOOTNOTE The winners in each category will be announced at the Great Place to Work Sri Lanka awards ceremony, scheduled for June.

Great workplaces offer employees the scope and space to achieve this equilibri-

#### **ORGANISATION SIZE AND CLASSIFICATION OF AWARDS**

Whith a greater number of organisations participating in this year's study, there was major variation in terms of employee strength. As the complexities and challenges vary with the size of the employee population, we believe it would be apt to felicitate organisations that rank among the three best in class in their respective employee strength category. STAFF STRENGTH This includes the Top Three in the Small Organisation Category; Top Three in the Medium Organisation Category; and Top Three in the Large Organisation Category.

CLASSIFICATION Top Three Multinational Corporations in Sri Lanka – With a healthy representation from multinational companies (MNCs) in the 2015 study, we are recognising the top three ranking organisations from among MNCs in Sri Lanka, based on both the high employee perceptions via the Trust Index survey and robust people practices evaluated through the Culture Audit.

Winners in each category will be announced at the Great Place to Work Sri Lanka awards ceremony, scheduled for June. With a greater number of organisations participating in this year's study, there was major variation in terms of employee strength...





Heritance Kandalama



feritance Ahungalla





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#### 99X Technology

ith a passionate employee cadre that is encouraged to be 'leaders without titles,' 99X Technology lays claim to having established a culture that is self-organised and motivated. This engagement is reflected in the way it conducts business, having received multiple accolades in numerous arenas. Headquartered in Colombo, 99X Technology also has a strong presence in Norway, to cater to its European clientele.

From the point of hiring, 99X Technology seeks individuals with a '99XT mindset.' This ensures that the organisation hires the best fit, specifically individuals who thrive in a casual, fun-loving environment. To this end, 99X Technology has a number of internship and pre-internship programmes, and also a social media headhunting programme that seeks talent to suit its requirements.

The 99X Technology appraisal process has been formulated to align with its corporate values, and is used to guide and evaluate employees on four corporate values – viz. a culture of openness, being responsible, accepting challenges and delivering excellence.

99X Technology also promotes and assists team members to contribute to the global software industry by publishing research papers and opensource frameworks, and participating in conference proceedings, among others.



Being ranked in this esteemed list time and time again is a landmark achievement for us, and we look forward to continuing to be a leader in pioneering workplace practices. All this would not be possible without our people, who enable us to keep innovating and forging ahead on every front...

Mano Sekaram Chief Executive Officer and Co-Founder

#### **AIA Insurance Lanka**

IA Insurance Lanka is an arm of AIA Company Limited, Hong Kong – one of the five largest insurers in the world, by market capitalisation. With a strong belief that its people are the critical factor in its success, AIA strives to create an environment of high performance which fosters care, respect, trust and engagement.

The organisation's vision of becoming the pre-eminent life insurer is ingrained in the psyche of its team members. This mindset is part of its DNA, and has encouraged employees to give their best for the organisation, resulting in the rapid growth of both its life and general insurance businesses in Sri Lanka.

With 'doing the right thing the right way, with the right people, for the right results' as its operating philosophy, AIA believes in developing and equipping its leaders with skills and competencies they require.

Coaching is the preferred leadership style at AIA. The AIA Manager and Manager As Coach (MAC) series is its core leadership development initiative – one which guides managers to embrace an empowered leadership model that is influenced by a coaching leadership style. The entire executive committee and all senior managers attend this programme, which affirms that leaders encourage empowerment and lead by example at AIA.



We aspire to do the right thing, the right way; and we have the right people to combine these aspects, to reach our ambitious targets. In that context, our people's psychological bond with the company is of definite primacy. GPTW provides us with an impetus of focus in this priority...

Shah Rouf Chief Executive Officer

#### AkzoNobel Paints Lanka

global Fortune 500 company and leader in decorative coatings, AkzoNobel is home to some of the best brands in the business, bearing the hallmarks of trust and quality. Safety, integrity and sustainability are its core principles.

It firmly believes that 'we can only grow our business as fast as we can grow our people.' AkzoNobel is committed to investing in employees' future and making their ideas go far – developing, sharing and utilising everyone's personal strengths to win together, as a team.

AkzoNobel takes pride in developing its employees through global training and skill development programmes, the unique feature being that training modules are customised to team members' individual capabilities and job scope.

The company doesn't tolerate harassment or exploitation of children. AkzoNobel Paints Lanka gives back to the community, by adding colour to the lives of abused children through the Dulux Child Protection Trust Fund (CPTF) – these children's education is funded, so that they develop into balanced individuals who are skilled, able to contribute to society and lead normal lives. AkzoNobel's staff engages in various fundraising projects, and dedicate their personal time to bond with these children, as the cause is dear to each employee.



The team makes the company what it is; the rest is bricks and mortar. At AkzoNobel, there is a shared feeling of belonging, pride and mutual support. Team members have a genuine commitment and love for the company, and are passionate about their roles. I'm proud to be part of a great team...

Gerald De Saram

#### Managing Director and General Manager

#### attune Lanka

Providing technology solutions to leading brands in the fashion and lifestyle space, attune Lanka occupies a niche position in the IT consulting sector. Its consultancy services, coupled with effective technology solutions, have made attune a sought-after solutions provider. And attune Lanka attributes much of its success to its employees, who possess cutting-edge competencies and a great attitude.

Competing effectively against recognised global players in the consulting sphere has instilled a sense of pride in attune Lanka's team. The organisation ensures that it sustains a high level of pride and ownership on the part of team members, by offering a challenging work environment, allowing employees to take on key responsibilities and permitting them to take risks that could benefit the business.

Over the years, attune Lanka has developed a well-knit, family-like culture. It believes in empowering teams and individuals to work independently. With a workforce that operates from around the globe, attune Lanka also ensures that it keeps team members connected through ONEattune – a robust collaboration platform.

And last but not least, a comprehensive induction programme ensures that new recruits are duly immersed into attune Lanka's corporate culture.



Every individual at attune Lanka has played a vital role in our success over the years. We have that sense of ownership and belonging every day, as we walk through the door. This achievement is no different; we owe it to our entire team, for making attune Lanka a great place to work...

Hiranjan De Silva Chief Operations Officer

#### Bharti Airtel Lanka

harti Airtel Lanka is a subsidiary of the global telecommunications company Bharti Airtel, which is headquartered in India's capital New Delhi. Bharti Airtel currently operates in over 20 countries across Asia and Africa.

The organisation is all about openness, and has placed a high level of emphasis on including employees in its day-to-day decision-making process. From town hall meetings, which are used as public appreciation forums, to Strategic Projects (STRAP), where employees are included in the decision-making process and encouraged to take ownership, Bharti Airtel Lanka goes out of its way to create a workplace that is alive, inclusive and respectful.

STRAP is a programme that comprises cross-functional members focussing on the key strategy of the organisation, giving employees an opportunity to be a part of the key decision-making process of the business, while taking ownership and accountability.

The organisation is also committed to providing opportunities to nurture talent and build exceptional capabilities, by accelerating careers and enabling development. With its continuous commitment to identifying and developing key talent, the telecommunications company has provided a platform of career progression that is based purely on performance.



As the youngest telecom operator in a highly competitive and regulated market, the utmost importance is placed on our team – our strength. It's not just a job; it is an enriching career with challenging growth opportunities that we provide, making Bharti Airtel Lanka a great place to work...

Suren Goonewardene

Chief Executive Officer and Managing Director

#### DHL Keells

s a global logistics brand with more than 325,000 employees in over 220 countries and territories worldwide, DHL connects people and businesses, enabling global trade flows. With specialised solutions for growth industries and an unrivalled presence in developing markets, DHL is positioned as 'The Logistics Company for the World.'

DHL Express, part of the Deutsche Post DHL Group, places equal value on ensuring the success of all stakeholders: customers, employees, investors and the planet. DHL drives its corporate responsibility programmes under the motto 'Living Responsibility,' and believes in engaging employees and nurturing talent.

The Deutsche Post DHL Group development plan caters to all employees, and is designed for a performance and career development owned by the employee and supported by the manager. DHL Express celebrates its employees through an 'As One' staff appreciation week, when events are run in offices around the world, to entertain, relax and celebrate the contributions of employees.

DHL Express also places emphasis on building an Insanely Customer-Centric Culture (ICCC), driven by a cross-functional team at country level that focusses on taking ownership. This involves employee collaboration to improve service and drive customer loyalty.



What makes us stand out as an employer of choice and creates a winning culture are a range of initiatives, including our awardwinning Certified International Specialist training and development programme, staff appreciation initiatives and Employee of the Year award, to recognise top performers...

Dimithri Perera Country Manager

#### **Diesel & Motor Engineering**

or 75 years, Diesel & Motor Engineering (DIMO) has been a corporate powerhouse, and it attributes its success to its employees – the 'DIMO tribe.' In an industry where customer service is a differentiating factor, DIMO's efforts to create an environment of trust, support and respect have reaped rich dividends, with employees delivering customer delight and doing more than what is asked of them.

DIMO offers 'Making Work Enjoyable & Rewarding' as its employee value proposition; and by creating value through engaging employees, it believes in collaborating with its employees at every given opportunity.

Collaboration instils a family or 'tribe' mentality amongst DIMO employees, and is deemed vital for workforce cohesiveness, industrial harmony, organisational development and creating a learning organisation. It also builds a sense of ownership and responsibility amongst employees.

Effective management of tacit knowledge has become vital, today. To address this, DIMO has identified veteran business leaders who have acquired a wealth of experience and possess specific industry know-how to impart at Knowledge House forums. This programme encourages experienced employees to share their tacit knowledge with the current generation – and ensure that it is passed along.



Creating a great place to work is not an option for DIMO; it is an imperative. We do our very best to create and maintain a working environment that is conducive to this goal – one in which each and every team member trusts, respects and supports each other, and celebrates success in unison...

Ranjith Pandithage Chairman and Managing Director

#### **E-W Information Systems**

full-spectrum service provider in the IT industry, E-W Information Systems (e-wis) is a pioneer that has achieved many milestones during its 28-year history. One such revolutionary step was the establishment of Sri Lanka's first state-of-the-art Original Device Manufacture plant in Hambantota, which supports new jobs and skills development in the district, and is a source of pride for employees.

At e-wis, special attention is paid to recruitment, to ensure that the right people are hired for the job. Apart from the skills they possess, employees are assessed on how well they would fit in with Team e-wis, to further the company's goal of creating a culture of family bonding. Equal opportunity in hiring is afforded to female applicants, to promote their inclusion in a typically male-dominated industry.

CSR is a key motivator for e-wis. It advocates a Go Green Policy by introducing and promoting programmes such as e-waste management systems to customers, inculcating a 'Go Green' concept and encouraging environmental responsibility among employees.

Education is another focus area, as e-wis endeavours to help create a knowledge economy by donating computers to government schools, to increase digital access among students and equip them with 21<sup>st</sup>-century skills.



This recognition – as a great place to work – is a tribute to the loyalty and commitment of the 'e-wis family.' Our staff is our greatest asset. We're proud to be carving out a name as a firm that supports technology solutions that are created by the people, for the people of this nation...

Sanjeewa Wickramanayake

Chairman and Chief Executive Officer

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#### F. J. & G. de Saram

Peing the oldest and among the most prestigious law firms in the country, the pre-eminence enjoyed by the practice continues to this day. The firm is reputed for its integrity and high service standards. Its bold and innovative approaches and strategic thinking are key qualities – they are the reason the firm has delivered many legal firsts in Sri Lanka.

Its ethos and encouragement to each and every lawyer is to be an individual practitioner, while drawing on the vast expertise and values of the firm. An enviable client base of top local and foreign corporates and multilateral organisations provides the firm's lawyers with the unique opportunity of participating in high-level, complex commercial transactions.

HR practices are not mere tools, but an integral part of the professional ethos. Career and professional development includes legal education programmes, training by way of secondments to corporates and international law firms, and career progression based on performance.

Since 2001, the firm has provided day-care infrastructure for the young children of its lawyers to be cared for during working hours, by qualified nursery teachers. Meanwhile, at its annual retreat, lawyers brainstorm on topics relevant to their practice in the firm.



#### Gamma-Pizzakraft Lanka

The Sri Lankan franchise of the multinational pizza sensation based in the US, Gamma-Pizzakraft Lanka is a professionally managed group with extensive experience in working closely with international partners in the food and beverage industry.

As an employer, Gamma-Pizzakraft Lanka takes immense pride in being an equal opportunity employer, and company policy focusses on removing barriers to employment opportunities and ensuring that access to jobs is based strictly on individual competencies.

With employees ranging from 16 to 55 years of age, serious emphasis is placed on training and development. This gives everyone a chance to shine. With programmes such as Champs and appointing buddy trainers for separate areas, new team members are offered a thorough orientation, which introduces them to the organisation's culture.

The Master Chef Programme drives engagement amongst employees, and is an inter-outlet competition where each outlet introduces innovative pizza recipes to a panel of judges. The best recipe is included in the menu and the best performing outlet is financially rewarded.

Customer Maniac takes the concept of contribution to a new level, with every member being given the freedom and empowerment to help anyone in need, while at work.



Our dream is to get our people on the front page of everything we do. We measure success by the 'happiness index' of our team, and let profit and stakeholder satisfaction emerge as a consequence. We are proud to create an environment where everyone is encouraged to realise their dreams!

Amar Raj Singh Managing Director

#### GlaxoSmithKline Consumer Healthcare

laxoSmithKline (GSK) is one of the foremost multinational, scienceled health care companies that specialises in researching and developing a range of innovative pharmaceuticals, vaccines and consumer health care products. One pillar of GSK's business strategy is dedicated to talent and culture, to ensure that it delivers success by facilitating a highperformance culture which is guided by core values and an ethical guide to business conduct.

The attributes of GSK's Employee Value Proposition makes it unique. GSK offers employees a sense of purpose, and the opportunity to make a meaningful difference through their shared commitment to improving the quality of human life, by enabling people to do more, feel better and live longer.

GSK provides employees with numerous opportunities for personal and professional growth, to be the best they can be in a stimulating, healthy environment. It is also an aligned, performance-driven organisation.

The desire of employees to contribute to the community is fulfilled through GSK's unique programmes such as PULSE (where employees identified with the 'PULSE Gene' are released for three to six months, with pay, to work for an NGO) and GSK Orange Day, a day dedicated for employees to perform community service in Sri Lanka.



We are delighted to be included in the list of Best Companies to Work For in Sri Lanka, for the third consecutive year. This is a valuable independent affirmation that employees of GlaxoSmithKline Sri Lanka trust the people they work for, enjoy their company and take pride in what they do...

Kumudini Welmillage Director – Human Resources

#### **IFS R&D** International

global enterprise applications enterprise, IFS is a recognised leader in providing business software to companies. With over 2,700 employees and 2,400 customers worldwide, IFS is present in more than 60 countries.

Since 1997, IFS has established itself as a leading software development company here, in Sri Lanka. IFS believes in investing in its people, as it is the team – together with a strong, positive organisational culture – that has been central to its success.

The IFS culture reflects a mix of performance, results, teamwork, flexibility, creativity and innovation. It is inculcated among employees that each and every individual should take active ownership of his or her performance, and be responsible for reaching predetermined goals. For IFS employees, balancing work and personal lives is a prerogative – this is a critical component of IFS' employee value proposition.

All IFS managers are promoted from within the company. And IFS Leadership Competencies are considered when promoting employees. Candidates for managerial positions are requested to undertake a structured personality test – an Occupational Personality Questionnaire (OPQ) – to ensure that they are aligned with job expectations and, most importantly, the IFS Leadership Mindset.



We are happy and take pride in being selected, for the second year in a row, as one of the Best Companies to Work For in Sri Lanka. This is an endorsement and a reflection of the importance we place on our staff, through challenging work, leadership, empowerment and a great work culture...

#### Ranil Rajapakse

Vice President and Chief Operating Officer

#### MilleniumIT

systems integrator business. The company mapped its way to success as a capital markets software designer, resulting in the rapid expansion of its business and operations over the past 19 years. Operating in a people-centric industry, MillenniumIT goes out of its way to ensure that its employees are motivated and engaged.

MillenniumIT takes pride in its corporate headquarters – a Silicon Valleystyle software campus. The facility has been designed to promote a balanced lifestyle, with features such as a fully equipped sports centre, pool, crèche and restaurant, all of which employees and their families are encouraged to utilise.

It also embraces a unique methodology for performance management and career paths, whilst offering highly competitive benefits and compensation. Flexi hours are also on offer. MillenniumIT promotes an open-door culture, which is complemented by a flat organisational structure. Potential employees also experience this openness and transparency. Every year, prospective recruits are invited to MillenniumIT's offices, to spend a day with its team. This provides students with a realistic job preview, and gives them opportunities to interact with top IT professionals.



We believe that to win in the marketplace, we need to win in the workplace. It is an honour to be recognised as one of the Best Companies to Work For in Sri Lanka. This is a testament to our commitment to provide a world-class working environment, benefits and facilities to our team...

Mack Gill Chief Executive Officer

#### **Oxford College of Business**

he only education provider in the country to maintain dual ISO 9001:2008 and ISO 14001:2004 certifications, Oxford College of Business is one of the nation's premier business schools. It offers some of Sri Lanka's most extensive undergraduate, postgraduate and professional courses.

Oxford College of Business views its employees as assets, and believes that motivation lies not only in an above-average pay cheque, but also in laying out a well-defined career development plan. To this end, Oxford College of Business goes so far as to create individualised succession planning for all its employees, offering them a clear view of how career progression takes place within the organisation.

And Oxford College of Business goes out of its way to ensure that employees enjoy a healthy work-life balance. Its insurance policies and leave allowances are generous, and employees lovingly refer to Oxford College of Business as their 'second home.'

A holistic hiring process is in use, with lecturers being evaluated by peers, management and students prior to recruitment, by inviting potential team members to attend a guest lecture. This all-encompassing evaluation process ensures that Oxford College of Business hires the best fit, in terms of its existing team and customers.



Having a world-class team at Oxford College of Business is truly a blessing from God alone. At Oxford College of Business, it is all about treating people with respect, in addition to supporting their creative endeavours. Treating people with respect is more important than making money...

Malindu Ranasinghe Director and Chief Executive Officer

#### Prime Lands Group

rime Lands is a leading Sri Lankan enterprise which aims to be the best real estate company in South Asia, by 2020. From its humble beginnings as a small property venture with only four members, Prime Lands is now an organisation with 195 employees, managing diverse locations across the country.

Its culture is built around offering employees opportunities to be recognised and rewarded for high performance. Training programmes focus on the varied needs of employees and provide soft skills training, in addition to technical knowledge.

Employees take immense pride in the company's reputation for unparalleled professionalism, upholding the highest standard of professional ethics and industry best practices in all its dealings. Prime Lands' values are encapsulated in the 'Prime Song,' which is proudly sung by employees every morning.

New recruits are assured of a warm welcome on their first day, and the human touch is a central element. The newcomer is taken on a tour around the office and introduced to employees of all departments – even senior management makes it a point to personally welcome them. Employee orientation includes cultural training, motivation, sharing experiences and setting individual expectations, to enable unimpeded performance in the future.



The secret formula that we, at Prime Lands, believe in to add value to our employees' lives would be that we always encourage them to realise their true potential, by providing maximum job security. By doing so, all employees earn a social recognition for the betterment of their lives...

Sandamini Perera Deputy Chairperson

#### Singer (Sri Lanka)

when it introduced the sewing machine to consumers, Singer's product portfolio has diversified to encompass a highly successful multi-brand strategy – one which combines products of leading global marques with the company's own products, across a range of household, industrial and financial categories.

Singer (Sri Lanka) has a unique human touch in all its practices. The organisation maintains a supportive environment and encourages worklife balance as one of its core values, with initiatives that go so far as to include the children of employees.

A special focus is also seen in the spheres of career progression and succession planning, giving team members a well-defined and individualised development framework. In addition, Singer (Sri Lanka) has introduced many novel initiatives to engage and drive its Generation Y workforce.

Laying claim to the first ever Rotaract Club initiated by a corporate house, and its highly engaged Toastmasters Club, Singer (Sri Lanka) has certainly placed an emphasis on empowering the next generation of leaders in this country.



We strive to do our best for every staff member. We also expect all staff members to do their best. We have created an environment that is conducive for work. And our pay levels and benefits are above average – we engage staff and their families, and train and provide career opportunities...

Asoka Pieris Chief Executive Officer

#### Taj Samudra Hotel

member of the international Taj Group, Taj Samudra Hotel is a symbol of luxury and hospitality. Taj recognises that human endeavour is at the heart of its five-star service. A sense of family prevails at the hotel, and employees are proud to belong to the 'Taj Family' – a title that encompasses not only employees, but their families as well.

Taj employees enjoy fun and rewarding experiences such as the Taj Family Day and monthly Birthday Bashes, as well as Associate Holiday Plans and Long Service Awards to thank staff for their unwavering service. Family members have a prominent place in these celebrations.

Walking through the corridors of the hotel's offices, members of staff are showered with daily inspiration through the many motivational quotes, posters and success stories displayed on the surrounding walls. It is a constant reminder that 'with the tools and a host of developmental options provided, how you grow with the Taj is only limited by your imagination.'

Taj also makes commendable efforts to boost sustainable tourism and integrate environment management in all facets of business, through its corporate social responsibility theme of Building Sustainable Livelihoods and the Environment Awareness and Renewal at Taj Hotels (EARTH) programme.



No matter how advanced technology becomes, the human factor is by far the key to success. Taj Samudra Colombo fervently believes that people are the key drivers of business. This is why our associates are not just people who work with us, but an integral part of our success story...

Rohit Khosla

Former Area Director (Sri Lanka) and GM

#### Triumph International Lanka

Priumph International is one of the world's largest intimate wear manufacturers and retailers, with a history spanning over 125 years and a presence in 120 countries. Currently celebrating 20 years in Sri Lanka,

Triumph is the largest player for branded lingerie in Sri Lanka – and, by default, the market leader and category builder.

The culture at Triumph International Lanka is built around the concept that core competencies are 'at the heart of everything we do.' The working environment is one where everyone is open to and actively seeks feedback, and all are encouraged to learn from their mistakes, as well as from new situations and changing environments. The work-life balance is a focal point, as the company caters to a staff cadre that is predominantly (70%) female.

Passionate employees are valued as Triumph's greatest assets and brand ambassadors. It instils pride and recognises staff contributions through the Triumphator Awards, which identify examples of high-performance behaviour in seven areas: business generation, creativity and innovation, cost savings, customer orientation, environmental orientation, social responsibility and leadership.

The programme is conducted in every country, and the winners are up for selection to compete on a global platform.



People power is the engine that drives Triumph International Lanka. Every success we've encountered in the past 10 years can be traced back to the programmes and protocols we have put in place, to upskill and empower our people. It's a strategy we fully intend continuing in the future...

Shalindra Fernando General Manager – South Asia

#### **Union Assurance**

or over 25 years, Union Assurance has held the mantle of being one of the largest providers of insurance solutions to the nation and its people. With trust being a hallmark of its brand and value proposition, it is not surprising that placing faith in and engaging with employees is second nature to Union Assurance.

The long-standing insurer has looked to its employees as the driving force behind which it strives to change the landscape of the insurance sector in this country, going forward.

Union Assurance takes pride in being deeply rooted in its values. One of its values is 'ethics and integrity,' and all employees are expected to 'do the right thing always.' With an emphasis on practising these values, Union Assurance recognises and rewards team members who adhere to the firm's code of ethics.

Believing in the immense value of instant recognition, Union Assurance has implemented a Superior Performance And Recognition (SPAR) scheme which empowers line managers to reward team members when they identify superior performance, in terms of upholding the organisation's values.

SPAR is not only aimed at employee recognition, but is also a management tool that is used to empower line managers to positively reinforce 'living Union Assurance's values.'



We endeavour to create a high-performance culture, in line with our vision and core values, at all times. This award is a tribute to all team members of Union Assurance, who have worked tirelessly to achieve our business objectives, while supporting each other to reach their potential...

Director and Chief Executive Officer

**Dirk Pereira** 

#### Virtusa

Ounded in the United States in 1996, Virtusa has grown into a NAS-DAQ-listed company with over 9,000 employees, in 13 geographies. With a penchant for creating the optimal work environment, Virtusa is known to be people-focussed, open, fair, collaborative, and conducive to continuous learning and personal growth.

With 76 percent of Virtusans around the world and 82 percent in Asia being millennials, Virtusa has adapted to offer a work environment that suits their personas. Millennials are the driving force behind its tech prowess. Hence, Virtusa makes every effort to keep them driven, which has helped the company retain its edge.

Bearing in mind the innate traits of millennials, Virtusa strives to create the Sunday night computing experience on Monday mornings, at work. Its proprietary social business platform V+ provides social collaboration, document and innovation management, video and enterprise services, social performance management and gamification, to teams spread across different functions and geographies.

Through V+ and related platforms, Virtusa has achieved gamification around core business outcomes. Personal dashboards, leader boards and contests earmarking quality, productivity, client delight, innovation and knowledge management rev up delivery excellence.



We are delighted to be among the 20 Best Companies to Work For in Sri Lanka. This honour is directly attributable to our team members, corporate culture and V+ – our digital engagement platform which enables us to work with clients, to innovate and reimagine their future...

Kris Canekeratne

Chairman and Chief Executive Officer

#### GREAT WORKPLACES IN SRI LANKA | PROFILES



Q: What are the three most important ingredients of a great workplace? A: What makes a workplace truly great is the level of employee engagement. To foster a culture of empowerment, employees must be able to challenge norms without fear of repercussions.

Technology

This must be backed by respect and fairness towards all employees, enabling them to perform at their best. In turn, this creates a culture of appreciation that brings about employee comradeship.

Finally, an organisation must exhibit transparency and trust, created through leadership credibility, to offer employees a greater sense of control in their professional lives. It motivates them to pursue their aspirations and relate personal goals to organisational growth.

**Q:** How much influence does senior management have on creating a great workplace?

A: We have a flat

organisational structure, where employees are encouraged to take on responsibilities – and empowerment is practised by our senior leadership. The management continuously assists team members to reach greater heights in their job roles, and is approachable. So a culture of openness prevails.

Q: What steps have been taken to build an open culture at 99X Technology? A: A culture of openness is a pillar of 99X Technology's value system. It has been



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Mano Sekaram Chief Executive Officer Co-Founder

instrumental in creating a great workplace. A 'no-door' policy with an approachable management team, casual chats versus organised meetings and constructive criticism are how we embrace an open work culture. Our flat organisational structure, with self-organising teams, plays a vital role.

# **Q:** Are your remuneration and rewards linked to performance?

A: We encourage employees to pursue their areas of passion, while delivering on their core job responsibilities. This is backed by a performancebased rewards and recognition system.

Our annual awards night – Blaze – is one such initiative, where employees are rewarded for excellence in various initiatives. In addition, a quarterly award and cash prize is granted to an employee who excels during this time. Company sponsored team outings, celebrating events such as a successful release, are also a common occurrence.

Employees' bonuses and increments are linked to performance, which is evaluated through a comprehensive system that includes a 360-degree assessment of competencies, customer feedback, etc.

Q: The needs of young team members are different to what one traditionally associates with members of staff. What policies are in place to cater to them? A: With a high percentage of young members on our team, we understand that they aren't merely motivated by financial inducements. Our flat organisational structure and encouragement of 'leaders without titles' allow them to engage in cross-functional activities, boosting morale in ways that financial incentives may not.

Youth also respond to regular feedback, which we facilitate as much as possible, in all our lines of work. Young staffers tend to place a higher priority on humanitarian work, which we have witnessed through our staff-led CSR programme, as it offers various opportunities to give back to society.







NCE Gold Award for Export Business & Professional Services (September 2013)





National Best Quality ICT Awards (NBQSA) Gold in Media & Entertainment (October 2014)





National Best Quality ICT Awards (NBQSA) overall Silver in all categories (October 2014)





Winner - National Business Excellence Award for ICT Services (December 2014)



www.99XTechnology.com Digitized by Noolanam Foundation. noolaham.org | aavanaham.org

#### GREAT WORKPLACES IN SRI LANKA I PROFILES

# DHL KEELLS

**Q:** What steps has DHL Keells taken to build an open culture in the workplace?

A: As a global organisation operating in more than 220 countries and territories, Deutsche Post DHL Group has a diverse set of employees from different cultural backgrounds, with expertise and specialisation in a broad range of areas. They work together, to meet our customers' needs.

This interaction helps create an inspiring and open culture, whereby we have the opportunity to experience the unique international spirit of our organisation. We also have an Idea Management system which provides a platform for employees to share their ideas, to improve our business processes and services.

#### Q: Are your remuneration and



Dimithri Perera Country Manager

rewards linked to performance? If so, how does this work? **A:** We have set Key Performance Indicators (KPIs), which are branded IKOs (Individual Key Objectives), to establish a strong link between an individual's performance, the organisation's performance and the reward plan.

In addition, we have quarterly and yearly awards which encourage excellence, by recognising topperforming, customer-focussed employees throughout the Asia-Pacific region. We offer commendations to employees, in addition to recognising and rewarding our long-serving team members.

Q: And how do you link remuneration and rewards initiatives with productivity? A: Each department has KPIs that drive productivity. They strive to achieve these KPIs through a harmonised approach between departments. Based on their performance, individuals who drive their KPIs are offered incentives. Thus, target-based incentives are a common feature in the organisation.

**Q:** What steps do you take to retain talented team members? **A:** One of our key thrusts for employee retention is driven through career growth and development opportunities. Employees who continue to deliver solid performance year-on-year, and those who demonstrate the right



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competencies and behaviours required in their respective roles, are offered these opportunities.

High performers have the opportunity to progress within the company, in our local operations or international network.

Q: What are the three most important ingredients of a great workplace? A: We want to be 'The Logistics Company for the World,' and our vision is

underlined in our mission statement – Excellence. Simply Delivered. This means we want to simplify the lives of our customers and ensure that our stakeholders are more successful, by making a positive contribution to the world.

We are an 'Employer of Choice,' with a winning culture. DHL has invested in improving staff service levels through the Certified International Specialist (CIS) and First Choice programmes. Also, the annual Employee Opinion Survey gives team members an opportunity to be heard.

Corporate responsibility is a core element of our business strategy. DHL has been a supporter of green issues in the workplace, and gives importance to the value of sustainability. 'Living Responsibility' is the motto of our comprehensive strategy for fulfilling CSR objectives. Our CSR programmes The senior management has a major influence on creating a great workplace, as it plays the role of coach, mentor and friend... focus on GoGreen (environmental protection), GoHelp (disaster response and management) and GoTeach (championing education and employability).

Q: How much influence does senior management have on creating a great workplace? A: The senior management has a major influence on creating a great workplace, as it plays the role of coach, mentor and friend. Our employees are also motivated through interaction and communication with senior managers, in a risk-free environment. We have a global programme dedicated to staff

appreciation – titled Employee Appreciation Week – where events are organised in our offices globally, to celebrate the contributions of employees. This is spearheaded by senior management.

**Q:** What does it mean to your team to be placed among the great workplaces in Sri Lanka? **A:** DHL Keells' selection as one of the 20 Great Places to Work in Sri Lanka for 2015 firmly reiterates its position as an employer of choice, and builds upon the many accolades it has received for being a trusted company.

DHL has received similar recognition in many countries around the world. In Sri Lanka, the company has gained that same trust and confidence from our own people.

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#### GREAT WORKPLACES IN SRI LANKA I PROFILES

# **DIESEL & MOTOR ENGINEERING**

Q: Could you tell us what it means to your team to be placed among Sri Lanka's best workplaces?
A: It means a lot to be among the best workplaces in Sri Lanka. However, more important are the significant milestones we have accomplished in delivering our employee value proposition of making work enjoyable and rewarding.

ECHNOLOG

At DIMO, we place the utmost value on our stakeholders, of which employees are a very important segment. Our responsibility towards employees, regarding their happiness and well-being, is reflected in every facet of our business.

Creating a great place to work is not mutually exclusive to building



Dilrukshi Kurukulasuriya General Manger Human Resources



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a successful business, at DIMO. An enjoyable and rewarding workplace has been, and continues to be, an essential element of the company's strategic strength. We are pleased to be rewarded for it as a 'Great Place to Work' in Sri Lanka.

# **Q:** What are the three most important ingredients of a great workplace?

A: Trust is the foundation of our relationship with team members. We endeavour to gain the trust of our employees, so that they genuinely feel that DIMO is a great place to work.

Workplace fairness is maintained through a performance-based rewards system, a formal performance evaluation process and the Employee Council. Even the smallest of victories are celebrated across all departments and employee hierarchies. Our open-door policy, employee welfare programmes, and personal and team development exercises are among the other reasons for the Tribe to feel that DIMO is a Great Place to Work.

In my opinion, a great place to work is a result of the union of trust, cohesiveness and pride.

Q: What steps have been taken to build an open culture at DIMO? A: At DIMO, we have built systems and processes to communicate our values and beliefs to all our employees. Our values are part of the mantra which we live by. This mantra teaches us how



to be responsible and create decent profits for the organisation. An open culture is maintained via reinforcement of living values by all employees.

Q: Are your remuneration and rewards linked to productivity? If so, how does this work?
A: In our opinion, the only way to reinforce 'right behaviour' is through rewards. Our overall compensation strategy is based on the productivity of a person. Depending on his or her potential, each employee has a level of productivity to achieve.

However, productivity is not the only criterion we take into consideration, to determine remuneration and rewards.

Q: What steps do you take to retain talented team members? A: Retaining high-potential employees is part of our talent management process. We believe that engaged employees are less likely to leave. Therefore, all our Human Resources (HR) programmes are directed towards achieving employee engagement.

We have special provisions, especially in our development and compensation strategies, to retain people with high potential.

Q: How much influence does senior

We believe that no company can create a great place to work without the influence of the senior management... management have on creating a great workplace?

**A:** We believe that no company can create a great place to work without the influence of the senior

management. The influence they have on the culture is invaluable, as other employees see them as role models. Senior management lives the organisational values, and reinforces the desired behaviour from all employees.

**Q:** What lessons have you and your team learnt by participating in the survey conducted by Great Place to Work<sup>®</sup> Institute?

A: We are being featured in the Best Companies To Work For in Sri Lanka list for the third consecutive year. In the first year, we wanted

to know where we stood among the best places to work in Sri Lanka, and the world. DIMO was featured in the top 15 in 2013; and in the following year, we wanted to sustain our position.

During these two years, only a sample of employees participated in the survey, according to the norms of Great Place to Work Institute.

In the third year, we opted for a fullscale survey, to understand the opinions of all employees, irrespective of the competition. We received extensive positive and not-so-positive feedback, which will help us take corrective action, while leveraging on our strengths, to promote employee engagement within the organisation.

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#### GREAT WORKPLACES IN SRI LANKA | PROFILES

### **E-W INFORMATION SYSTEMS**

Q: What does it mean to your team to be placed among the great workplaces in Sri Lanka? A: Great Place to Work (GPTW) is an international barometer to gauge employee satisfaction, with the active participation of global organisations. We are, indeed, happy to be positively acknowledged by GPTW Sri Lanka.

The discreet manner in which the survey was conducted was exemplary, and this information will help us improve existing levels of employee satisfaction.

#### Q: And what steps have been taken to build an open culture in your workplace?

A: As a benchmarked company in the ICT sector, our customer touchpoints and business operations span the length



Sanjeewa Wickramanayake Chairman **Chief Executive Officer** 

NFORMATION SYSTEMS) MEDIA SERVICES PHOTOFILE (E-W



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and breadth of Sri Lanka. This particular facet of our organisation has resulted in employees from varying backgrounds embracing our work ethic, to ultimately satisfy end customers.

As Chairman and CEO, I spearhead the stream of communication within the organisation, to create a 'Team Culture' in our business endeavours. This Team Culture facilitates openness and affinity contagiously throughout the organisation.

Q: Are your remuneration and rewards linked to performance? A: Yes, financial performance is paramount; but that's not the only criterion on which we judge our employees. Employees' contributions are taken into account throughout the organisation, irrespective of position. Once again, our Team Culture highlights those who contribute tangibly and intangibly towards the company's activities.

Our rewards are not always financial; in addition, we finance employees who intend to upskill their knowledge, and also offer assistance when there are personal emergencies, irrespective of rank.

Q: What steps do you take to retain talented team members? And what challenges do you face, in this regard?

A: It is a challenge to retain highperforming employees in our sector, but we have carved a positive brand

image in the market. As a result, we are able to offer employees tremendous exposure, experience and networking opportunities, which will benefit them immensely in enhancing their career prospects.

We have been in the thick of things for the past 29 years, and paved paths for others to follow. The organisation's stature in the sector, we believe, is a motivation for people to work for us.

### **Q:** What are the most important ingredients of a great workplace?

**A:** A friendly, comfortable working environment is imperative to create a winning culture, as are challenges that are thrown to make life interesting at work.

We don't conform to set precedents, and the energy emanating from this reverberates throughout our organisation, making us a great place to work. Also, our brand image and status in the marketplace, plus an unwavering commitment towards society, makes our company a great place to work.

Another reason why we consider ourselves to be a great place to work is that we venture off the beaten track. For instance, we recruited 125 trainees with raw potential from the Hambantota District, for our computer manufacturing unit in Sooriyawewa.

Many were sceptical as to why we

Senior management plays a significant role in creating the necessary environment for managing a great workplace effectively... chose to manufacture in Sri Lanka, instead of importing and distributing; but we went ahead with this because, as an organisation, we thrive on challenges.

Having trained, guided and mentored these new recruits, we manufactured 58,000 computers last year. This is a tremendous achievement because, when we recruited – in Mirijjawila, back in 2012 – we faced many obstacles; but they were surmounted with great success. This amply demonstrates that we are a great place to work not just in Colombo, but elsewhere in the island as well.

Q: How much influence does senior management have on creating a great workplace? A: Senior management plays a

significant role in creating the necessary environment for managing a great workplace effectively. Ultimately, they act as catalysts for communicating down the hierarchy.

If senior management doesn't do this effectively, there will be gaps in communication – and this will hinder organisations like ours, as we're not bound by processes. We make real-time decisions, as the situation demands.

To thrive in such an environment, all employees should be aligned with the management's vision. In addition, members of staff should have an understanding of the speed with which we operate on a day-to-day basis.



#### GREAT WORKPLACES IN SRI LANKA I PROFILES

### **GAMMA-PIZZAKRAFT LANKA**

### **Q:** What steps have been taken to build an open culture?

A: We believe that transparency is critical for an open culture. All aspects of performance, including profitability, are shared across all levels. Business plans, targets and budgets are developed from bottom to top, to create a high degree of ownership.

Many important issues are decided by a Leadership Council that comprises second line managers. The Executive Committee actively pursues and demonstrates collective decision-making. Communication is given very high importance. All employees are empowered to raise their issues and new ideas in different forums, and equal importance is given to all these aspects, irrespective of which rank it comes from.

All internal committees are made up of



Amar Raj Singh Managing Director

MEDIA SERVICES PHOTOFILE (GAMMA-PIZZAKRAFT LANKA)



Digitized by Noolaham Foundation. noolaham.org48aayan2005 employees from different levels, and across all functions. Employees have direct access to the senior management team at all times. At the orientation stage, employees are clearly briefed on the culture of the organisation.

### **Q:** Are your remuneration and rewards linked to performance? If so, how does this work?

A: Yes, but we encourage teamwork by means of team incentives, rather than rewarding individual performance. Our rewards system is currently the best in the market. In addition to monetary rewards, we also reward hard work with leisure activities such as local and overseas trips.

### **Q:** What steps do you take to retain talented staff?

A: We run various programmes to identify and reward top employees. For example, the Champs Challenge scores team members on cleanliness, hospitality, accuracy, maintenance, people skills and speed.

All employees can apply for internal development programmes, without needing to be nominated by their superiors. Due to our high rate of growth, approximately 150 new job opportunities are created annually, enabling existing employees to climb the ladder. Most of our leadership team consists of internally promoted employees.

**Q:** The needs of young team members are different to what one traditionally associates with members



of staff. What differences are there? And what policies are in place to cater to their needs?

A: Ninety percent of our workforce is below 30 years of age, of which 65 percent is under 23. They come from various parts of the country. Almost all of them carry smartphones, and have access to the Internet and social media.

Our 'On Boarding' process is designed to cater to youthful aspirations, and includes various team-building activities. We have an HRIS System, which is linked to their smartphones, through which they can monitor their earnings and benefits. We have hosted events at which more than 1,000 employees have enjoyed themselves in one location.

### **Q:** What are the three most important ingredients of a great workplace?

A: Culture is the most critical ingredient for us. We believe that our main competitive advantage is our culture. Profit and loss accounts, projects and any other material can be copied and traced, but not the organisation's culture. Our culture is our greatest asset.

We also ensure that our people have the right environment and facilities. Remuneration, safe working conditions

Profit and loss accounts, projects and any other material can be copied and traced, but not the organisation's culture... and lodgings, in addition to job security, are key factors. Our culture is purely based on recognition. We don't wait until employees do a good job; we recognise them proactively.

Q: As for creating a great workplace, how much influence does senior management have? A: Interestingly, all senior members consider themselves to be HR managers. Executive members are given clusters to handle people and other matters.

The senior leadership team spends a considerable amount of time designing, revamping and implementing the company culture, as well as communicating it.

Q: What does it mean to your team to be placed among the great workplaces in Sri Lanka? A: It's a remarkable feeling, mainly because it's not judged by outsiders, but our own people. This is the second time we have received this award.

We strongly believe that as we become successful, we need to do more to motivate, sustain and improve the lives of our employees; because when you put people first, sales and profitability will follow.

FOOTNOTE Gamma-Pizzakraft Lanka is the sole franchisee for Pizza Hut and Delifrance in Sri Lanka. It manages the operations of the O! bars and restaurants.

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#### GREAT WORKPLACES IN SRI LANKA I PROFILES

### **IFS R&D INTERNATIONAL**

#### Q: What does it mean to your team to be placed among the great workplaces in Sri Lanka? A: It is certainly a very

rewarding experience to be identified as one of the great places to work in Sri Lanka – for the second consecutive year.

We strive to make IFS a place where people enjoy coming to work. It is important to us that they enjoy the work they do and the company of the people they work with. And to know that our efforts have yielded the desired effect is extremely heartening.

Q: In your view, what are the most important ingredients of a great workplace? A: Trust, pride and camaraderie. Trust is the ingredient that binds the organisation together - i.e. trusting that management is capable of running the business, cares about its people, will be fair and ethical in its practices, recognises and rewards achievements, and understands that mistakes do happen.

Pride is another key element. People need to feel that what they do makes a difference, and that each of them is important to the organisation, and is valued. From this stems selfesteem and confidence which steer people towards performing better.

People inherently need to feel that they belong. As such, camaraderie is a vital part of a great workplace. Through camaraderie, people feel that they have a strong support system, and that they're not alone in demanding situations. This creates an environment in





Ranil Rajapakse Vice President Chief Operating Officer

which people can give their best.

## **Q:** Could you describe the steps that senior management takes to retain talent?

**A:** At IFS, we conduct a talent management programme, to ensure that talented team members remain with the organisation and continue to yield high performance.

Managers have regular discussions with individuals, focussing on expected results and providing the mentoring that is needed to achieve desired outcomes. Each individual is made aware of his or her importance to the organisation's success. And this, in turn, generates motivation, inspiration and pride.

**Q:** How much influence does IFS' senior management

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### have on creating a great workplace?

A: Senior management plays a pivotal role in creating a great workplace, driving the direction of the company and working closely with employees, to guide them towards achieving organisation goals.

As a result, their ability to make sound decisions, motivate employees, acknowledge and appreciate their team, and be approachable and accessible to team members at all times is of paramount importance.

**Q:** Could you describe the steps that have been taken to foster an open culture at IFS R&D International? **A:** We have a flat structure, where any employee has the freedom to discuss concerns or issues with any level of management. We encourage a feedback culture – a concept that is inculcated from the inception of employment, through an induction programme.

IFS does not offer special perks to managers. Managers do not have separate cubicles, but sit with their team members in open workspaces. All employees, regardless of their designation, have the same food in a common lunch room. These initiatives have contributed towards fostering an open culture at IFS.

EDIA SERVICES PHOTOFILE (IFS R&D INTERNATIONAL)

## OUR MONDAYS ARE GREAT BECAUSE OF IFS

Our work culture is hard to replicate anywhere and our colleagues are more than just co-workers; they are friends. It feels great to be a valued member of a caring and supportive organization. We take pride in working at IFS and serving our world class customers.







IFS is a global leader in developing and delivering business software for Enterprise Resource Planning (ERP), Enterprise Asset Management (EAM) and Enterprise Service Management (ESM). IFS has been operating in Sri Lanka since 1997, and is one of the leading software development companies in the country with more than 750 staff members. IFS supports more than 2,200 customers worldwide from local offices and through partners in more than 60 countries.



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#### GREAT WORKPLACES IN SRI LANKA I PROFILES



Q: In your opinion. what are the three most important ingredients of a great workplace? A: We believe that mutual understanding is one vital factor which contributes to creating a great workplace. Both management and employees should act in unity, and cultivate a sense of comradeship that propels the company to become a place that is pleasant and inviting to all team members.

PRIME LANDS

Management must ensure that job security is high, along with creating a balanced worklife for employees. In return, employees should maximise their utilisation and work towards achieving utmost efficiency - this will ensure that we remain a great workplace.

Integrity is another crucial ingredient of a healthy work relationship. This is what truly builds a great place to work.

And finally, fairness must be embedded into the ethical outlook of each and every member of the team, and a sense of respect should be established. All individuals must be treated as equals, through rewards and compensation. In addition, team members should be given equal opportunities, and they must also feel that they're heard in the workplace.

Q: Has the organisation taken steps to build an open culture in your workplace? If so, what are they? A: We have established a flat management hierarchy, while open-door team structures ensure friendly management access at any given time.

Top and line managers make



Sandamini Perera **Deputy Chairperson** 

an effort to stay close to our employees. Mutual brainstorming sessions are a frequent occurrence which. in turn, enables fairness in decision-making. We also make it a point to celebrate our achievements with all our employees.

#### Q: And what steps does Prime Lands Group take to retain talented team members?

A: Performance-based pay plans, overseas tours, foreign training and attractive bonuses are incentives that encourage employees to achieve their targets. Compensation, a great rewards system and scholarships for employees' children up to the end of their university education are all part of our unique way of retaining the most talented team members.

Q: What lessons have your

team learnt by participating in the survey conducted by Great Place to Work® Institute Sri Lanka? A: This is our first time, so it is a new experience for us! I would like to thank our Human Resources Department for all their hard work and dedication. At the end of the day, award or not, we've realised that people have begun to identify the name Prime Lands as an exceptionally rewarding place to work!

#### Q: How does your team view being placed among the great workplaces in Sri Lanka?

A: It is a great honour for us. Our team is immensely grateful, and proud to receive this recognition. Stakeholders, too, have begun to realise that the company really is a great place!

Through the survey, we have gained third-party recognition, which means a lot to us. It is rewarding to know that we are placed amongst the best. This will improve our team's productivity, and is a real source of encouragement.

Furthermore, since the survey was completed, we have begun to receive numerous requests from individuals who would like to be part of this great team!



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## COMMITTED TO CREATE A GREAT PLACE TO WORK WITHIN

We started operations in 1995 with the mission "committed to create a better place on earth" and to revolutionize the real estate industry in Sri Lanka by providing our customers with beautiful lands and houses to live in across the country. Our aim was to create the most productive and rewarding working environment possible along with an environment that would inspire and excite employees every day. Our people are passionately driven and they are dynamic personalities, we believe in adding value, nurturing and building them thus making them future leaders.

After all, we are a single team and all our employees are like family to us. We spend most of our time in our lives in our office environment.

We're proud to be listed as a Great Place to Work in Sri Lanka by Great Place Institute, a global management research and advisory firm together with LMD.

This honour reinforces our commitment to our people and the growth of Prime Lands Group.

**PRIME LANDS GROUP** 

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#### GREAT WORKPLACES IN SRI LANKA I PROFILES



Q: In your opinion, what are the three most important ingredients of a great workplace? A: People make workplaces. This is why we feel that the people you work with are very important in creating a great workplace. The meaningfulness of the work that they do comes second, as it gives the employee a sense of accomplishment. We believe that happy employees are those who maintain a balance between their work and life.

INGER

Q: How does Singer (Sri Lanka) retain talent? A: Different individuals seek different outcomes from work. While status and a source of income are basic needs, they look for variety, when it comes to the manner in which they are rewarded for their work. Thus, Singer acknowledges the importance of recognising these differences, in the process of retaining talented team members.

Q: Are your pay levels and rewards linked to performance? If so. how does this work? A: Yes, our remuneration and rewards are linked to performance. Annual increments are based on performance ratings of employees. There are several awards - such as the Balance Performance Award, President Club Awards and Diamond Club Award - where top performers are rewarded annually. In addition, at our annual marketing convention, the entire awards strategy is based on performance.

Q: The needs of young team members are different





Chitral Perera Director Human Resources

to what one traditionally associates with members of staff. What differences are there? And what policies are in place to cater to them?

A: When Gen Y is taken into consideration, it is evident that young people seek career development, CSR, the ability to enjoy themselves and freedom, in addition to traditional needs such as status and good remuneration packages.

Apart from fulfilling the traditional needs of employees, the company has initiated many other activities to make the workplace more enjoyable – for example, a monthly movie screening, Poson Udanaya, talent contests and quiz competitions.

The highlight of activities targeting the youth include the implementation of the firstever corporate Rotaract club,

Digitized by Noolaham Foundation. noolaham.org54aayaeabasn prop which consists of young team members who are interested in community service, professional development and international relations.

Q: What steps have been taken to build an open culture at Singer? A: All employees can meet senior management – including the CEO – without the need for prior appointments, to offer their suggestions or discuss any matter. Senior management works hand in hand with all levels of employees, in many activities pertaining to internal communications.

**Q:** And last but not least, what lessons have you and your team learnt by participating in the survey conducted by Great Place to Work Sri Lanka?

A: Participating in the Great Place to Work survey was a real eye-opener, as we were given an insight into areas that can make our company even stronger than it is. It showed both our strengths and weaknesses.

We are also grateful that the strength of the bond we have with our employees, and their loyalty towards the company, came to light during the course of the survey.

# Peoples Brand

# Youth Brand



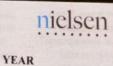




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#### GREAT WORKPLACES IN SRI LANKA I PROFILES



### TRIUMPH INTERNATIONAL LANKA

Q: Do you believe that we, as a nation, should focus more on how peoplefriendly our workplaces are? A: Sri Lankan workplaces can be too people-friendly, where objectivity and accountability are replaced by nepotism and a lack of standards, purely because of a desire not to upset people.

If people are leaving Sri Lanka, it's not due to our workplaces being unfriendly, but because there is no growth and personal development. So, if at all, we should focus on building workplaces that emphasise performance, while maintaining individual engagement and motivation.

**Q:** What are the three most important ingredients of a great workplace? **A:** They include an open,

progressive and transparent culture – to enable all employees to contribute to the business to their maximum potential. Next comes employee engagement – to keep everyone focussed and energised, creating synergies and amplifying effectiveness. And finally, appropriate rewards and recognition are a must – so that the 'what's in it for me?' question is clearly answered, and a higher level of output is encouraged.

Q: What steps have been taken to build an open culture in your workplace? A: We have implemented many measures to ensure an open culture. These include monthly town hall conversations, which we call 'Triumph Team Time.' These meetings include all team

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Shalindra Fernando General Manager South Asia

members, the objective being to update them on strategy and progress, and seek direct feedback.

Also, biannual conferences are held to establish our vision, strategy and priorities, with the Triumph Values being reinforced.

### **Q:** Are your remuneration and rewards linked to productivity?

A: There is more to be done in this area. It is evident that in the sales function, the linkage is stronger. In other functions, it is less so. However, we focus heavily on special rewards and recognition, encouraging employees to go the extra mile, no matter which part of the business they belong to.

**Q:** What steps do you take to retain talented team members?

**A:** We keep them challenged! This is mainly by way of promotions, job enlargement and rotation, and other special projects.

Q: What lessons have you and your team learnt by participating in the survey conducted by Great Place to Work Sri Lanka? A: The survey reminded us that our main employee satisfaction lever is our company culture - which is open, progressive and transparent. It has also encouraged us to continue to innovate, and listen to what our employees are telling us. And finally, this has propelled us to think bigger!

#### Q: What does it mean to your team to be placed among the great workplaces in Sri Lanka? A: It is truly a great honour. Triumph International Lanka, despite being part of a US\$ 2 billion multinational corporation, is still a small organisation in Sri Lanka's emerging industry.

To be placed amongst the great workplaces proves that, despite our size and scale, we are performing at an exceptionally high level. That's rewarding to know, and it's a great incentive for those who want to be a part of our team.



# TriumphŴ

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K Zone Kapuwatte - G39, No.525, Colombo Road, Kapuwatte, Ja-Ela | Tel : +94 11 2071275
K Zone Moratuwa - D22, No.340, Galle Road, Lakshapathiya, Moratuwa | Tel : +94 11 2641845
Kandy City Centre - L2 66A, Daladavidiya, Kandy | Tel : +94 81 2203030

#### GREAT WORKPLACES IN SRI LANKA I PROFILES





### UNION ASSURANCE

**Q:** In your view, what are the most important ingredients of a great workplace?

A: They include the work environment, genuine concern for staff members' personal development and transparent performance management, as well as the exceptional conduct, behaviour and professionalism of senior management. These ingredients are absolutely vital for the creation of trust and loyalty in any organisation.

Trust and loyalty are the cornerstones of achieving success in any structure or organisation. All managers must be trained, and they should portray themselves as role models. There is no point holding the title of Manager without possessing an exemplary character and being proficient in the job. Having said that, I am aware that this is easier said than done!

At Union Assurance, we place an emphasis on these traits, and all training and development requirements are crafted to cater to these needs.

Q: What steps have been taken to create an open culture at Union Assurance? A: We have an open-door culture. Any employee can walk into the CEO's office, if he or she needs to. It's the same with the General Managers and all line managers. We also have an online employee suggestion scheme, and all feedback is taken very seriously.

The CEO hosts a monthly event, titled Coffee with CEO, where he has an opportunity





Rohan Jayasinghe General Manager Human Resources

to interact with all staff. I have informal chats with at least 15 members of staff every month, and a serious follow up is then implemented.

We also endeavour to ensure that all members of staff are happy – in and out of their work environment. Our Recreational Club provides entertainment and fosters talent creation on a monthly basis. Basically, we try to create a new and unique workplace buzz every day.

#### **Q:** Do you believe that we, as a nation, should focus more on how peoplefriendly our workplaces are?

A: Of course, my answer is 'yes'! By and large, corporates are moving in the right direction in Sri Lanka. We even have certain companies trying to emulate Google, by offering free gourmet meals and absolutely flexible working hours.

Even without such measures, as a country, we have halted the brain drain to a great extent. However, we still have a long way to go, when it comes to state entities.

**Q:** So what steps does Union Assurance take to retain talented people? **A:** We have created unique training programmes for all categories of employees. These training modules are basically crafted to impart knowledge on leadership and management.

We have hand-picked our resource personnel, and this has yielded the desired retention index. From our talent pool (based on a potential and performance matrix), very few have left Union Assurance – thanks to these initiatives.

Q: What lessons have you and your team learnt by participating in the study conducted by Great Place to Work<sup>®</sup> Sri Lanka? A: It has been a tremendous experience! Only when a third party points out the good and the bad does one begin to wake up. That is what Union Assurance has gained through the survey, and we will work to use the new inputs for the betterment of the workplace.

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#### GREAT WORKPLACES IN SRI LANKA I PROFILES

### VIRTUSA

**Q:** What steps have been taken to build an open culture in your workplace?

Acceleratina Business

A: With over 80 percent of Virtusans globally and in Asia being millennials, a core focus area has been to create an open and transparent company culture. We introduced an innovative social business ecosystem called V+, a Web 2.0-like network, enabling team members to engage as they do on LinkedIn, Facebook, Twitter, Wiki, Google and YouTube.

V+ provides social collaboration, document management, video and enterprise services, innovation and social performance management, and gamification opportunities, to teams spread across different functions and geographies.

The wide use of the enterprise social network Yammer has facilitated open conversation among Virtusans, across all tiers. Using Yammer to innovate and gather real-time feedback from teams allows us to be more collaborative and find engaging



Chandi Dharmaratne Director – HR

solutions, creating an inclusive culture.

Virtusa's performance management system provides team members access to real-time information, giving them visibility of their own career progression, and making our mechanism for promotions more systematic and transparent.

**Q:** Are your remuneration and rewards linked to productivity? **A:** Our performance management system is based on a four-pronged

model, aligned with business objectives, technical competencies, behavioural competencies and an engagement score. The performance of team members in each of these areas determines the end performance rating, which is directly linked to remuneration and rewards.

Setting clear business objectives gives team members clarity of expectations, and their value addition results in higher productivity and engagement.

Virtusa has Role-Based Training (RBT) programmes which clearly define the technical and behavioural competencies required from team members. Being 'role-ready' increases productivity – not just in the current role, but also at a potential higher position. This ensures that an acclimatisation period isn't needed in a new role.

A team member's engagement score is calculated by analysing his or her level of engagement on Yammer, appreciation on 'Rave,' completeness





of their profile and documents shared.

### **Q:** What steps do you take to retain talented team members?

A: In an industry with a high attrition rate, talent retention is always top of mind. Lateral talent fulfilment is difficult and time consuming, especially for niche skills that are scarce in the country. To retain talent, Virtusa deploys standard methodologies and innovative mechanisms such as exclusive rewards programmes that engage team members.

Managing sentiment involves personalised attention to individuals, in the form of regular pulse checks, specialised training for core knowledge areas, identification and implementation of top talent-focussed individual development initiatives, a performance-based top talent retention bonus and biannual performance-based variable payouts.

We also leverage on our global presence, to provide onsite placements for top talent and accelerate their career progression.

**Q:** How does Virtusa cater to the needs of younger team members? **A:** Every year, a large number of new recruits come through our employee referral programme, a Key Performance

Setting clear business objectives gives team members clarity of expectations, and their value addition results in higher productivity and engagement... Indicator (KPI) for our recruitment team.

Virtusa's Talent Scout programme encourages Virtusans to introduce referrals, which are taken into account in their Performance Assessment Review (PAR). We have gamified the referral scheme, where Virtusans are encouraged to introduce their friends to Virtusa, and a competitive atmosphere is built around finding the best recruiter.

Our on-boarding process leverages on the V+ platform, by introducing candidates to 'Virtusa Next' – an engagement framework that enables Virtusa to reach out to candidates, prior to their actual on-boarding date. V+ also

has a feature whereby anyone can 'Rave' and appreciate another team member, catering to the millennial trait of recognising participation.

As born gamers, millennials respond to a gamified environment, even in the workplace. Personal dashboards, leaderboards and contests on quality, productivity, client delight, innovation and knowledge management have revved up delivery excellence at Virtusa.

Q: What does it mean to your team to be placed among the great workplaces in Sri Lanka? A: We see this as a vote of confidence for the engaging work environment, culture and digital ecosystem V+, which enables us to innovate and reimagine the future for our clients every day.

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#### THE ROVING DIPLOMAT



# DIPLOMACY: WINDS OF CHANGE

Multilateralism takes root amid the spread of conference diplomacy

he impact of multilateralism on diplomacy calls for an ongoing transformation in its institutions and practices, perspectives and outlook, and the responsibilities incumbent on states. Among such responsibilities, a common – if onerous – one is to host international conferences.

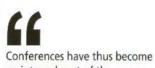
Conferences constitute the language of modern diplomacy through which issues – whether international or even internal – are submitted for deliberation at multilateral forums.

Broadly speaking, such forums can be divided into three categories: those under the aegis of the United Nations and its agencies; those convened by multilateral organisations like the Commonwealth, Non-Aligned Movement or regional bodies; and those which are undertaken in a spirit of mediation, to help in resolving internal problems or conflicts between states.

In UN conferences which are held outside their respective headquarters, the host country will offer the venue and attendant facilities, while the arrangements will be the responsibility of the



BY The late Deshamanya Dr. Vernon L. B. Mendis



an integral part of the course of international relations...

body concerned. The host state, however, assumes considerable responsibilities. They include extending protocol facilities and courtesies to delegations on arrival and departure, and transport and logistical help at the conference venue.

Overall, the role of the host state is secondary in character, and limited to providing local facilities.

In the second category of multilateral conferences,

the host state – which is specifically designated for the role, by the declaration making body – bears virtually all responsibility for organising and conducting the conference. Of course, organisations which have their own secretariats would utilise their services – like the Commonwealth, which similar to a UN organisation, has an established secretariat to service Heads of Government conferences.

In contrast, the Non-Aligned Movement is less equipped. It depends, to a large extent, on the resources and support of the host state. Mediation and the good offices of states in helping to resolve conflicts between countries, or domestic strife and civil wars within them, has become a feature of the international scene. This is promoting global peace and security.

This process has notable achievements to its credit, and includes the Camp David talks initiated by the US, which began the peace process in the Middle East; the Madrid Peace Talks – a sequel to the good offices of Norway that brought the two inveterate antagonists (namely, Israel and the PLO) to the peace table; the good offices of the EU and US over the Serbian crisis,

#### TRIBUTE SERIES

leading to the Dayton Accord; and US efforts to resolve the conflict in Northern Ireland.

Likewise, there are peace initiatives in several African states such as Angola, Liberia and Mozambique, where outside parties and African countries, notably Nigeria, have endeavoured to bring the warring parties together and sign peace accords. In these cases, the responsibility for conducting negotiations was shared between outside parties and the local states concerned, under the aegis of the UN.

Hence, in the practice of modern multilateral diplomacy, any state – in theory, at least – can conceivably become the venue for an international conference.

Conferences could arise under various circumstances – e.g. by prearrangement, as in regional associations, creating ample time for preparation; or unexpectedly, when states are called upon at short notice to serve as conference venues.

Sri Lanka experienced two such contrasting instances. In August 1976, the country had the honour of becoming the venue for the Non-Aligned Summit. This decision was made at the Algiers Summit of 1973, and confirmed in 1975, thus providing considerable time for preparations.

In contrast, Sri Lanka was the venue of the Colombo Mini Summit of December 1962, which was convened with less than a month's notice, to consider the Sino-Indian border dispute.

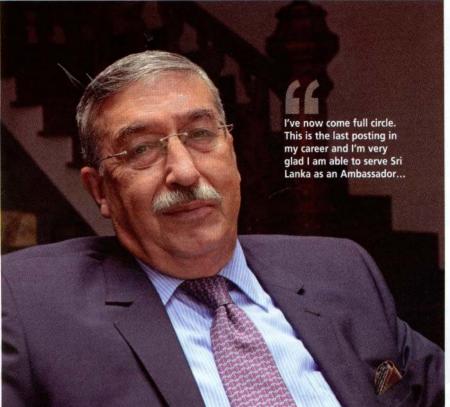
Conferences have thus become an integral part of the course of international relations. And unlike in the past, when they were prestigious events associated with a few European capitals, they encompass the world today. To that extent, they are great levellers.

Therein lies its merit, where all countries are afforded an opportunity to participate in the process which, in turn, signals states to gear themselves by acquiring an insight and knowledge of conference organisation.

In a distinguished diplomatic career spanning some three decades, the late Deshamanya Dr. Vernon L. B. Mendis was Sri Lanka's High Commissioner in London and Ottawa, and Ambassador in Paris. He was also the Secretary-General of the Non-Aligned Summit, held in Colombo, in 1976. Since retiring from the Foreign Service in 1980, he was UNESCO's Permanent Representative to Egypt and Sudan; and on returning to Sri Lanka, in 1986, he was appointed Chairman of the Sri Lanka Telecom Board – and mandated to privatise telecommunications. In 1990-91, he served as a Peace Fellow at the US Institute of Peace, in Washington. In his later years, Vernon L. B. Mendis headed the Bandaranaike International Diplomatic Training Institute for many years, as its Director-General.

#### DIPLOMATIC MISSION

Compiled by Savithri Rodrigo







Ithough diplomatic relations between Sri Lanka and Russia were established in 1957, the two countries have been inextricably intertwined since the mid 19<sup>th</sup> century. Given Sri

Lanka's much travelled sea route at the time, the country beckoned traveller and artist Count Sergei Saltykov, whose unique pencil illustrations of the exotic paradise isle were immortalised within the pages of his books.

Then, world renowned proponent of Buddhism Prof. Boris Minaev introduced Ceylon to Russian Oriental Studies, penning impressive historical and ethnographical data about the island.

Later in that century, famed writers Anton Chekhov and Ivan Bunin also visited Ceylon, and it is said Bunin was highly fascinated with the ancient capital of Anuradhapura.

This spell cast by the island-nation spur-

red diplomatic inroads, when Russia established its consulate in Galle, in 1891.

Ambassador of the Russian Federation Alexander Karchava says: "My role in Sri Lanka is the same as any Russian Head of Mission – to build on the long-standing relationship and strengthen bilateral relations. It is very important that we understand your country, and use that understanding to strengthen economic connections, and the positioning of the native land with the country of assignment."

Back in 1973, fresh into his diplomatic career, Karchava was tipped to serve in Sri Lanka, as a Junior Officer. "I was not too keen, as I had just qualified in Thai and Khmer and was keen to pursue my career in those countries." But with fate on his side, he did eventually secure a posting to Thailand. "I've now come full circle. This is the last posting in my career, and I'm very glad I am able to serve Sri Lanka as an Ambassador," he reflects. He views Sri Lanka as a country with much potential, and notes: "Your 26-year war has taken its toll, but I've seen much progress. Not only is the physical infrastructure improving rapidly, but I feel a release in tensions, with people enjoying a sense of freedom and independence. I also observe a spate of construction, which shows the desire and drive to optimise on the latent prospects Sri Lanka possesses."

Karchava delves into history when, in 1975, Lee Kuan Yew – Singapore's former Prime Minister – wanted his city-state to emulate Colombo.

"But the war pushed Colombo backwards, while Singapore developed exponentially. I do believe that modern Colombo has a unique face, with the potential to be another Singapore," he observes.

Speaking French, in addition to Thai and Khmer, the Russian Ambassador takes a candid look at Sri Lanka's positives and negatives.

# FROM RUSSIA WITH LOVE

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"The people are extremely hospitable, but there are instances when some, especially those engaged in services, take advantage of clients. The island is blessed with an amiable climate and a green ecosystem, which must be preserved," Ambassador Karchava remarks.

"While you do have viable resources that could be maximised, Sri Lanka must pursue alternative energy sources to bridge the gap in supplies. Nuclear energy is one source that could be pursued," he adds.

Sri Lanka's exports to Russia – which include tea, apparel, rubber gloves, desiccated coconut, activated carbon, coir products, tyres and tubes – stood at approximately US\$ 240 million last year. However, given Russia's imposing size and the opportunities this presents, Karchava believes there are more potential business lines that could be pursued.

"We are very open to foreign investment, and I see massive opportunities in fish and seafood products, since Russia has little access to anything from the ocean. Given Sri Lanka's strengths in the service industry, especially hospitality, that expertise can be harnessed and cascaded to Russia – especially in areas like Crimea, where a great demand for this speciality exists," the Ambassador reveals. According to Karchava, lasting peace and resources are imperatives for Sri Lanka to proceed with rapid and efficient development. "But if I look at the world's pressing issues, given that we are so interconnected, development has caused problems. Energy, lack of fresh water, healthy food consumption and food security are all challenges," he laments.

He's also concerned about the widening gap between the rich and poor, the onset of wars and the lack of peace. As Karchava points out, "if you count the number of peaceful days in the world, when there is no fighting or wars between nations, it is dismal."

Gazing into the future, the Ambassador sees Colombo as a beautiful yet bustling metropolis, not too small to go unnoticed, but not too big to become a megapolis which would lead to inherent problems. He believes that "it's an appropriate size, which can be used to great advantage."

Viewing the world in 10 years, he states: "Developments in the Middle East are putting everyone in jeopardy. Also, the behaviour of major global actors will shape the sociopolitical scene; and in 10 years, Russia, China, the United States, the United Kingdom and India will play significant roles in this arena."

IA SERVICES PHOTOF

FAMILY Married to Ekaterina Has a 25-year-old son

DATE OF BIRTH 14 January 1948

BORN IN Moscow

EDUCATED AT Moscow State University's Institute of Oriental Languages

QUALIFICATION Specialist on South-East Asia with knowledge of Thai and Khmer languages

HOBBIES Reading Tennis Antiques

#### **ROLE MODEL**

Russian Foreign Minister Sergey Lavrov – "He served in the Soviet Embassy in Sri Lanka, in 1972. He knows Sinhala, is a multitalented, hardworking and gifted individual who acts with immense responsibility. He's also a poet, guitarist, singer and expert rafter."

CAREER ASPIRATIONS Retirement

**COUNTRIES SERVED** 

Thailand Canada Singapore Malaysia Brunei

THREE THINGS I CAN'T DO WITHOUT Books The Internet

Friends

#### FAVOURITE CITIES IN THE WORLD Moscow – Because it is home

St. Petersburg – Because it is the most beautiful city in Europe

Kiev – Also for its beauty

Paris and Sydney – Both are friendly cities with distinctive people

#### FAVOURITE CHILL-OUTS IN COLOMBO:

Colombo Swimming Club Royal Colombo Golf Club Cinnamon Lakeside's sports centre London Grill The Lagoon



# AdvertiserForum



TAI SAMUDRA

#### TAJ SAMUDRA WELCOMES STATE VISITORS

Taj Samudra Colombo played host to two VVIPs in recent months. Visiting US Secretary of State John Kerry opted to sample the Taj's hospitality, during his visit to Sri Lanka in May. Kerry's stay was the first official visit by a US secretary of state in more than 40 years – the last time being in 1972. In April, the Prime Minister of Bhutan Tshering Tobgay stayed at the Taj, when he made an official visit to the island. Bhutan's premier was accompanied by his wife Tashi Doma and a delegation of officials – all of whom were afforded a traditional Sri Lankan welcome, upon their arrival at the hotel.

#### PARTNER BANK FOR ADB



NDB

National Development Bank (NDB) was named by the Asian Development Bank (ADB) as the Leading Partner Bank in Sri Lanka, for its trade finance programme, Backed by its 'AAA' credit rating, the ADB works with more than 200 partner banks, to support import and export activities in Asia's most challenging markets, under its trade finance programme. The programme has established itself as a key player in the international trade community. providing fast, reliable and responsive trade finance support to fill market gaps, NDB comments, in a media communiqué. NDB's Assistant Vice President - Trade Finance Rivindu Nanayakkara represented the bank at the awards ceremony.

#### **OZO KANDY MANAGER**

Krishantha Damunupola has been appointed Hotel Manager of the newly opened OZO Kandy. Having worked in the leisure sector for over 20 years, Damunupola has considerable international exposure. He spent three years at the Hilton Imperial Dubrovnik, in Croatia, which is one of the highest-rated Hilton Worldwide properties in Europe. Damunupola who also served in the management teams of Hilton Worldwide MEA. Universal Resorts and **Oberoi Hotels & Resorts** - says: "I am delighted to be a part of the ever growing OZO brand, pioneering the art of modern hospitality in Sri Lanka. I am looking forward to establishing the first international hotel property in my hometown of Kandy."

#### **HUBLOT FOR MAYWEATHER**

Swiss luxury watch brand Hublot sponsored the unbeaten 10-time World Champion Floyd Mayweather Jr., as he took on Manny Pacquiao, in what was billed as 'The Fight of the Century,' last month. At a prefight press gathering, Hublot CEO Ricardo Guadalupe presented Mayweather with a King Power WBC Full Pavé with Emeralds. Breaking with tradition, the champion boxer agreed to wear the Hublot brand name on his boxing trunks, when he faced off with Pacquiao. A range of Hublot watches can be viewed at the Colombo Jewellery Stores (CJS) outlet, in Alfred House Gardens, Colpetty, CJS is the sole agent for the luxury watch brand in the island.

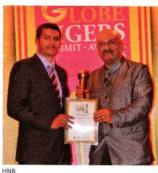
#### MARKETING EXCELLENCE

Minodh de Sylva, Head of Marketing of Richard Pieris Distributors, was conferred the Excellence in Marketing & Brand Leadership award, at the Golden Globes Tigers Summit Awards, in Malaysia. The award recognised de Sylva's contribution to strategic marketing and brand management. De Sylva counts over 12 years' experience, of which more than seven have been in senior management, in strategic brand development, strategic PR, customer service, and marketing and sales management. He has been involved with some of Sri Lanka's best known brands: Elephant House, Ceylinco Insurance (Life), Nations Trust Bank, The Finance Company and Arpico.



MORPHO DESIGN STUDIO

#### EXCELLENCE AND LEADERSHIP IN BRANDING



Hatton National Bank (HNB) was honoured with an award for Excellence and Leadership in Branding and Marketing, at the Golden Globes Tigers Summit Awards, in Malaysia. Organised by the Asian Confederation of Business, and presented by CMO Asia and CMO Council, the award recognises HNB for the marketing and communications campaign that was developed for HNB MOMO – the mobile POS

solution it introduced in 2013, for the first time in Sri Lanka. Thimal Perera, Deputy General Manager – Retail & SME Banking, says the recognition is "a fitting reward for the focussed marketing and communications approach the bank took with strategic marketing communication choices, at the time of launching HNB MOMO."

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JETWING HOTELS

#### TRAVELIFE GOLD AWARDS FOR JETWING PROPERTIES

Eight properties of Jetwing Hotels have been awarded the Travelife Gold award, Jetwing announced recently. Jetwing Blue, Jetwing Beach, Jetwing Vil Uyana, Jetwing Ayurveda Pavilions, Jetwing Sea, Jetwing Lighthouse, Jetwing St. Andrew's and Jetwing Yala were recognised by Travelife, an international sustainability certification scheme for hotels and accommodation providers. To achieve Gold certification, a hotel must meet Travelife's 150 sustainability criteria which include minimising waste, and the use of energy water and chemicals, and taking positive action on social issues such as employee welfare, child protection and human rights.

#### **NEW PROPERTY FOR THEME RESORTS**



#### THEME RESORTS & SPA

Theme Resorts & Spas introduced the latest addition to its portfolio, recently. Kithala Resort is situated in Tissamaharama. In close proximity to Kataragama and Yala, it is set amongst picturesque paddy fields. Formerly operating as Priyankara Hotel, the resort was acquired by veteran hotelier Chandra Wickramasinghe (Chairman and Managing Director) and Chamin Wickramasinghe (Director and CEO), as the newest addition to their collection. Other properties owned by Theme Resorts & Spas include Aliya Resort & Spa (Sigiriya), Maalu Maalu Resort & Spa (Pasikudah), Wild Trails (Yala) and Mountbatten Bungalow (Kandy).

#### **HÄFELE CENTRE**

Strengthening its presence in Sri Lanka, German brand Häfele recently launched a design and training centre, in Moratuwa. Spread across 3.000 square feet, the Häfele Design and Training Centre enables customers to familiarise themselves with Häfele's product range, before making a purchase decision. The centre will provide focussed training on international product groups, in a state-of-theart setting which facilitates theoretical, technical and practical learning. Häfele's South Asia Managing Director Jürgen Wolf says: "We believe this strategic initiative will definitely revive the local wood and furniture industry."

#### HAMEEDIA BRANCH

Hameedia extended its reach across the island. with the opening of its newest branch at the Udeshi City shopping complex, in Kiribathgoda. The 4,000-square-foot showroom offers Hameedia's exclusive brands, including Le Bond, Envoy, FH, Raymond, Lee and Adidas. Speaking at the opening ceremony, Managing Director Fouzul Hameed stated: "One of the trends we have noticed is that our customers are becoming more fashion and quality conscious. Therefore, we are experiencing growing demand for our products.' Meanwhile, the Chairman of Udeshi City M.G. Perera welcomed Hameedia, hailing it as "the most reputed menswear brand in Sri Lanka '

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#### **TEAM-BUILDING CHALLENGE**

Sevlan Bank's team-building event -Seylan Office Challenge 2015 - was held recently, with various teams competing against each other, and ultimately winning Rs. 300,000 in cash prizes. The competitions were based on daily office routines, and tested the competitors' strength on teamwork and strategy. "Seylan Bank, being at the forefront of social and digital media, strives to give fans and customers the best of everything," remarks Tilan Wijeyesekera, Deputy General Manager - Marketing. "This was one such engagement, where Seylan wanted to promote team building and online-offline engagement methods to our fans," he adds.



#### MARKETING AWARD FOR SLT

At the Golden Globes Tigers Summit Awards, in Malaysia, Sri Lanka Telecom (SLT) was conferred the Best Use of Social Media in Marketing award, for its strategic use of social media. The awards recognise excellence in the use of social media strategies, the best leaders in social and digital media, and their outstanding achievements which have contributed to the development of social and digital media in the Asia-Pacific region.

Sri Lanka Telecom says that it will continue to bring customers closer to the brand through social media,



# **AdvertiserForum**

#### **BEKO CONFERENCE**



Singer (Sri Lanka), the authorised dealer for Beko products in the island, was invited to the sixth annual Beko conference, in Istanbul, Turkey. The brand, which recorded the highest growth rate in Europe for seven consecutive years, is celebrating its 60th anniversary this year. Beko maintains its position as the secondlargest white goods brand in Europe, with an unprecedented 10 million units sold in 2014, "We launched Beko in Sri Lanka, in 2012, with an impressive array of world-class products, and the response was phenomenal," comments Mahesh Wijewardene, Director - Marketing & Commercial of Singer (Sri Lanka).

#### **BOC SCHOLARSHIPS**

The Bank of Ceylon (BOC) offered 2.000 scholarships for Grade 5 students through its BOC Ran Kekulu programme. The scholarships are worth Rs. 10,000 each. To be eligible, students are required to maintain a balance of Rs. 2,500 in their Ran Kekulu account. In a media communiqué, the bank says that "BOC Ran Kekulu is one of the prime savings accounts the bank has offered to youngsters of the country. The bank focusses on securing a child's future financially, through savings." Set up in 2002, the BOC Ran Kekulu scholarship programme has awarded over 12,600 scholarships, to the value of Rs. 126 million, over the last 13 years.





#### **VESAK CELEBRATIONS AT S-LON**

Marking Vesak celebrations, S-lon Lanka presented its Buddhist Pirith and Gatha app, with the addition of audio for a selection of *gatha*, to the Diyawadana Nilame Pradeep Nilanga Dala, at his office in the Dalada Maligawa. Compatible with Android and iPhone, the app can be accessed offline once it has been downloaded to the device. S-lon Lanka says the selection of *pirith* and *gatha* came from the Buddhist Cultural Centre, and the app was created "with the objective to guide tech-savvy youth towards spiritual enlightenment, and to provide convenient access to *pirith* and *gatha* to Buddhists all over the world."



#### **BIZ HEALTH TRACKER**

SW & Associates was set up several years ago, to offer advisory services to financially distressed enterprises. It has now launched the Magnifier. which is described as "a business diagnosis study tool." The company explains that it is a "comprehensive financial and business analysis [tool] that gives a holistic insight to the overall health of businesses, exploring the importance of profitability, liquidity, solvency, efficiency, and growth and value, among other aspects." SW & Associates says the Magnifier is a unique addition to its services portfolio, describing it as "the ideal tool to keep a continuous track on the overall health of businesses '

#### MOBITEL CENTRE

Mobitel's Innovation Centre. at the TRACE Expert City, was launched by President Maithripala Sirisena recently. A state-of-the-art high-tech research and development facility, the centre will "work closely on domains that cover NFC solutions, digital connected life solutions, M2M (machine to machine) solutions, location and tracking solutions, cloud platform services and IoT (Internet of Things) related solutions," Mobitel informs, through a media communiqué. TRACE Expert City aims to transform Sri Lanka into an economically sound, knowledge-rich, techno-centric, sustainable business hub, by promoting innovation. entrepreneurship and professionalism.

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#### TNT SUPER HUB

TNT has opened a 'super hub' in Erskine Park, in West Sydney, to handle domestic as well as international shipments. The new facility, with its parcel sortation technology. has the capability to process up to 25,000 parcels an hour. TNT is investing in two more hubs in Australia - in Melbourne and Brisbane - which are expected to be operational later this year. "This new super hub enables us to streamline processes and implement some of the most advanced parcel sortation systems available," remarks Marco van Kalleveen, Managing Director of TNT's Domestics division. He adds that reduced processing times, increased accuracy and faster delivery outcomes will help TNT improve its service offering.

#### AMEX OFFER

American Express cardholders can enjoy 40 percent savings at Cinnamon Hotels & Resorts properties, during a special promotion which runs from 1 May to 31 July. Nations Trust Bank's Senior Manager Cards Marketing Zamani Zainudeen says: "We hope our cardholders will take this opportunity to visit the impressive list of Cinnamon Hotels & Resorts located in enthralling destinations, and enjoy the varied activities and adventure the resorts have on offer." More details on the offer, and its terms and conditions, can be viewed on the American Express website (www.american express.lk). Cardholders may also call the 24-hour customer service hotline (4414141).



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### **METROPOLITAN OFFICE**

etropolitan Office was founded in 1958, to market and service typewriters and other officerelated products. in an era when typewriters and adding machines were considered the two most important tools. Today, in this more technologically advanced age, Metropolitan Office says it has grown to be a respected provider of office, IT and engineering solutions to all customer segments.

The organisation boasts a product portfolio that ranges from imaging and printing solutions, including everything from small office printers, to office multifunctional group network devices and productionlevel printers; and to office IT solutions encompassing laptop and desktop computers, as well as networking and servers; and office engineering solutions consisting of air conditioning, cooling and power generating devices.

Within the realm of office engineering, Metropolitan Office has cemented its position through York air-conditioning devices. Director – Sales & Marketing Ali Asgar Roshanali explains that the US-based York brand, which is a part of the Johnson Controls group – a global diversified technology and industrial entity – adds credence to the quality and reliability of the product.

"York is among the oldest airconditioner manufacturers in the



world, with a history that dates back well over a century. At Metropolitan Office, we pride ourselves on providing York products that have durability and performance as their hallmarks," he asserts, stressing that York uses an eco-friendly and futureready industrial refrigerant, whilst its competitors play catch-up.

Some of the iconic structures that have benefitted from Metropolitan's industrial air-conditioning installations include the Magam Ruhunupura International Conference Hall (MRICH), Sugathadasa Indoor Stadium, Brandix Group and Nawaloka Hospitals.

In addition, it has provided airconditioning solutions to the Sri Lanka Institute of Information Technology (SLIIT) campus, Central Bank of Sri Lanka.



Director - Sales & Marketing

Commercial Credit, People's Bank and Bank of Ceylon, among others.

Aftersales support is a key focus area at Metropolitan Office, which lays claim to having a strong technical support and backup team that has gained the confidence of Sri Lankans over the years, and an islandwide branch network that gives equal prominence to customers everywhere.

"We understand that service support for any equipment that is purchased is a key to delighting customers. Therefore, we are committed to offering customers unparalleled service support," he affirms.

In its latest endeavour, Metropolitan Office recently introduced the York Variable Refrigerant Flow (VRF) technology to Sri Lanka. The formal launch event was held on 29 May, at OZO Colombo, with the participation of leading sector professionals who illustrated the performance potential of VRF technology.

Roshanali reiterates that "VRF is now the most sought-after air-conditioning technology, due to advantages such as substantial energy savings and greater control over a building's interior temperature."

Metropolitan Office also plans to launch a new range of York branded split-type airconditioning units, which will feature advanced and stylish designs that are ideal for office use.

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- Zulfath Saheed



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## YORK AIR CONDITIONERS Driving innovation for more than 100 years



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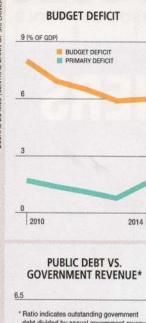
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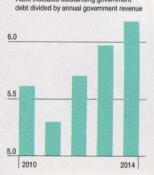
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#### ECONOMIC OUTLOOK

SRI LANKA

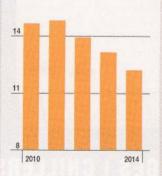
MEDIA SERVICES PHOTOFILE (CENTRAL BANK OF







17 (% OF GDP)



#### FEMALE LABOUR FORCE PARTICIPATION (2013)

COUNTRY	(%)
Sri Lanka	36
Thailand	64
Vietnam	73
Bangladesh	57
India	27
Malaysia	44

he Central Bank of Sri Lanka (CBSL) released its annual report for 2014 in April, albeit a few weeks later than usual. Unbundling some of the data released in the report provides useful insights into some of the key trends, challenges and policy imperatives in the prevailing scenario. One of the important

developments in 2013 was a sharp decline in real domestic consumption growth, to 3.2 percent – far lower than historical averages. In 2014, as anticipated, consumption rebounded, to grow at 7.6 percent, as pent-up demand began to be fulfilled and low interest rates supported consumption growth. **DOMESTIC ECONOMY** In 2015, we could expect consumption to continue this growth momentum, driven by increased fiscal stimulus offered by the budget, and lower prices of energy and other administered price commodities.

2060

Growth in 2015 will also face some headwinds. Private investment is likely to be on hold, as there remains significant uncertainty on the domestic political front. Meanwhile, public investment is likely to face setbacks, due to growing fiscal constraints; and net exports are likely to weaken, as consumption imports pick up and export growth runs into difficulties in key markets.

Sri Lanka has already reaped a lot of the low-hanging fruit in the post-war economy, enabling rapid growth above eight percent in the two years immediately after the war ended. However, it would be naive to It would be naive to expect continued broad-based growth above seven percent without serious reforms in key factor markets...

expect continued broad-based growth above seven percent without serious reforms in key factor markets, particularly education, labour, the public sector and agriculture.

Most of these reforms (with the exception of education) require significant political capital. Unfortunately, it is difficult to see any government being able to muster this degree of political capital in the near term. Growth is more likely to come from select sectors such as tourism, logistics and certain exports that can also tap into new emerging markets.

Deshal is an economist with degrees from the University of Oxford and the London School of Economics. He has subsequently worked in the private sector and think tanks in Sri Lanka. Digitized by Noolaham Foundation.

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# Eve on Fiscal Stimulus Amidst Consumption-led Growth Prospects

**Deshal de Mel** reviews the results published in the Central Bank's 2014 annual report and their implications for the local economy

LABOUR FORCE Much has been made of Sri Lanka's declining levels of unemployment. In 2014 as well, the unemployment rate declined from 4.4 to 4.3 percent. Whilst this suggests that all is well in the labour market, the reality is different.

Whilst unemployment is low, labour force participation has declined to 53.3 percent (from 53.8%). This indicates that Sri Lanka is not creating enough opportunities to fully utilise its labour resources to contribute to economic activity.

Further disaggregation reveals that female labour force participation is just 34.8 percent (male participation is 74.6%).

Among the reasons for economic inactivity among females, the most prevalent is due to engagement in housework (48%). Whilst the failure to consider housework as a legitimate economic activity has more to do with flaws in the way we define economic activity, it is necessary to increase the options for greater female participation in other economic activities as well.

This can be done by encouraging flexible working hours in the formal sector, options to work from home, improving childcare facilities, subsidised maternity benefits and support for reskilling, following an absence from the labour force.

**FISCAL CONCERNS** An important negative development in 2014 was the reversal of fiscal gains seen during previous years. The budget deficit as a percentage of GDP increased to six percent, compared to 5.9 percent in 2013 and a budget estimate of 5.2 percent.

When considering repayment capacity, the ratio of public debt to government revenue is more

relevant. It is evident that this ratio has also become worse, from an already adverse level.

The key issue here, is the continued weakness in government revenue collection. Government revenue as a percentage of GDP continued to decline in 2014, reflecting an ongoing trend. Sri Lanka has among the lowest revenue buoyancy levels among peer economies

**REVENUE PROSPECTS** The Interim Budget presented in January estimates government revenue for 2015 at Rs. 1,592 billion. With revenue in 2014 being Rs. 1,195 billion, the Government's estimated revenue growth for 2015 is 33 percent.

To put this figure in context, revenue growth in 2014 was just five percent (it was 8%, in both 2012 and 2013). Therefore, a 33 percent revenue growth estimate is highly unrealistic. If we factor in a more conservative revenue increment of around 10 percent, total revenue would be Rs. 1,315 billion in 2015. If the budgeted expenditure (Rs. 2,121 billion) does not decline significantly, revenue of Rs. 1,315 billion



would result in a budget deficit of around seven percent, if budgeted GDP estimates remain unchanged.

The likely scenario is for a decline in public expenditure, most probably lower capital expenditure, which would be a negative drag on GDP growth.

In this context, it is essential that the Government urgently rationalises some of its expenditure plans, to prevent a ballooning of the budget deficit beyond reasonable proportions, whilst also ensuring continued expenditure on key public investment priorities.

## Helping brands make better digital decisions



TNS's global study, Connected Life, reveals a deep understanding of the changing media landscape and the role different digital media have in consumers' lives. This knowledge empowers brands to target with greater efficiency and connect with consumers at the right moment on their path to purchase.

Connected Life helps brands make better digital decisions.

Get better connected.

#### FOR MORE INFORMATION

Contact Kiran H.N. (Country Manager-TNS Lanka) on 0777 342553 or email him at Kiran.hn@tnsglobal.com



#### 1234567890 3239567890 8234067890 9034567450 6834567892

Compiled by Nicola Jayasundera

**Q:** How would you describe the performance of the stock market in the last 45 days or so?

A: The market appreciated by almost five percent in April, after falling seven percent during March, and reached 7,200 points by mid May. The Central Bank reduced interest rates by 50 basis points, with effect from 15 April, which helped the market improve from what was a dull performance in March.

Q: What are the key sensitivities impacting the market, at this time? A: While the interest rate cut bolstered the market, political uncertainty in the last few months has continued. This has been a dominating factor influencing the bourse.

The 19<sup>th</sup> Amendment, which was passed in Parliament, is being seen in a positive light, as fulfilment of one of the key promises made by the President. Investors may also acknowledge a dangerous provision in the Constitution being amended, in favour of good governance and long-term sustainability.

From an economic perspective, inflation has fallen to record lows and remained at almost zero levels for the last two months. It appears that the price reductions on essential goods are reflecting favourably on inflation.

This, in turn, has helped the Central Bank to maintain low interest rates. Confidence that the low interest environment will continue has boosted the stock market, and investors are looking for alternative investments.

Q: In your assessment, how are local investors selecting shares to invest in? A: Investors were slow to act in April, due to the holiday season, and there has been less activity. But some retail activity continued in May, which resulted in improving market



performance and resulted in momentum picking up. Retailers have been interested in mid-cap stocks, and prices have moved quite positively, backed by retail participation.

## **Q:** As for foreign investors, how are they viewing the Colombo bourse?

**A:** Foreign investors have remained net buyers for seven consecutive months, with net foreign inflows of Rs. 832 million during April. To date, this year, the strong net positive inflow of Rs. 3.7 billion is The most dominant factor continues to be political developments that are presumably ahead... attributable to foreigners, and foreign activity (as a percentage of sales) remains at 40 percent.

This is a strong indication that foreign investors are looking to accumulate undervalued stocks during difficult times for the market.

### **Q:** What are the likely market trends in the near to mid term?

A: Corporate earnings released for the quarter ended 31 March reflect a positive momentum. In fact, most sectors – including banking, manufacturing, food and beverage, diversified holdings, health care, hotels and information technology – have witnessed strong growth, with positive momentum particularly on the retail side.

Earnings are expected to be stronger and give a positive push to the overall market. The most dominant factor continues to be political developments that are presumably ahead – viz. the dissolution of Parliament and general elections. This is a positive for investors, because a minority government can't run the country for too long.

As for elections, investors are expecting a clearer picture of future direction and a stronger government. Political clarity is anticipated post elections, and investors will continue to assess the economic policies of the two main parties, when they are presented during the election campaign. The market is expected to remain volatile in the short run, in the lead-up to the dissolution of Parliament; and then, until the general elections are over.

In the long term, a significant change in fundamentals is unlikely, as short-term uncertainty in the political environment is likely to be resolved. With a clearer policy and economic direction, post elections, investors expect the market to stabilise in the medium to longer term.

Hasitha is the Chief Financial Officer of one of Sri Lanka's largest corporates. He is also a senior lecturer on business subjects at a leading educational institute and a visiting lecturer at the University of Kelaniya. He holds an MBA in International Finance and a B.Sc., is a Fellow of the ACCA (UK), and an associate member of CIMA (UK) and ASCMA.

# **Colombo Stock Exchange**

### **Changes to Directorates**

NAME

Hemaka Amarasuriya

Somasiri Munaweera

Ananda Javatilleka

#### APPOINTMENTS COMPANY

Acme Printing & Packaging
Alufab
Blue Diamonds Jewellery
Ceylon Grain Elevators
Chemanex
Colombo Dockyard
AND AN OWNERSESS
Commercial Bank
DFCC Bank
Hatton National Bank
Haycarb
Hayleys MGT
HDFC Bank
Hotel Developers

#### Lanka Cement

Lanka Century Investments Lanka Hospitals Lanka IOC

Lankem Ceylon Maskeliya Plantations Merchant Bank of Sri Lanka & Finan Nation Lanka Finance National Development Bank Panasian Power People's Leasing & Finance

Property Development

Singer (Sri Lanka) SMB Leasing Swadeshi Industrial

Three Acre Farms Union Bank

	Wang Zike
	Sunil Karunanayake
	Harsha Amarasekera
	Upul Liyanagamage
	Masayuki Koshi
	T. M. R. B. Jayah
19	Prof. Kithsiri Jayawardane
	Ananda Atukorala
	Rienzie Arseculeratne
8	B. Balaratnarajah
	Ananda Jayatilleka
	Udyama Kurukularathne
18	Sagarica Delgoda (Ms.)
	Dheeshana Ameresekere (Ms.)
-	J. M. U. P. Jayamaha
	Janaprith Fernando
	Joseph Soosaithasan
	Padma Maharaja (Ms.)
	Shelton Dissanayake
	K. G. Leelananda
	Mohamed Sanoon Salley
	Janaka Karunaratne
	Mangala Boyagoda
	Tissa Nanayakkara
	Indrajit Bose
	Deepak Sharma
18	Amrit Rajaratnam
	Anandasiri Fernando
87	Nihal Dharmapriya
ce	Brian Sinniah
	Jayantha Perera
	Nirmala Wickremeratne
	Riyaz Sangani
	Hemasiri Fernando
300	Pradeep Amirthanayagam
	Jehan Amaratunga
	Johnson Fernando
-	Mohamed Rizwan
	Preethi Jayasinghe
	Ranil De Silva
-	

DESIGNATION
Chairman
Independent Director
Independent Director
Non-Executive Director
Non-Executive Director
Chairman
Alternate Director
Director
Non-Executive Director
Non-Executive Director
Director
Chairman
Director
Independent Director
Non-Executive Director
Chairperson
Non-Executive Director
Chairman
Managing Director
Director
Independent Director
Deputy Chairman
Chairman
Non-Executive Director
Alternate Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Director
Chairman
Non-Executive Director
Non-Executive Chairman
Non-Executive Deputy Chairman
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Independent Director
Chairman
Director Managing Director
Managing Director
Non-Executive Director
Alternate Director

DECICILIATION

#### **Corporate News**

**E. B. Creasy** acquired 2.5 million shares (100%) of Lanka Special Steels from Tata Steel, for Rs. 433 million. Lanka Special Steels manufactures and supplies hot-dip galvanised steel wires, with an annual installed capacity of 14,400 metric tons.

**Renuka Organics**, a subsidiary of Renuka Agri Foods, invested in 1.6 million shares (20%) of Renuka Consumer Foods, at Rs. 206 a share.

#### **Highest Weekly Gains**

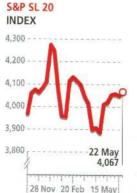
WEEK ENDING	COMPANY	
3 April	Citrus Leisure (Warrant)	
10	Citrus Leisure (Warrant)	
17	George Steuart Finance	
24	Orient Garments	

#### **Highest Weekly Losses**

WEEK ENDING	COMPANY	
3 April	Swadeshi Industrial	
10	Durdans	
17	Paragon Ceylon	
24	Citrus Leisure (Warrant)	

#### GLOBAL TRENDS





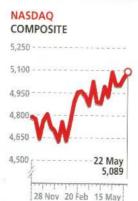
Srilal Wijeratne

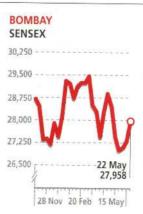
Jagath Korale

Sumedh Jog

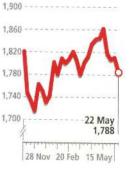
Sunil Karunanayake

Chulodara Samarasinghe (Ms.)





#### KUALA LUMPUR COMPOSITE

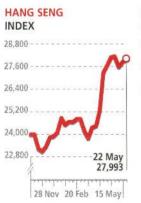


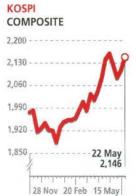
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	VWA*	VWA*	CHAI	NGE
	Open (Rs.)	Close (Rs.)	(Rs.)	(%)
	0.20	0.40	0.20	100
	0.40	0.50	0.10	25
	18.80	23.90	5.10	27
8	12.40	16.60	4.20	34

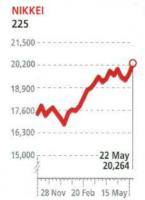
VWA*	VWA*	CHANGE		
Open (Rs.)	Close (Rs.)	(Rs.)	(%)	
14,250.00	12,000.20	2,249.80	16	
115.00	95.30	19.70	17	
675.00	581.00	94.00	14	
0.60	0.40	0.20	33	



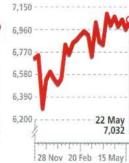


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COMPANY	NAME	DESIGNATION
Acme Printing & Packaging	Jude Peiris	Chairman
	Dinesh Weerakkody	Non-Executive Director
Anilana Hotels	Gamini Wickramanayake	Non-Executive Director
Asia Asset Finance	Stefan Abeyesinhe	Non-Executive Director
	Valentine Silva	Non-Executive Director
Chemanex	Maninda Wickramasinghe	Acting Chairman
Colombo City Holdings	Mangala Boyagoda	Director
olombo Dockyard	Yoshihiro Kijima	Director
Commercial Bank	Lakshman Hulugalle	Director
latton National Bank	Dr. Ranee Jayamaha (Ms.)	Chairperson
INB Assurance	Dr. Ranee Jayamaha (Ms.)	Chairperson
	Manjula de Silva	Managing Director
lotel Developers	Thirukumar Nadesan	Chairman
States of the Parameters	Dr. Tissa Wickramasuriya	Director
Sector Sector	Kosala Wickramanayake	Director
	Mahinda Siriwardana	Director
	Nihal Jayawardene	Director
anka Cement	Salim Samsudeen	Chairman
	Arjuna Jayasinghe	Director
and the second	Chinthaka Wijesekara	Director
	Lal Abeynayake	Director
and the second	Nishan Perera	Director
ankem Ceylon	Sanjeev Rajaratnam	Alternate Director
ion Brewery Ceylon	Prasanna Amerasinghe	Director
ferchant Bank of Sri Lanka & Finance	Senarath Bandara	Director
Aillennium Housing Developers	Ajita Pasqual	Director
lational Development Bank	Sunil Wijesinha	Chairman
and the second	Anura Siriwardena	Non-Executive Director
	Sujeewa Rajapakse	Non-Executive Director
People's Leasing & Finance	Anura Chandrasiri	Director
	Gamini Senarath	Director
	Nihal Jayawardene	Director
	Piyadasa Kudabalage	Director
and the second second second	Sidath Fernando	Director
Property Development	G. H. Chandrasiri	Non-Executive Director
tenuka Agri Foods	Wijeyadasa Rajapakshe	Director
lichard Pieris	Prof. Susantha Pathirana	Independent Director
ierra Cables	Sujivie Irugalbandara (Ms.)	Director
inger (Sri Lanka)	Deshabandu Ajit Jayaratne	Director
inger Industries (Ceylon)	Deshabandu Ajit Jayaratne	Director
SMB Leasing	Umesh Gautam	Chairman
Swadeshi Industrial	Amari Wijewardene (Ms.)	Managing Director
TAL Lanka	Veer Vijay Singh	Director



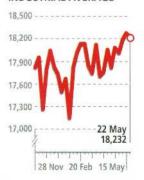
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LONDON

**FTSE 100** 

#### DOW JONES INDUSTRIAL AVERAGE





## **POLITICS RULE THE DAY**

Businesspeople continue to cast a watchful eye over politics



t would seem that there is no getting away from the business of politics, as it continues to plague the minds of Sri Lanka's corporate executives. This is evident in the latest LMD-Nielsen BCI survey, whereby 72 percent (versus a whopping 98%, in April) of respondents believe that political interference remains the No. 1 concern for *business* in the island.

Businesspeople seem nearly as apprehensive about inflation, with 69 percent of those polled pointing in that direction. The Central Bank of Sri Lanka reported that headline inflation in April – as measured by the change in the Colombo Consumers' Price Index (CCPI) – remained unchanged from the previous month, at 0.1 percent. However, core inflation, which reflects the underlying inflation in the economy, increased to 2.4 percent in April (up from 1.4%, in March). Meanwhile, high taxes are the third-most pressing issue for business in Sri Lanka today, according to 56 percent of the survey responses.

On the *national* front as well, it is the prevailing political culture that remains unchanged as the prime concern among biz folk – a view shared by an overwhelming 93 percent (versus 72%, in April) of those consulted by the pollsters. It is the opinion of at least half the survey sample that the economy is also worthy of attention, in terms of being a priority of national proportions.

The good news is that only 35 percent of respondents view bribery and corruption as a major national concern - in stark contrast to the 66 percent who did in the prior month.

- LMD

#### THE TOP THREE BURNING ISSUES IN THE LAST SIX MONTHS



What are the	three	most	pressing	issues	for	business i	in Sri	Lanka	today?

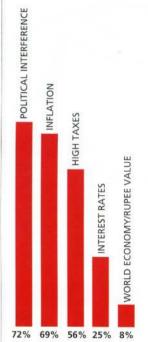
	DEC	JAN	FEB	MAR	APR	MAY
POLITICAL INTERFERENCE	51%	45%	48%	51%	98%	72%
INFLATION	56%	54%	57%	48%	35%	69%
HIGH TAXES	49%	65%	64%	51%	63%	56%

#### What are the three most pressing national issues facing Sri Lanka today?

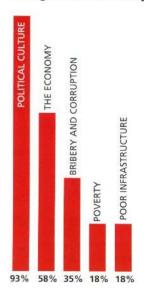
	DEC	JAN	FEB	MAR	APR	MAY	
POLITICAL CULTURE	67%	49%	53%	60%	72%	93%	
THE ECONOMY	49%	61%	62%	63%	52%	58%	Carlos
BRIBERY AND CORRUPTION	33%	37%	56%	23%	66%	35%	
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What are the five most pressing issues for *business* in Sri Lanka today?



#### What are the five most pressing *national* issues facing Sri Lanka today?



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### ADDING LUSTRE TO A LEGEND Zulfath Saheed reports on efforts to reposition Sri Lanka's gem and jewellery trade

ri Lanka has, in the past, been referred to as *Ratna-Dweepa* (Gem Island), in recognition of the abundant mineral treasures embedded in its soil. Ancient historians ranging from Marco Polo to Ptolemy have made note of the island's precious stones, which also drew the attention of traders who were lured by the jewels of 'Serendib.'

Arguably the most famous of Sri Lanka's gems is the Ceylon Sapphire, having adorned the garb of both local and international nobility. More recently, the gemstone was thrust into the limelight by gracing the hand of the Duchess of Cambridge, being prominently set in her engagement ring.

Such is the fame of the Sri Lankan blue sapphire...

Yet, there remains much to be done, for the island to regain its former glory as the 'sapphire hub' of the world, by means of generating greater international awareness about the commodity, primarily by focussing on value addition.

**NATURAL PROPERTIES** According to the National Gem & Jewellery Authority, Sri Lanka's sapphires are universally renowned for their magnificent quality and the large sizes in which they sometimes come. It notes that "every possible shade of blue is represented among sapphires of Sri Lanka, the various shades ranging from the palest to the darkest."

High-quality blue sapphires from Sri Lanka are said to have a high degree of transparency and excellent clarity. The most desired colour of the stones has been described as 'cornflower blue with a velvety lustre,' a combination of features that has proven rare in other parts of the world.

Sri Lanka's yellow sapphires, meanwhile, come in shades ranging from pale to saffron yellow, and from a slightly yellow-tinted red to a deep citron yellow. In local terminology, yellow sapphires are referred to as 'Pushparaga.' They are widely found in all corundum-producing parts of the island.

**BRANDING STRATEGY** Although Sri Lanka lays claim to more than 70 coloured gemstones, of the 200 found globally, questions have emerged over whether the country is branding itself to derive maximum benefits from the available resources.

Chairman of the Export Development Board (EDB) Bandula Egodage, speaking at a recent press briefing, pointed out that Sri Lanka could attract a greater volume of foreign investments by repositioning the country as the original 'sapphire hub.'

Over the course of the 20th century, the



island's position as a leading gem trading hub was weakened by its inability to fall in line with advances in technology, which included modern cutting techniques and heat treatment, along with state regulations that impeded the growth of the trade.

Nevertheless, Sri Lanka's gem and jewellery sector is now looking to overcome any obstacles in its path, and become a dynamic component of the national economy and the export sector. In particular, Hong Kong, the US, Switzerland, Thailand,



the UAE, France, India and Germany are listed as being among the major export markets for Sri Lankan gems.

**INTERNATIONAL FORUM** Sri Lanka was selected as the host country for the International Colored Gemstone Association (ICA) Congress 2015, which was held from 16 to 19 May. This marked the second occasion on which the island hosted the ICA congress, while the theme of this year's event was 'Sapphire and MORE.'

Attended by leading international buyers, Digitized by Noolaham Foundation.

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Arguably the most famous of Sri Lanka's gems is the Ceylon Sapphire, having adorned the garb of both local and international nobility...

gem and jewellery academia, professionals, manufacturers, marketers and suppliers from across the globe, the ICA congress is pitched as an event for networking and developing new business opportunities, whilst also showcasing the local gem and jewellery trade.

ICA is a not-for-profit entity with a membership of over 500, from 42 countries, representing 75 percent of the purchasing power of the international market for coloured stones. It regularly organises the congress, covering numerous issues ranging from production to the promotion of gemstones, with the primary purpose being to connect the many segments of the coloured gemstone trade.

Speaking at a pre-launch event, the Chairman of the ICA congress committee Clement Sabbagh acknowledged Sri Lanka's standing: "Sri Lanka has developed its mining and processing industry, to become one of the most important hubs for gem[s] and jewellery... The most important gemstone, the blue sapphire, is mined locally and the local industry is a major sourcing hub for processing sapphires from African origins as well."

**AMBITIOUS TARGETS** Having set its sights on becoming the pillar of the international gemstone trade, the local trade benefitted from multinational precious stones miner Gemfields turning its attention to Sri Lanka last year. Gemfields invested US\$ 400,000, to acquire a 75 percent stake in a Sri Lankan joint venture, with an aim to develop sapphire operations in the island.

Buoyed by such global interest in Sri Lanka's mineral resources, the island must now look to promote a globally competitive, transparent and sustainable precious stone trade – to meet its aspirations of becoming a true sapphire hub in the not too distant future.

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### TRANSPORT NETWORK

The problem can be attributed primarily to the absence of an effective traffic control system and poor city planning.

This, in turn, has resulted in a waste of time and fuel, and wear and tear of vehicles. Today, the country has more vehicles on the roads than the latter were designed to accommodate. Obviously, there are road design flaws, too.

Consequently, during peak hours, city roads become moving vehicle parks. Recurring congestion occurs during weekday morning and evening peak periods, when most people travel to work and return home at around the same time.

At a discussion on traffic issues, Prof. Amal Kumarage – of the Department of Transport & Logistics Management, University of Moratuwa – stressed the need to implement a pro-public transport policy, since road widening and building expressways, elevated highways and flyovers will not provide adequate solutions to urban traffic congestion.

While there has been no evident development in stateowned and private bus services, the other possible option – railways – has not even been considered by the authorities. On the contrary, train services have deteriorated over the past four decades.

According to Kumarage, private companies incur a 10 percent-plus loss, due to high fuel bills, in addition to suffering man-hour losses that lead to diminished productivity, despite providing senior executives with vehicles.

He suggests that Sri Lanka takes a cue from Singapore, which has a stringent traffic management policy that restricts vehicle ownership, but invests heavily in upgrading the public transport system. Sri Lanka can also impose car-restraint policies, but provide alternatives like park-and-ride, bus lanes, cycleways and improved transits.

An efficient public transportation network which



# **UNRELENTING URBAN NIGHTMARE**

Janaka Perera confronts ever-increasing vehicle congestion head-on!

comprises taxis, buses and a modern Mass Rapid Transit (MRT) rail system is bound to result in significant improvements. A Bus Rapid Transit (BRT) solution could be implemented relatively quickly, and at a much lower cost, to prevent gridlock in Colombo, Kumarage says. In Hong Kong, the railways are key to reducing traffic congestion, and the public mostly travel in buses, minibuses, railways and metros.

Simply having one-way systems, without studying the problems at hand properly, tends to shift traffic congestion to other areas. A proper town plan, user-friendly public transport facilities, and efficient and operational traffic systems are needed to address congestion in Colombo.

Traffic congestion also results from haphazard road construction. A media report relates a conversation between officials and ministers, regarding this dilemma: "Pavements cannot be built until the roads are carpeted, roads cannot be carpeted until they are properly built and the pipelines are made, pipelines cannot be made until the cables are pulled out and the boundary to pull the cables out cannot be obtained until the pavements are built!"

The lack of a passenger transfer terminal at the Colombo Fort Railway Station causes severe inconvenience to



Simply having one-way systems, without studying the problems at hand properly, tends to shift traffic congestion to other areas...

passengers. Scattering four passenger terminals in the heart of Pettah, within a one-squarekilometre area, causes severe vehicle congestion. Poor facilities at these terminals damage the image of public transport. There are a number of buses plying different routes that use these terminals and bus stops in central Colombo.

In the absence of a convenient public transport system, people tend to purchase private vehicles, hoping that this is the ultimate solution to their travel woes. Soon, the roads are clogged with private vehicles in urban areas, where further road building becomes almost impossible.

Across the country, in car sales centres, thousands of vehicles await potential buyers. Plenty of new car sale centres have been opened by newcomers and existing players. Every week, agents of renowned vehicle models launch the latest version, with the glitterati invited to grand events, and deals made over the counter. This means that there are thousands of new vehicles waiting to enter already clogged roads.

It is imperative that an efficient and modernised railway system covering most of the island be popularised, providing parking facilities for vehicles and easy access for buses, to operate a combined transport service.

According to retired DIG Camillus Abeygunawardena, the police have found it difficult to handle traffic in a fair manner, due to political interference and a breakdown in the rule of law. A lack of discipline on the part of motorists, especially private bus crews, has become a serious threat to road safety.

There are few solutions, if any, in moving towards a developed society, where public transportation takes charge – as opposed to merely relying on cars, which are only affordable to a few.

The writer is a senior journalist and a former News Editor of two newspapers. He was also an Information Assistant at the American embassy, in Colombo.

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# THE ZONE: TO GREAT OR NOT? Samantha Amerasinghe ponders Greece's potential withdrawal from the Eurozone

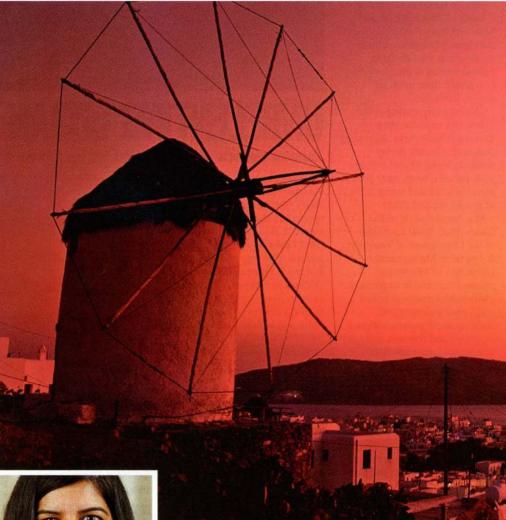
reece is running out of time and money. Two months have passed since Greece reached a transitional agreement with its creditors. But Prime Minister Alexis Tsipras has not been able to push through the reforms needed to unlock funds from the country's 240-billion-euro bailout.

Lack of progress in negotiations between the Greek Government and its creditors is worrisome. Thankfully, an agreement was patched together at the 11 May Eurogroup meeting. This makes way for the release of some of the EUR 7.2 billion in withheld bailout payments to Greece, as Athens announced it would repay EUR 750 million to the International Monetary Fund (IMF).

However, a Greek default would not have meant that the country will need to leave the Eurozone. According to a recent Bloomberg survey of 29 economists, almost 80 percent of respondents said that a default would not trigger an exit. The chance of Greece missing some of its debt payments in the coming weeks was 40 percent, while the probability of an exit from the Eurozone stood at 30 percent, according to median estimates.

If Greece fails to pay the IMF, it has a one-month grace period before the European Financial Stability Facility (EFSF) – the European Union's bailout body – could possibly take action, by cancelling all or part of Greece's financing facility, and asking for an immediate loan capital payment.

The EFSF, however, is not obliged to take action on the premise that Greece has defaulted on its loan payments. Rating agencies have also said that an IMF default would not automatically lead to a 'Selective Default' (SD) rating.







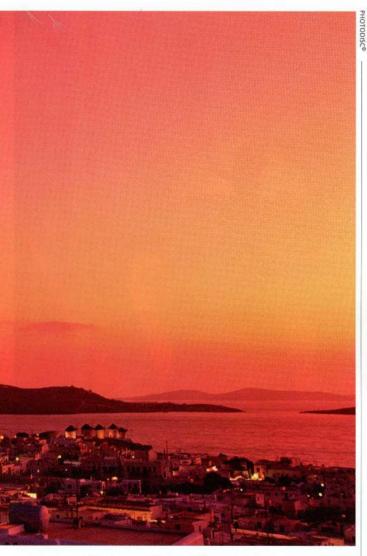
Poor business sentiment and a constrained credit environment are indicative of Greece's weak economic landscape...

Greece's economy is in bad shape. Public finances are in disarray. GDP growth this year could be close to zero, damaging government revenues. Poor business sentiment and a constrained credit environment are indicative of Greece's weak economic landscape. On 27 March, Fitch lowered Greece's rating by two notches - to 'CCC,' from 'B' - due to concerns over public finances, following a Standard & Poor's rating downgrade to 'B-' in February.

The Government is tapping state-controlled institutions for

funds to cover regular wage and pension payments, but this is only a temporary solution. Debt repayments will rise to EUR 3.6 billion in May, and EUR 6.8 billion in June.

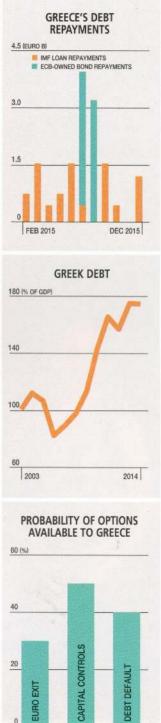
Currently, Greek banks rely on Emergency Liquidity Assistance (ELA), but rising deposit withdrawals are posing a challenge to ongoing ELA access. Withdrawals from bank deposits for the first two months of the year are higher than at the peak of the 2012 crisis, touching EUR 20.4 billion. And withdrawals are continuing, on fears that capital



controls could be imposed if the situation deteriorates further. A big concern is that ELA could be withdrawn, if banks are deemed to be insolvent.

No country can be ejected from the euro, unless the Government unilaterally decides to leave. But a 'Grexit' could transpire, if Greece's banks are denied euro-system liquidity. The possible withdrawal of ELA by the European Central Bank (ECB) would cut Greek banks off from euro-system liquidity, ultimately forcing Greece to introduce a new national currency. Such a dramatic outcome, however, would likely be avoided, as the central bank would impose capital controls.

But what would a Grexit look like, if it takes place? Greece would definitely be in uncharted territory. It would have to impose capital controls (if not already in place) and declare a bank holiday. Greece would have to print its own currency, the New Drachma (ND), which would be heavily depreciated. It



would also need to overprint EUR banknotes,

SAMANTHA

AMERASINGHE

(BLOOMBERG)

as it could take several months to print drachma banknotes. Interestingly, some

commentators favour a Grexit, saying that enduring hardship for five years would be better than the 20 or 30 years of austerity the Greeks could face, by staying in the euro.

While the euro would still be in force for international payments, all domestic wages and prices would be fixed in New Drachmas.

The Government could initially peg the drachma wherever it wished. Greece could choose to pay its debts in euros, but it would probably not pay them. It would have to pay for imports in euros. The lower domestic exchange rate would prop up the trade balance and GDP, and would also support privatisation.

The journey ahead would be a difficult one, although the newly elected anti-austerity Syriza party might be able to restructure the economy better than the former establishment parties. Further hardship is inevitable, if Greece is forced to exit the monetary union. Syriza has pledged to impose capital levies and more taxes, especially on wealthy Greeks.

A Grexit is a risky outcome for all. Even if a Grexit is deemed as being manageable from an economic standpoint, Greece's departure could have dire consequences for peripheral euro area sovereign yields, adding to other concerns – contagion risk and geopolitics.

There are many more stages which Greece will need to navigate, before a Grexit eventuates, but the likelihood of an exit is rising. The risks inherent in heading for the exit point to turbulent times ahead for Greece, at least in the near term.

Samantha is a global economist, based in London, who holds a Masters in Finance degree from the University of London.

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## ENERGY SUBSIDIES

hile global economic growth has resettled at around four percent, the worldwide variations have been wide and varied. Economic growth also brings about expanded trade and transportation, which directly increases the dependency on oil and other components of energy.

HOTODISC

Similarly, the world's population continues to grow; the average life span of people is on the rise, particularly in the developing world. Urbanisation is also spreading its wings, with over half of Planet Earth's citizens now living in cities. This has led to a dire need for quality energy and transportation.

Hydrocarbons – oil, gas and coal – continue to be the main sources of energy. But other sources, many of them renewable, are also growing, albeit at a slow pace.

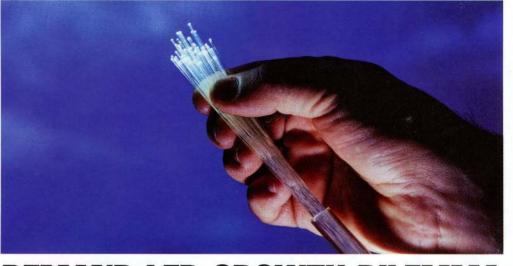
We often believe that the future is predictable and, therefore, plan for it. However, unpredicted and disruptive events can change the picture completely. The same is true of the oil and gas industry: the inherent volatility in the industry came into full force last year, combined with new complexities, rising operating costs and a rapid fall in oil prices.

The question is: How do we cope with an industry that is highly unpredictable?

Globally, we face two main energy-related threats – viz. not having adequate and secure supplies of energy at an affordable price; and the environmental damage caused by consuming too much of it. The need of the hour is to curb the growth of energy demand, increase geographic and fuel supply diversity, and mitigate climate-destabilising emissions.

This will require a balancing act between short-term measures to reduce costs, while maintaining a long-term perspective on growth. While the cyclical rise and fall of the price of oil hardly comes as a surprise, there is an obvious correlation between confidence in the industry and the cost of a barrel of oil.

The International Energy Agency (IEA) projects primary



# DEMAND-LED GROWTH DILEMMA

Praveen Jaiswal ties energy subsidies to socio-economic development

energy demand to accelerate at an annual rate of three percent. Fossil fuels are projected to continue as the dominant source of energy, roughly accounting for 82 percent of the energy basket. But its relative share is expected to shrink in proportion to the growth in coal, mainly driven by demand for power generation in China and the Indian subcontinent.

Policies and measures adopted across the world are curtailing the demand for fossil fuels. Efforts are being directed towards reducing subsidies, and improving efficiency in production and use. The power generation sector is expected to consume more fossil fuels, reflecting a rise in electricityrelated services. Similarly, the transport sector isn't lagging behind, and is growing apace.

Sufficient resources exist to enable the world's energy industry to fulfil the projected increase in demand, but the cost of the development of resources is key. The worsening investment climate, geopolitical risks, changes in government attitudes to foreign investment and the adoption of stringent environmental regulations are impeding the required investments in the oil and gas industry.

The pressure is severe, as the oil price shock has led to rapidly depreciating exchange rates and lower inflation, as well as a sharp fall in asset



Lower oil prices provide a perfect recipe for establishing a sustainable fiscal policy platform...

and share prices. But lower oil prices provide a perfect recipe for establishing a sustainable fiscal policy platform.

Nations must avoid abrupt spending cuts that may result in pro-cyclical fiscal policy, as was the case in the 1980s – the era of low oil prices. Lower government spending may lead to shrinking the non-oil sector, compounding the contraction in the oil sector and leading to a fall in growth.

Countries need to shift their spending towards job creation, building infrastructure and human capital; launching Public-Private Partnerships (PPPs); and promoting privatisation. They should follow Indonesia's example and abolish oil subsidies, allow domestic oil prices to reflect international prices, and release budgetary resources for economic and social development.

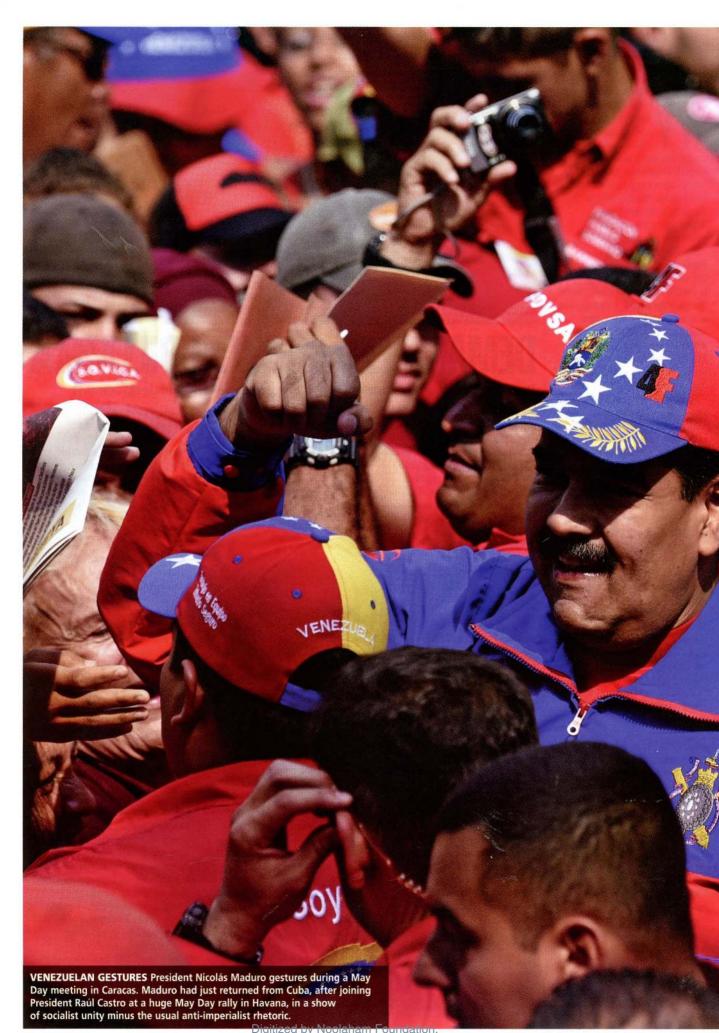
The collapse of oil prices should be used by developing countries to pursue economic and fiscal reforms that simultaneously lead to a diversification of state revenue. reduce the dependence on revenues specific to a sector, help develop local financial markets, and remove distortions to production and consumption resulting from oil subsidies. Subsidies should be assessed by their relative efficacy, sector efficiency and costeffectiveness.

Subsidies should also reach those for whom they're intended, and be structured so that they encourage the provision of services at the lowest possible cost. This needs to be addressed more thoroughly in energy sector restructuring, which often does not consider access, particularly in remote rural areas.

Similarly, cost-effectiveness means that subsidies should achieve social goals at the lowest programme cost, while providing incentives to businesses to serve poor and rural communities.

The writer is a senior oil and gas professional with multinational, multicultural experience. He is currently based in the UAE.

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BUSAFPIESS NEWSWIRE

VENEXUELA'S FOOD CRISIS Venezuelan President Nicolás Maduro has promised to nationalise food distribution in the South American nation beset with record shortages of basic goods, runaway inflation and an escalating economic crisis. During a rally on 1 May – International Workers' Day – the socialist leader allowed a union activist to request the nationalisation of distribution of food and essential items.

Citing decree-making powers recently granted by the National Assembly, Maduro said he would carry out such a measure "in the coming days and weeks." He had pledged earlier in the week, to announce economic reforms.

Various estimates suggest the Government already controls about half of the country's food distribution, but that hasn't stopped record shortages in shops and markets. Venezuela is struggling with a recession, 68 percent annual inflation and severe shortages of the basic goods that it relies on oil money, to import.

On any given day, Venezuelans wait hours to buy subsidised milk, cooking oil or flour – if they can be found at all. Maduro's Government is strapped for cash, in the face of a global supply glut that caused oil prices to collapse by more than 50 percent between June 2014 and January this year.

Nonetheless, at the rally, Maduro also announced a 30 percent increase in public wages. Nicolás Maduro was elected by a razor-thin margin in April 2013, succeeding his late mentor Hugo Chávez, who died a month earlier. Chávez, was in power for 14 years.

AUSTRADA'S REAL ESTATE Foreigners who break rules when buying Australian real estate will face up to three years in jail, or fines of Australian Dollars (A\$) 127,500 for individuals and A\$ 637,500 for companies, under tougher rules unveiled recently.

Announcing the changes, Prime Minister Tony Abbott said his Government was in favour of foreign investment. "But it does have to be the right foreign investment, in the right things, and we do need to have a foreign investment review system which encourages public confidence that the foreign investment we need really is in Australia's national interest," he asserted.

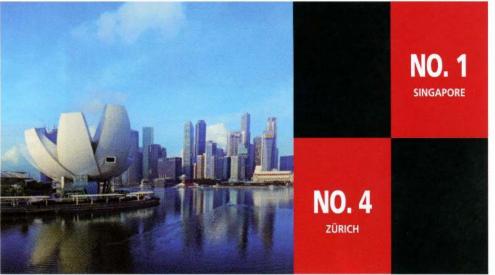
Foreigners are only permitted to acquire new dwellings and are barred from purchasing existing residential property in Australia, but the Government argues there has been little enforcement of the rules. Cashed-up foreigners, many from China, have been blamed for driving prices up in the Australian property market, particularly in Sydney and Melbourne, and placing home ownership out of reach of many locals. Abbott said that enforcement would be beefed up, while third parties (such as real estate agents who knowingly assist a foreigner to breach the rules) would be fined up to A\$ 42,500 for individuals and A\$ 212,500 for companies.

The changes come after the Government announced earlier this year, that it would introduce fees on all foreign investment applications, starting at A\$ 5,000 for residential properties valued at one million Australian Dollars or less.

Treasurer Joe Hockey said the Government was already investigating some 100 cases of illegal acquisitions, and one divestment order had already been issued on a property that was now in the process of being sold to an Australian. In March, Australia ordered China's Evergrande Real Estate Group to sell a Sydney mansion worth A\$ 39 million, which was acquired by violating foreign investment rules.

Speaking together with Abbott at a press conference in Sydney, Hockey said foreign investors who have purchased illegally had a moratorium until 30 November to come forward. "They will be forced to sell their properties, but they will not be subjected to criminal prosecution by the Commonwealth Government," he assured.

# FACTS AND FIGURES



MEDIA SERVICES PHOTOFILE

Abbott added the changes were not designed to discourage foreign investment or depress the property market, but to give people confidence that "locals are getting a fair go" when buying their own homes.

#### **MOUNT EVEREST'S TECHIES**

When an avalanche thundered down Mount Everest on 25 April, guides tweeted calls for help, and dramatic video footage soon went viral, as trekkers accessed Wi-Fi on the roof of the world. "As soon as I spoke with colleagues and realised the impact of this snow tsunami, I tweeted about it, so we could get help to deal with this huge disaster," said veteran guide Dan Mazur.

The 7.8-magnitude quake that struck Nepal sent a cascade of snow tearing through the Everest base camp, leaving dozens dead and scores injured. Within minutes, reports and photos of the disaster were circulating widely across social media, largely due to the actions of mountaineers like Mazur sparking relief operations into action and helping save lives. "A massive earthquake just hit Everest. Base camp has been severely damaged. Our team is caught in Camp 1. Please pray for everyone," the American posted on Twitter, moments after the avalanche roared past.

This live tweet is in sharp contrast to the news emerging of Sir Edmund Hillary and Sherpa Tenzing Norgay's monumental feat, on becoming the first climbers to reach the top of the 8,848-metre-high mountain, back in 1953. They arrived at the summit on 29 May, but word did not reach



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# **MOST EXPENSIVE CITIES**



London until 2 June, just in time for Queen Elizabeth II's coronation.

No pictures were taken of Hillary at the top, apparently because Tenzing did not know how to use a camera. But in his autobiography, the New Zealander claimed it had never occurred to him to ask for a picture to be taken. Today, the hundreds of tech-savvy climbers who attempt to climb Everest every year are armed with smartphones, iPads and laptops that they use to tweet their ascents to a global audience. Fifty-five-year-old Mazur says he initially perceived social media as an easy way for climbers and staff to communicate with their families during expeditions, but eventually came to appreciate its value as a safety tool. "When I first started climbing the Himalayas, 25 years ago, it would have been days before people would have realised that an accident had occurred and sent help," he told AFP, from Everest base camp.

"When I think about the fact that I am in base camp right now, using a mobile phone to talk to a journalist in Kathmandu, I have to say it's pretty amazing...," Mazur adds.

#### **BULGARIA'S WORKING POOR**

She is a chemical engineer and he a painter-turned-security guard. The Koleshevs are the hidden face of the 'working poor' in Bulgaria, the EU's most impoverished country.

"Our salaries amount to about 950 leva (485 euros) a month," 49-year-old Katia Kolesheva tells AFP, in the family's onebedroom flat – in the town of Buhovo, outside Sofia – that they share with their 24-yearold son. "When we pay the monthly instalment on a loan and our bills, we're left with 200-220 leva for food. That's all for the three of us."

According to a EU-wide survey, 48 percent of Bulgaria's 7.2 million people live in 'material deprivation,' defined as being unable to afford the likes of adequate heating or meat every second day. Seven to eight percent of them are the so-called working poor, like the Koleshevs – employed, but struggling to make ends meet, with every unplanned expense potentially spelling disaster.

The family has had to skip an instalment on a loan of 8,000 euros (taken to buy a violin for their son, who is a music student), to buy firewood last winter. "Going on vacation is out of the question. In 26 years, we have been on holiday twice," Katia's 60-year-old husband Mircho laments. Going to the movies, the theatre or a café is "unthinkable."

A painter with a degree from the National Academy of Arts, in Sofia, Mircho works as a night guard at the local community centre, where he also teaches a children's drawing course. He and Katia often borrow coins from their son, who busks to make ends meet. "The grocers here frown when



Digitized by Noolaham Foundation. noolaham.qgg Jaakapahamorg they see me coming with the jar. They are fed up with me. I go to the big supermarkets in Sofia, where they can't refuse the coins," Mircho reveals.

National statistics show that one-in-five Bulgarians is 'relatively poor.' They live on 60 percent of the national median income, and one-in-10 lives in absolute poverty.

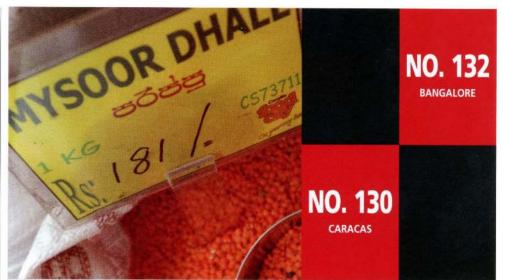
Another EU survey, conducted in March, found that Bulgaria is also the bloc's unhappiest country. The long-term unemployed, widowed pensioners and multiple-children families, especially from the 10 percent Roma minority, are the hardest hit. But they are not the only ones. About eight percent of all employees who receive a minimum monthly salary of 184 euros also come close to the poverty line, after paying insurance and tax.

Experts say that the situation is the legacy of successive governments failing to implement reforms, to make the economy more competitive and attract investment, following the end of communism, in 1990.

#### FRENCH JET SALES SOAR

After struggling for years to sell its Rafale jets abroad, French defence group Dassault has finally sealed several lucrative deals, thanks in part to anti-US suspicion in the Middle East. Egypt was the first buyer,

# FACTS AND FIGURES



MEDIA SERVICES PHOTOFILE (THUSITH WIJEDORU)

ordering 24 aircraft, in February, and India following suit with 36 fighter jets, in early April.

On 4 May, Qatar signed a deal for 24 jets, at a ceremony in Doha attended by President François Hollande. Foreign Minister Laurent Fabius said that France may soon be celebrating again, as negotiations with the United Arab Emirates appear to be heading in the "right direction."

"For a long time, there were doubts about Rafale," Hollande admitted, when the Qatar deal was announced, before applauding the deal as "good news" for the country. Brushing aside concerns about client countries' rights abuses, France has consistently hailed the Rafale sales abroad as a success for both Dassault and French diplomacy. Experts say that aside from

the fighter jets' proven successes in combat zones like Afghanistan, Libya and Iraq, French policy in the Middle East has played a significant role in securing sales. "It's more specific to the Gulf countries which appreciate France's coherence in its foreign policy," said Bruno Tertrais, who represents the Foundation for Strategic Research, a Paris-based think tank.

Tertrais pointed to the summer of 2013, when Hollande said he was determined to punish the Syrian regime of Bashar al-Assad, who had just been accused of unleashing chemical weapons on his people. At the time, US President Barack Obama backed down from an imminent military intervention, despite having vowed chemical weapons were a "red line" in the Syrian conflict.

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# LEAST EXPENSIVE CITIES



According to Tertrais, the US response to the Arab Spring – particularly in Egypt, where Washington dropped its support for ousted president Hosni Mubarak, in February 2011 – shocked its allies in the Middle East.

François Heisbourg – the Chairman of the International Institute for Strategic Studies – says that "the French have shown they are negotiating hard" with Iran on its nuclear programme, which Tehran insists is for peaceful purposes, but the West believes is aimed at making an atomic bomb. In contrast, the Americans "appear more flexible" with Iran, the Shiite enemy of the Sunni Gulf monarchies, he adds.

#### MCDONALDS MAKEOVER

American fast-food icon McDonald's, seeking to return the shine to its golden arches, unveiled a turnaround plan a few weeks ago, to combat sagging sales and shifting consumer tastes. The global giant, which has languished amid rising concerns about obesity and food quality, will sell off more company-owned restaurants to franchisees, restructure its international operations and cut costs.

The chain is also testing plans to allow customers to customise dishes and an experiment with all-day breakfast in the key US market. "The reality is our recent performance has been poor," Chief Executive Steve Easterbrook admits, and he adds that "this is a global turnaround. We have to modernise our approach and run the system differently."

The company has vowed

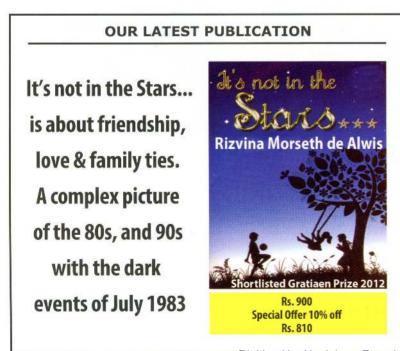
to become more transparent, in response to concerns about food quality. "There are perceptions and there are misperceptions out there," Easterbrook told an analyst, over a conference call. He explained: "Consumers' tastes are changing... and therefore, we've got to be seen to be moving with them."

In January, McDonald's announced it was installing Easterbrook as Chief Executive, to replace Donald Thompson, who was unable to reverse a trend of sliding sales. The chain has been under pressure from falling customer traffic, with sales dropping 2.4 percent in 2014, to US\$ 27.4 billion.

It faces rising competition, not only from traditional rivals like Wendy's and Subway, but from higher-end chains like Chipotle, Panera Bread and Shake Shack.

Easterbrook highlighted the need to establish McDonald's as a "modern, progressive burger company." He said he would prod employees throughout the system, to push "a little more quickly and a little more accurately," to improve the dining experience. "We all need to step up our game a bit," he added.

The US fast-food burger giant said its overseas markets will be organised by their maturity within the McDonald's system, rather than by region.



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## FARM TOURISM

ommunity involvement in tourism is widely viewed as being essential for sustainability. It is emphasised from equity. developmental and business management perspectives. The positives of this form of tourism include community ownership. livelihood security, efficient conflict resolution, higher social carrying capacity and improved conservation.

Farm tourism offers travellers an opportunity to experience rural life and be in touch with local people - a way to reconnect with food sources, and return to the roots of agricultural production. In some cases, it's an opportunity to get one's hands dirty, pick fresh produce and enjoy a real-life farm experience.

It is gradually becoming a strategy to conserve family farms and educate the public about traditional farming life in Sri Lanka. This is most important for rural communities, so as to raise their earnings from farming. At the same time, this has the twin advantages of generating employment and protecting natural resources, in addition to safeguarding cultural and traditional life, recreation and education, and ultimately. ensuring a higher standard of living for those engaged in agriculture.

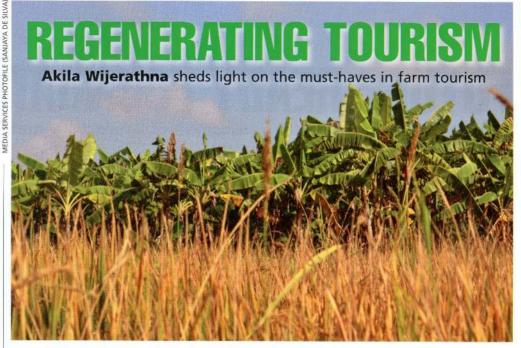
Sri Lanka has traditionally relied on agriculture. It has even been referred to as the 'Granary of the East.' Farmers have adopted age-old systems such as cultivating traditional produce, organic farming, managing pests and disease by practising Kem krama, maintaining biodiversity and using biopesticides.

It is an environmentally friendly blueprint with the potential for tourism enterprises for farmers, on the basis of their own production. Farm tourism generally entails enterprise on a small scale, leveraging advantages of the rural environs to cater to the needs of travellers. This should focus on three basic principles.

Firstly, visitors must have an opportunity to see animals, farms and nature. Then, culture, dress, festivals and rural games could generate interest among visitors to farms. Likewise,

# **VERATING** T

Akila Wijerathna sheds light on the must-haves in farm tourism



activities such as participating in agricultural chores. swimming, bullock-cart riding and cooking are imperatives. Thirdly, it must offer mementos (e.g. rural crafts, dress materials, fresh agricultural produce and processed foods) that visitors can purchase.

Farmers, villages and agriculture are the three major factors that contribute to promoting farm-based tourism. In many cases, farmers are less educated, less exposed and innocent. In the eyes of a farmer, outsiders are considered to be guests - and guests are treated wholeheartedly, sans commercial motives.

Usually, fostering farm tourism encourages farmers and rural people to take on the roles of tour organisers and entrepreneurs. Farm tourism is an inexpensive gateway for budding entrepreneurs, and its primary focus is on the cost of food, accommodation, recreation and travel. The end result, therefore, is that farm tourism has the potential to widen the tourist base exponentially - which is why it represents an alternative model for tourism in this country.

At present, the concept of travel and tourism revolves around urban and wealthy people. The urban population, with their roots in the villages, possess an innate curiosity about the sources of food,



The benefits of farm tourismbased development are manifold, providing both direct and indirect rewards to farmers and rural folk...

plants, animals, handicrafts, languages, culture, tradition, dress and rural lifestyles. Farm tourism has the capacity to satisfy the curiosity of this segment of the population.

It also has the potential to transform the economic fortunes of traditional agriculture. The benefits of farm tourism-based development are manifold, providing both direct and indirect rewards to farmers and rural folk.

The link between tourism and agriculture provides an opportunity to diversify rural economies and livelihoods, particularly among women

and youth; alleviate poverty; create employment opportunities for farmers, including family members and young people; improve farmers' standard of living, by way of contact with urbanites; promote SME development and local ownership, in addition to localised production. community pride, heritage and conservation; and maintain community services and facilities.

Alternative tourism models must essentially support sustainable rural development. But a huge effort will be necessary to strengthen the economic development of rural farmers, given the extent of its tourist value, viewed from economic, environmental, social and cultural perspectives. It is understandable, therefore, that the initiation of such potential and necessary actions be supported by continuous monitoring

Farm tourism offers a range of benefits to communities and visitors. It presents an opportunity for entrepreneurs, small business owners and travellers to be active participants in sustainable development initiatives.

Indeed, farm tourism can help preserve and build sustainable communities, leading to meaningful careers for future generations, to protect and discover the rural culture.

The write is a graduate in Agricultural Biotechnology, from Wayamba University.

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# **FUTURE-READY FOUNDATIONS**

Kiran Dhanapala endorses the development of sustainability strategies

ustainability encapsulates everything necessitating a strategic approach, versus an ad hoc conglomeration of projects installed within an organisation. By creating a sustainability strategy and plan, the sum of the parts (i.e. the projects) will definitely be greater than the whole, yielding optimum dividends through profits, brand value, mitigated risks and enhanced productivity.

The global economy faces enormous challenges such as population growth, resource scarcity, price volatility, increased frequency of extreme weather events and other related symptoms of climate change. **FOCUS ON NATURAL CAPITAL** 

Hence, doing things the way we used to no longer makes sense – many, including the Chartered Institute of Management Accountants (CIMA), recognise that the primary business concern of this century will be natural (not financial) capital. Sustainability signals change, necessitating a move away from a Business As Usual (BAU) scenario. How you do this is key.

Sustainability can be leveraged to create a more empowered, meaningful and committed corporate culture, if we can change the minds of those involved and our organisational system. This involves changing paradigms – i.e. making it understood, in language and practice, that there is a new way of doing business.

Walking the talk by leadership is vital. Changing systems includes creating a compelling vision and setting congruent goals, enabling self-organisation,



Sustainability can be leveraged to create a more empowered, meaningful and committed corporate culture...

changing the rules, improving communication and information flows, and redesigning infrastructure.

#### THE BIG PICTURE QUESTIONS

A sustainability strategy addresses two big picture questions for organisational leadership: Should we pursue sustainability? If so, how can it be done?

The first represents the rationale, or Business Case

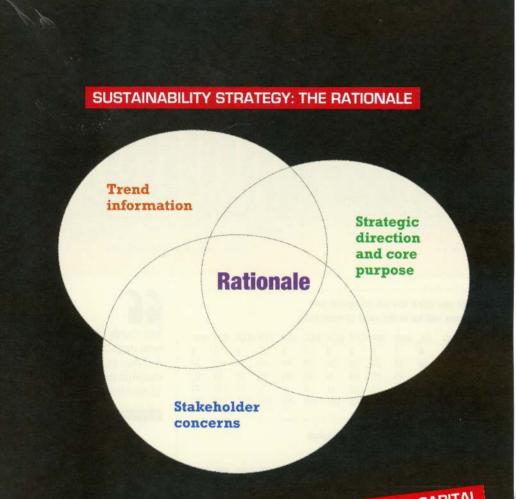
(BC), for sustainability that is unique to every organisation, and needs to be evidence-based. Meanwhile, the second represents, in greater detail, the sustainability plan.

Your strategy represents what is important to your organisation, and presents your organisational thinking in how you see yourself reaching to a long-term goal of becoming sustainable. To do so, you must have a clear intent and agreement to pursue sustainability that is backed by senior management, and a shared understanding of definitions, conceptual frameworks, what you are trying to achieve, your priorities, etc.

**OUTLINE OF KEY INGREDIENTS** A credible sustainability strategy involves several key ingredients. Firstly, you need to frame a

The writer is a sustainability professional with over 20 years' experience at country and global levels. A member of an international sustainability network, she adds value to individuals, companies and the planet, through consulting (Kiran can be contacted via kiran@kiraonline.org).

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common understanding of the rationale (or BC) for sustainability, both internally and with external stakeholders. This includes current problems, and linking them to sustainability solutions as well as tapping into personal passions within the organisation. A mix of rational and emotional reasons is helpful in motivating greater and deeper participation.

Organisational vision is the foundation of strategy. Define what a sustainable version of your organisation looks like in the future. Project the best of what your organisation can be, without thinking of limits or constraining factors.

A fundamental decision is whether to go along with the BAU or adopt a more farsighted, strategic approach. Are you going for incremental steps, or big and audacious goals? Ultimately, this decision depends on organisational culture.

Being enthused about sustainability is not sufficient – you need the right mix of skills,

# NATURAL CAPITAL

Natural capital will become as prominent a business concern in the 21<sup>st</sup> century as the provision of adequate financial capital was in the 20<sup>th</sup> century. It underpins all other forms of capital, including financial – ultimately, we rely on it for everything. We are already 'drawing down' on 50 percent more natural capital a year than the Earth can replenish – and the rate of depletion is accelerating. All too soon, businesses will face a stark choice: adapt or fail." ADAPTED FROM

ADAPTED FROM ACCOUNTING FOR NATURAL CAPITAL (CIMA) sourced both internally and from outside. External consulting skills are useful to lead sustainability initiatives, especially at the start. The skills required include hard skills such as strategic planning, systems thinking and project management, as well as soft skills like stakeholder

communication, problemsolving, and the ability to inspire and motivate others.

A culture of cross-sectional teamwork and collaboration, as well as systems for transparency and accountability, is helpful and often stimulated by the sustainability process itself. Creating incentives for innovating and problem-solving is key to facilitating change.

Launching into sustainability implies managing personal transitions, from the loss of the old way of doing things, to adjustment and a stage of acceptance or integration. HR departments need to develop supportive strategies to assist in this change management process.

#### **EMPOWERMENTAL FOCUS**

Commonly shared and understood sustainability frameworks and definitions are necessary, and can be built up along the way. This helps define what a sustainable version of your operation looks like, and what you are ultimately striving for. Is it an effort that's linked to the past, your industry or a common problem? At the strategy level, it helps keep things at a broad conceptual and visionary level, with an overall focus on empowerment.

• Stakeholder inclusion and constant communication are key in strategy development. You are planting seeds with continuous education via multiple media, and building in opportunities for two-way communication. Sharing results, both internally and externally, helps manage your stakeholders and keeps them motivated.

## CONSUMER CONFIDENCE

## SRI LANKA CONSUMER CONFIDENCE INDEX TRENDS

### QUARTERLY INDICES/ROLLING THREE-MONTHLY AVERAGE INDEX



he Nielsen Consumer Confidence Index (CCI) continued to decline in May, dropping by four basis points from the prior month. This fall in the index was seemingly driven by concerns over political uncertainty, thanks to the prospect of general elections.

ILLI SEP

Two-thirds of those surveyed hold negative views, when it comes to purchasing essential items in the 12 months ahead, which is more or less in line with the previous month's poll result.

In addition, at least seven-in-10 respondents (versus 66%, in April) claim that the state of their personal finances will not yield a positive outcome over the 12-month horizon. And while 27 percent (down

from 35%, in the prior month) of respondents state that job prospects in the next 12 months will be 'good' or better, a majority of those polled continue to remain pessimistic.

#### Q: What do you think the job prospects for Sri Lankans will be in the next 12 months?

	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
Excellent	2	4	1	8	2	4	7	8	2	3	2	5
Good	22	28	12	20	54	50	38	41	42	27	33	22
Not so good	56	49	65	53	24	35	47	45	47	52	53	52
Bad	20	19	22	19	20	11	8	6	9	18	12	21
Base	100	100	100	100	100	100	100	100	100	100	100	100

#### Q: What do you think your state of personal finances will be in the next 12 months?

	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
Excellent	1	0	0	0	0	2	1	5	2	1	3	5
Good	8	15	6	13	22	31	24	28	41	23	31	25
Not so good	72	66	68	63	56	51	55	48	43	58	50	58
Bad	19	19	26	24	22	16	20	19	14	18	16	12
Base	100	100	100	100	100	100	100	100	100	100	100	100

## Q: How do you think the next 12 months will be for people to buy the things they need?

	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
Excellent	1	0	0	3	0	0	1	5	4	1	3	4
Good	4	15	5	7	21	35	28	29	45	25	30	30
Not so good	70	66	64	68	47	47	54	49	43	61	56	49
Bad	25	19	31	22	32	18	17	17	8	13	11	17
Base	100	100	100	100	100	100	100	100	100	100	100	100
buse	100	100	100	100	100	100	100	100	100	100		

Two-thirds of those surveyed hold negative views, when it comes to purchasing essential items in the 12 months ahead...

#### NIELSEN CONSUMER CONFIDENCE SURVEY

The Nielsen Consumer Confidence Survey in Sri Lanka was conducted quarterly from the third quarter of 2009; but since January 2011, the survey has been conducted monthly. The sample size is 300 respondents per quarter (at 100 a month). Responses are obtained via telephone interviews among consumers in the Western, Central and Southern Provinces about their confidence levels and the economic outlook. The index is developed on the basis of consumers' confidence in the job market, their personal finances and readiness to spend. A standardised global questionnaire is used. For local reporting, data is analysed on a rolling three-month sample and on a quarterly basis, whereas global comparisons are quarterly. Questions that are asked to compile the index and responses are analysed in the accompanying tables.

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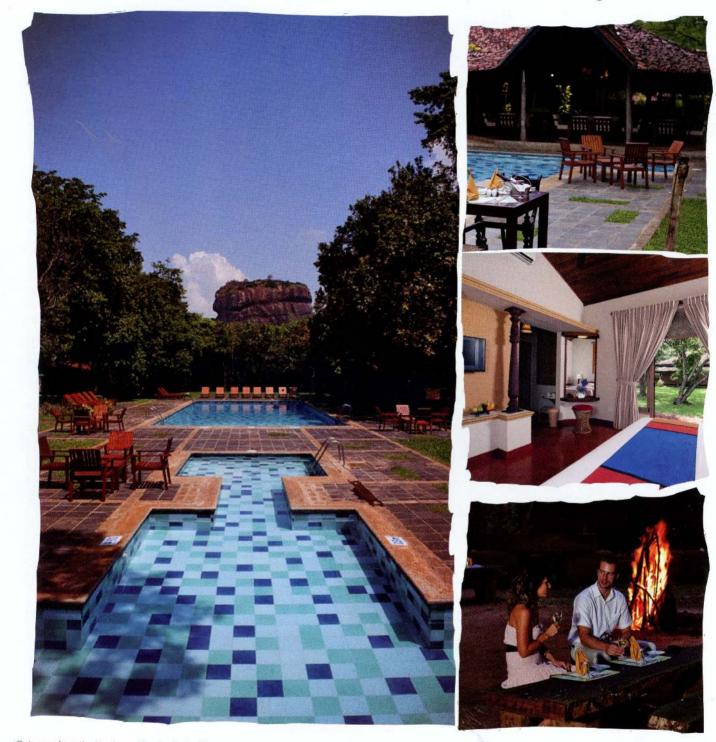
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# BENCHMARK the voice of business

# **BULLISH OUTLOOK FOR BANKS**

Jonathan Alles predicts exciting times ahead for the local banking sector

t is a good time to be in E banking," pronounces Jonathan Alles. Hatton National ≜ Bank's (HNB's) Managing Director and CEO is upbeat, citing the prevailing customer sentiment and investor confidence which, he says, are contributing to stability in the banking sector. He acknowledges stiff competition, nevertheless, with new projects and investment opportunities coming through. But overall, Alles is confident that there would be sufficient business for everyone.

With the repurchase rate being maintained at 6.5 percent and the reverse repurchase rate at eight percent, he is a strong proponent of the country's current monetary policy: "Given the fact that we have had two very supportive budgets,

and that we have also been helped by [lower] oil prices, we're able to maintain inflation at very low levels. This helps the Central Bank to continue with an expansionary monetary policy; permitting it to maintain fairly low rates, stimulate credit growth and thereby stimulate economic activity."

Private sector credit growth registered 11.5 percent in January, year-on-year. Alles hopes the private sector can sustain this growth momentum, against a backdrop of a fairly flat first half in 2014, followed by increased economic activity in the second half. He acknowledges "a little bit of uneasiness, with people looking for direction," but is confident that this will ease out over the next few months.

"With lower taxation and higher disposable incomes, we are looking forward to a huge amount of consumer activity, particularly in terms of auto, housing and educational loans. And as a result, we will see the education sector, the vehicle sector and the real estate sector being more active, and the banks having a greater part to play in supporting consumer activities," HNB's CEO affirms.

Standard & Poor's recently noted that the change in Sri Lanka's political setting adds to the uncertainty over the fate



of the previous administration's policies related to economic activity, reforms, monetary policy and banking consolidation. And Alles believes that Sri Lankan banks should continue to seek opportunities to consolidate.

He explains: "I think it is important that the small organisations are regulated. It is important that you have a framework set, so that you do not have indiscipline in this market. And when you bring regulation and discipline, and people have to behave responsibly in the marketplace, this would entail some players in the microfinance space – and to a lesser extent, non-banking financial institutions (NBFIs) – having to move out, or they may have to consolidate with some of their bigger peers."

Alles adds that "Sri Lanka is a small economy... I think we need to cooperate, consolidate and collaborate, in order to compete – not just amongst ourselves, but we need to start looking at international markets. I would say that as long as regulators and governments set the framework and set the tone, companies that are interested in getting together should go ahead and look for meaningful consolidation opportunities."

Looking ahead, Alles strikes an optimistic note: "I am bullish. I think that we [the banking sector] are going to have a good time over the next two to three years. Economic growth is of paramount importance; it should cut across all segments, and not be limited to a few or the high-end corporates."

"In particular, I am looking at driving technology and providing convenience, supporting SMEs and micro entrepreneurs. And developing the rural economy, taking advantage of some of the infrastructure developments that have taken place – which, in turn, would facilitate this movement towards doing business outside the Western Province, in a more efficient and productive manner," he sums up.



#### **PROGRAMME CONTENT**

Business perspectives and indicators, current economic affairs and interviews with business leaders



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# **SYNERGIES FROM AMALGAMATION**

BENCHMARK the voice of business

Arjun Fernando stresses the positive elements of voluntary amalgamation

ustomers are calling the shots," observes, DFCC Bank's CEO and General Manager Arjun Fernando, describing the vibrant banking milieu in Sri Lanka today. "With the stable rating outlook for banks and investor confidence, it is a positive moment for the banking sector."

Inevitably, given the liquidity in the market, competition is strong, forcing banks to be innovative with their product and service offerings. "The first half of 2015 has been a 'wait-and-see' moment, but I believe that there are exciting times ahead of us," he adds.

Fernando remarks that there's more inclusivity in the banking sector, with increased demand from certain sectors, which is a depar-

ture from the norm: "From a bank's perspective, we are reaching out to segments which we probably didn't reach out to earlier. Banks were in a sort of comfort zone, lending only to top corporates and maybe the next tier; but here, you see us going into other areas such as microfinance."

Turning his attention to the progress made on financial reforms, Fernando commends the Ministry of Finance and the Central Bank of Sri Lanka, "for meeting the stability objectives of the financial services industry."

He cites the establishment of a risk management framework, the strengthening of capital requirements, improving payment and settlement systems, as well as looking at riskbased supervision, "rather than looking at whether you have dotted your I's and crossed your T's." In this sense, he says, "the banking sector reforms have been positive; and naturally, consolidation is still in wait-and-see mode because of the committee's findings. But all in all, it is satisfactory."

Touching on the resistance to change, which solid financial institutions are facing on voluntary amalgamation, DFCC Bank's CEO says that emphasis must be placed on the value addition that amalgamation brings.



"Banks are in a position today, to look at amalgamation with a more positive view, in terms of value addition. If you find the right partner, it would be more of a revenue uplift, rather than a cost. And I am sure that there are synergies that you can gain out of any amalgamation. But I think that the play should be on revenue generation, along with accessibility to other markets and services," he explains.

In such a scenario, resistance would be less, he feels. Furthermore, this should be articulated to the staff, and they could buy into the concept where they need not fear because there are going to be opportunities, Fernando points out. "You may have to come out of your comfort zone – and this is something that, in life, we have to

be prepared for – but there will always be more opportunities in the long run," he maintains.

Outlining his vision for Sri Lanka's banking sector, Fernando says he would like to see much stronger banks. "That is why I am a proponent of consolidation. I think that banks need to be more customer-centric, and by that I mean inclusive growth – not just with certain segments. Banks will also need to ensure strong risk management and capital, to sustain any shocks. The biggest challenge for the banks is to look at their organisational structures and the productivity of staff, and utilise their resources to the maximum. I believe that banks in the past have had layers of management for reasons which would have served in the past, but would they really add value going forward, in the current context?"

Arjun Fernando stresses that banks will need to consider talent management, and spend quality time on sales and marketing. "I believe banks are process-oriented, and the governance structures are more post-event ones, rather than looking forward. So I think that a talent management/sales and marketing platform would be the way forward," he recommends.

AUDIENCE Principally, the business and professional communities in Sri Lanka. Target audience includes DialogTV's and LBN's (Bloomberg) viewership, and LMD's 30,000 readership.

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If this period without general elections continues for too long, it would definitely send the wrong signals to the investor community...

Hasitha Premaratne

Q: What sort of message are investors receiving from the country situation? A: What is important is that when change takes place [i.e. at the presidential election, in January], there would be a limited period of uncertainty, and then you would have more stability in the medium to long term. And if this is seen, then the investor community would be watchful as to how the situation pans out. But if this period without general elections continues for too long, it would definitely send the wrong signals to the investor community.

**Q:** How would the prevailing investment climate impact economic growth?

A: Investors are in 'wait-and-see' mode. This has created a lag, and this delay will hurt overall growth on the side, but we have also seen – through the Interim Budget – that there was an infusion of cash into the system. And the retail trade seems to have witnessed a positive pickup, while some other sectors like construction have been somewhat negatively impacted. It's important to understand that there would be some level of uncertainty, which has delayed economic growth in the short term, but the longer-term fundamentals have yet to change. Generally, there is a certain level of cynicism over elections in this country... Mihirani Dissanayake

Q: According to the findings of TNS Lanka's recent survey, how do respondents view the Mini Budget? A: A majority of respondents believe that the Mini Budget has supported them in reducing their cost of living, but a fifth are not sure about this. This worry is due to the fact that the budget has not addressed the price of essential goods.

Q: Do survey participants expect future elections to be free and fair? A: Generally, there is a certain level of cynicism over elections in this country; and in the same way, respondents do not have an overwhelming opinion over upcoming elections. Around a third feel that the general elections would be free from violence, with the trust [factor] coming from areas outside Colombo the majority of the people that we interviewed in Colombo have their doubts. We also interviewed people about the trust that they have in the Cabinet, and only a third of survey participants believe that it is free of corruption.



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There were elements in the Interim Budget that could set a bad precedent, particularly in terms of retroactive taxes... **Deshal de Mel** 

# **Q**: Could you outline the economic elements of the Interim Government's 100-day programme?

A: One of the elements was to reduce the price of petroleum, diesel and so on, which is quite significant, given the impact on disposable expenditure of the average consumer. Along with this, a number of essential commodity prices were brought down, which provided relief to the people. There were also elements relating to wages, particularly in the public sector, where they had not been increased in real terms over a fairly long period of time.

## **Q:** What would be the positives and negatives?

A: In terms of improving consumption levels, it did have an impact; but some of the other elements were not necessarily fleshed out in the text of the 100-day programme itself issues such as renegotiating some of the contracts relating to large infrastructure projects raised some concern. In terms of the negatives, there were elements in the Interim Budget that could set a bad precedent, particularly in terms of retroactive taxes. Some of these taxes that seemed to be targeted and perceived as punitive are certainly matters for concern.



Concerns about the economy have started to increase and this has been seen throughout the last three months...

**Shaheen Cader** 

#### Q: What sort of perceptions, vis-à-vis the economy, did you gather from the [April] LMD-Nielsen Business Confidence Index (BCI) survey?

A: Concerns about the economy have started to increase, and this has been seen throughout the last three months – i.e. from the month after the [presidential] election. These concerns have increased in March and April, because the business sector awaits stability in the political arena.

#### Q: Where do survey participants stand, in terms of the investment <u>outlook</u> for Sri Lanka?

A: Due to the concerns over economic prospects, the outlook for future business and investment has also dipped – but [only] slightly.

## Q: What exactly is the private sector hopeful of, then?

A: The business sector is hopeful of a couple of things: number one being better governance; along with political stability, but this will only be post the general elections.

#### ADVERTORIAL

# **ASSOCIATED MOTORWAYS**

s we witness the development taking place in Sri Lanka's road infrastructure, if the current positive

momentum continues, the country could boast one of the best highway infrastructure networks in South Asia within 10 years or so. Given Sri Lanka's relatively small size, a developed highways network will be a definite boon, as the time it takes to travel within the island would be greatly reduced.

While this could have tremendous advantages in various spheres such as tourism and industry, it could also result in pollution and environmental degradation, as automobiles continue to be powered mainly by diesel and petrol energy in this country.

In the light of ongoing developments in road infrastructure, the authorities and relevant ministries seem to be taking proactive steps to propagate the use of hybrid and electric vehicles, thereby harnessing cleaner energy in a meaningful manner.

The potential of hybrid and electric energy is bound to develop with the passage of time. These new, cleaner sources of energy – when used in greater numbers – could also have a positive impact on the national economy. Presently, Sri Lanka expends a colossal sum to import fossil fuels.

Globally, the automobile industry is moving in the \*direction of cleaner energy. In the context of Sri Lanka, the private sector seems to have endorsed the steps taken by the Government to curtail carbon emissions. Sri Lanka is blessed with many natural



resources, and a cleaner environment could provide a competitive advantage for the country.

Hybrid and electric vehicle technology is developing rapidly on many fronts, and in many forms, particularly when it comes to battery technology. Automobile manufacturers are constantly innovating, to extend their range of electric cars. Today, lithium batteries are being introduced to electric cars as well. Improvements in technology and infrastructure, alongside a new tariff structure, will generate a higher level of confidence among consumers and this, in turn, will lead to more people purchasing these vehicles.

Presently, on a single full charge, an electric car can run an average of 125 kilometres. With Colombo being a relatively small city, this range could be sufficient for the average motorist's daily use.

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Samantha Rajapaksa Group Managing Director

Also, research has shown that, in Sri Lanka, people have garages to park their vehicles. This could easily facilitate electric car owners to charge their cars at home.

As Sri Lanka is a developing country with many social priorities, the Government should be applauded for partnering with the private sector, to develop infrastructure that will facilitate the wider use of electric cars. This is so, because the extensive use of electric cars could derive many benefits, from a national perspective.

With these developments taking place, Associated Motorways (AMW) is excited about the launch of the Nissan Leaf this year, which it regards as the world's bestselling electric vehicle – alongside the renowned Renault electric range.

These vehicles lay claim to

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Hybrid and electric vehicle technology is developing rapidly on many fronts, particularly when it comes to battery technology...

being fully compliant with Sri Lanka's tropical conditions. Potential customers could avail themselves of traditional AMW services and spare parts, along with islandwide charging stations. Hassle-free ownership of electric vehicles is, therefore, guaranteed.

In the current market, private used vehicle dealers import electric cars – particularly the Nissan Leaf – in greater numbers, states AMW. It adds that Nissan Leaf cars are beginning to gain momentum, in terms of sales volumes. The market segment for electric cars is not made up entirely of the upper echelons of society, but those seeking a cheaper, environmentally cleaner mode of transport. As electric vehicles gain greater acceptance in the country, along with the infrastructure to support their existence, there is likely to be a scenario where certain mercantile sectors will use electric vehicles as part of their fleet. This would also lead to commercial advantages for such organisations, apart from contributing to environmental preservation.

In the future, being environmentally friendly will not be limited to clichés or intermittent CSR projects aimed at making the planet greener. There is a likelihood of legislation being enacted to incentivise Sri Lankan companies to turn towards cleaner energy. Tax breaks and incentives are bound to entice businesses to take cleaner energy on board in a more substantial manner.

This is another plus for the country – when dealing with developed markets, Sri Lankan companies will be viewed positively, for embracing cleaner energy for the greater good of the environment.

From an organisational point of view, Associated Motorways says it is optimistic about the future, because the launch of its brand-new electric vehicles will go a long way towards transforming Sri Lanka into a dynamic country – and, as it notes, a competitive advantage will surely be gained from a cleaner environment.



- Tyronne Jayamanne

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# **CREDIT INFORMATION BUREAU** OF SRI LANKA

The Credit Information Bureau (CRIB) of Sri Lanka completed 25 years of service to the financial services industry on 15 May. Formed by an Act of Parliament in 1990, CRIB was the first credit bureau to be set up in South Asia.

During the past 25 years, CRIB has provided risk management capabilities to all regulated lending institutions, and facilitated information-based lending and quick access to finance for eligible borrowers, thereby augmenting growth opportunities for the entire economy.

The formal 25<sup>th</sup> anniversary celebration together with the Annual General Meeting for 2014 was held on 22 May, at

the Cinnamon Grand Colombo, with the participation of chief executives and compliance officers of banking and financial institutions. At the event, CRIB felicitated those who have contributed to its success both in the past and the present.

Arjuna Mahendran, Governor of the Central Bank of Sri Lanka, was the chief guest at the occasion. 'CRIB & Credit' – the first-ever newsletter of the Bureau – was presented to the Governor by Director and General Manager of CRIB Gamini Karunaratne. The 25<sup>th</sup> Annual General Meeting was successfully conducted by Ananda Silva, Deputy Governor of the Central Bank of Sri Lanka and Chairman of CRIB.









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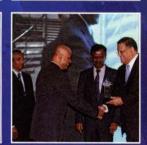
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#### ADVERTORIAL

# **ICBT CAMPUS**

nvesting in one's future education is becoming increasingly important, with postgraduate qualifications providing a definite career boost, in this context. ICBT Campus offers four master's programmes from Cardiff Metropolitan University (UK) – viz. Master of Business Administration (MBA), Master of Laws (LLM), Master of Science (MSc) in Information Technology and MSc in Marketing.

ICBT Campus says it makes every effort to provide postgraduate programmes that are accessible, flexible, affordable and of the highest quality. These programmes are quality assured and identical to what's offered at Cardiff Metropolitan University. What's more, its degree is also an internal British qualification.

Master's students typically comprise working individuals. Hence, it is convenient for them to pursue a globally recognised postgraduate degree in Sri Lanka, without having to leave their career and family



behind. However, students can opt to transfer credits and complete their master's degree in the UK, and attend the graduation ceremony there as well.

Lecturers perform a vital role in delivering the internationally recognised and career-oriented master's programmes offered by ICBT Campus, which adopts a methodical system to select lecturers. Consequent to sending CVs of prospective lecturers to Cardiff Metropolitan University, the latter's representatives visit ICBT Campus or conduct interviews via Skype, and thereafter appoint lecturers to undertake selected modules.

ICBT Campus also employs a stringent system prior to releasing results. Following the first marking by local lecturers, a second marking is independently performed in the UK. Subsequently, a panel from Cardiff Metropolitan University visits Sri Lanka, along with staff from other campuses, and students' results are scrutinised again, prior to release

With over 1,000 students and in excess of 3,000 alumni,

ICBT Campus says that Cardiff Metropolitan University master's programmes are widely accepted in Sri Lanka. It notes that students gain a thorough learning experience at ICBT Campus, where programmes combine discipline-specific, advanced coursework, building a skill set that is applicable to career paths.

To meet the entry criteria for the programmes, students must possess a bachelor's degree in the relevant field of study or have a professional qualification. Additionally, the postgraduate study path is open to those who have 10 years' managerial work experience. The next intake for the four master's programmes at ICBT Campus will be in September this year.

ICBT Campus notes that its ultimate objective is to offer students an opportunity to earn a postgraduate qualification, to develop the skills and attributes that will guide them in the future.

- Tyronne Jayamanne





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#### ADVERTORIAL

# **MOS-LANKA HOLDINGS**

os-Lanka Holdings recently clinched the prestigious International Arch of Europe accolade, in the Gold category, awarded by Business Initiative Directions (BID). The award was presented at a ceremony held at the InterContinental Frankfurt Convention Center, in Germany, on 26 April, which was attended by companies from 72 countries; business leaders; professionals in the fields of economics and arts; quality experts; academics and diplomats.

The 28th International Arch of Europe for Quality and Technology (IAEOT) 2015 was part of the annual programme of BID Awards, designed to recognise outstanding organisations and businesspeople worldwide. Research and analysis carried out through Ouality Hunters, leaders, entrepreneurs and quality experts, directed by BID, led to the recognition of Mos-Lanka Holdings - for its contribution to leadership, quality and excellence.

BID is a leading private organisation, known worldwide for quality culture, through the Quality Mix and the International BID Award for Quality. Over the last 29 years, BID has presented its Award for Quality, and its TQM model QC100 is implemented in over 100 countries.

In formulating the award, BID noted that the IAEQT committee's decision to confer Gold on Mos-Lanka Holdings was based on information gathered by international experts in business communication, who researched segments of public and private information sources such as the media, trade fairs and exhibitions, consultancy



firms, universities, chambers of commerce, and embassies and their commercial offices.

The selection committee observed that the recognition of Mos-Lanka Holding's achievements in the realm of quality culture had created a natural platform for broadcasting its position as a community and sector leader.

BID has professional relationships with companies in 179 countries, whose products and services help position them as leaders who invest in innovation, technology, training and installations.

Among the benefits to awardces is the renewal of quality commitment, through the QC100 TQM associated with the award, and sharing the quality culture internally and externally – through publicising the news, and transmitting the values of quality management within the organisation. Mos-Lanka Holdings comprises six subsidiary companies involved in diverse fields such as higher education in medicine, for international students in the Russian Federation; exporting Pure Ceylon Tea; warehousing; logistics; tourism; leisure; and hospitality.

As a group, it has developed quality products and services to satisfy discerning international markets. Today, it claims to be a highly competitive and respected business that prides itself on customer retention and loyalty.

Embracing innovation, entrepreneurship and CSR, Mos-Lanka Holdings says it has added value across its businesses, both locally and internationally, particularly in the Russian Federation. It looks forward to an exciting future with new concepts and directions, while continuing its commitment to quality and value, on which its reputation and success has been built.

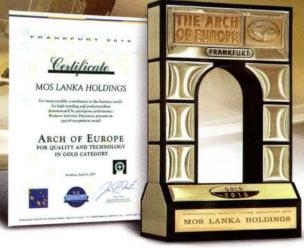
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# Excellence recognized by world leaders in business!



strikes

at the International Arch of Europe BID Awards 26th April 2015, Frankfurt, Germany



The Business Initiative Directions Award, popularly known as the B.I.D. Quality Awards, was created to recognize the supremacy of the companies, organizations and entrepreneurs who were deemed worthy of this rare honour.

Mos Lanka Holdings (Pvt) Ltd is the only Sri Lankan organization to be chosen as the winner of the GOLD Award in the category of Leadership, Quality and Excellence by the International Arch of Europe (IAE) panel of jurists.

Needless to say, as a truly Sri Lankan company, we are proud of this prestigious international accolade.



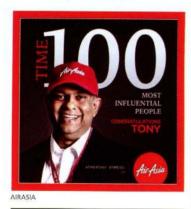
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# The Newsree Compiled from media literature - by Edine Weerawardane

#### **MOST INFLUENTIAL 100**

AirAsia Group's CEO Tony Fernandes has been named as one of the world's 100 most influential people, by Time magazine. The annual Time 100 - which is in its 12th year - recognises activism, innovation and achievements of the most influential individuals across the globe. Saying that he was "very proud and humbled" by the recognition, Fernandes acknowledged the difficulties AirAsia has faced in recent months - the airline suffered its first fatal accident, in December last year. "This has been a challenging year, but my entire career has been about challenges; and with every obstacle, we learn and become even better," he remarks.



#### **HR CONFERENCE**

The National HR Conference 2015 is to be held on 16 and 17 June, IPM Sri Lanka announced recently. This year's theme is 'HR for National Prosperity: Insights, Initiatives and Implications,' At the pre-conference media briefing, Rohitha Amarapala, President of IPM Sri Lanka, noted that since national prosperity encompassed economic development, social well-being, environmental protection and peaceful coexistence, both the public and private sector have a crucial role to play in ushering in a prosperous nation. "This is more critical in post-war Sri Lanka ... Human Resources, as a profession, cannot operate in isolation, ignoring these realities," he affirmed.



#### SENOK UNVEILS THE ALL-NEW AUDI A6

Senok Automobiles, the automobile division of Senok Trade Combine, recently launched the new Audi A6. Rajieve Fernando, Director – Sales & Marketing of Senok Automobiles, notes that globally, Audi sells 1,800,000 units annually. "It is a matter of time, before we see Audi establishing itself as a market leader in the region. This year, our target is to get another 200 cars on the road, and we really want to delight our customers in the premium segment. We also see tremendous potential, because permits are being given to civil servants, and the concessions make it increasingly more affordable to buy an Audi vehicle."

#### AMBULANCE DONATION

Lanka IOC recently donated an ambulance to the Lihiniyagama Divisional Hospital, located in Dehiattakandiya, in the Ampara District. The donation was carried out through Lanka IOC's CSR project 'We Care.' Dr. Senaka Talagala, Regional Director of Health Services in Ampara, mentions that Dehiattakandiya has been identified as being affected by Chronic Kidney Disease (CDK). Around 350 new CDK patients have been registered in the area. The ambulance was formally handed over to Talagala by President Maithripala Sirisena, at a ceremony at the Presidential Secretariat, which was also attended by Prime Minister Ranil Wickremesinghe and Indian High Commissioner Y. K. Sinha.

#### NETWORK EXPANSION

Nawaloka Petroleum will expand its network with the launch of operations in the Northern and Eastern Provinces. in the second half of this year. Established in 2011, Nawaloka Petroleum - which was set up under the Nawaloka Holdings umbrella - is the sole importer and distributor of Total Oil India, a subsidiary of Total, France. Chairman Jayantha Dharmadasa heads the Board of Directors which comprises Harshith Dharmadasa, Anisha Dharmadasa and Ananda Javasekara, Since 2008, Total products - a high-quality range, available at cost-effective prices - have won the confidence of its users, Nawaloka Petroleum says.



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#### LEADERSHIP FORUM

ACCA Sri Lanka and SLASSCOM conducted a unique thought leadership forum last month, which addressed opportunities and best practices that are relevant to finance business partners, given the global developments in technology, data analytics and business development strategies. Industry experts from India - Sanjay Patel, Vinod Bidarkoppa and Rajaram Natarajan - shared global best practices "to enable Sri Lankan business leaders to optimise their approach and focus on financial transformation and global business model innovation through practical and actionable insights," SLASSCOM says, in a media communiqué.

#### KNOWLEDGE SYSTEM

SriLankan Airlines recently introduced a knowledge management system, aiming to provide its employees an equal chance to be heard, and to share their thoughts. ideas and experiences. The airline believes that this will not only motivate its employees. but also make them feel that they are making a contribution towards change. "We have different domains of knowledge. Some will be very difficult to replace once gone. Therefore, it is timely that we put in place a knowledge management system to link people, share their know-how. capture what is important and use it for the benefit of the organisation." remarks Pradeepa Kekulawela, Head of Human Resources.



HARDTALK

#### **IN... ON THE GREEN FEATURES EXCITING BANDS**

Galle Face Hotel's popular bar In... On the Green, famous for its pub atmosphere, live music and quiz nights, now features the music of three exciting bands - Foreplay, Cold Sweat and Freeze. Thursday nights will be livened up by the acoustic sounds of the three-member outfit Foreplay, from a repertoire of blues, contemporary and classic rock. Cold Sweat, which entertains guests on Fridays, takes inspiration from The Beatles, Bon Jovi, Kings of Leon and Bruno Mars, among others. Sunday nights feature four talented musicians who make up Freeze, playing music ranging from oldies and disco, to modern chart-toppers.

#### BRANCH RELOCATION



ARC WORI DWIDE

DFCC Bank and DFCC Vardhana Bank relocated their Negombo branch to new premises on Main Street, recently. The new branch office, with improved facilities, offers a variety of services to its customers in the area. DFCC Vardhana Bank will offer retail services such as savings and current accounts, fixed deposits, vehicle leasing, and business, personal, housing and educational loans. A wide range of business funding solutions will be offered by DFCC Bank, including corporate banking, and project and SME financing. Online banking service kiosks and virtual teller functions will enable customers to conduct much of their banking via machines at the new branch.

#### NEW KIA MPV

Kia Motors (Lanka) unveiled the all-new Kia Grand Carnival Multipurpose Vehicle (MPV), at a glittering outdoor event at the Arcade - Independent Square. With smart technology, intelligent design, and sleek, sporty aerodynamic styling, the Kia Grand Carnival seats seven passengers comfortably. "Maximum luxury goes hand in hand with respect for economy, in a unique balance of the exceptional and the everyday. The Grand Carnival is absolute proof that a car with great power and presence can also possess a superbly sleek and sporty profile," comments Rodney Mason, Director of Kia Motors (Lanka).

#### AWARD FOR PIXEL

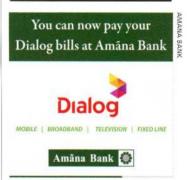
Pixel Advertising Solutions was honoured with a Platinum Award for Advertising & Marketing, at the annual Hermes Creative Awards, in the US. An international competition for creative professionals who are involved in the concept, writing and design of traditional materials and programmes, as well as emerging technologies. Hermes Creative Awards attracted entries from corporate marketing and communications divisions, advertising agencies, PR firms and production companies. Apart from Pixel Advertising Solutions, an emerging advertising agency based in Kandy, two Indian organisations were also awarded in the same category.



sponsoring the Isipathana College rugby team as its exclusive sponsor, the

RUGBY SPONSORSHIP The Entrust Group is

company announced, in a media communiqué. Isipathana has produced many top-notch rugby players for Sri Lanka, and Entrust says it is proud to come on board as the first ever corporate sponsor in the college's rugby history, which dates back over 60 years. "This is a fantastic opportunity for us, as a dynamic corporate player, to join hands with a team of vibrant sportsmen. We believe that our partnership can only strengthen our belief that greatness comes in any arena," says Isira Dassanayake, Chairman of Entrust Group.



#### AMANA-DIALOG TIE UP

Amana Bank is partnering Dialog Axiata, to enable the latter's customers to settle their bills at any of its 24 branches in the island. Dialog has established bill payment facilities at 3,000 locations - in supermarkets, banks and retail outlets. The telco notes that Amana Bank's decision to become a payment partner will benefit its subscribers in the Eastern Province especially in Akkaraipattu, Eravur, Kalmunai, Nintavur and Samanthurai. Amana Bank was recently recognised by Global Finance magazine as the World's Best Up-and-Comer Islamic Bank, at the 18th Annual World's Best Banks Awards, in Washington D.C.

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# The Newsreel

#### **GESTETNER LOGO**



Gestetner of Ceylon unveiled its new corporate logo recently, incorporating a circular 'G,' signifying the flow of end-to-end solutions it offers, with an arrow at the end indicating envisioned growth. The total document solutions provider celebrated 50 years as a public quoted company last year. With its portfolio of some of the world's leading office automation brands - including Ricoh, BenO, Fujitsu and Lenovo -Gestetner says it offers confidence, reliability and value for money. This is in addition to services provided by Nashua Lanka and Gestetner Printing Services, under parent company Gestetner of Ceylon.



#### **NEW SAMSUNG PLAZA**

Samsung Electronics extended its reach across the island, with the opening of the Samsung Digital Plaza, in Kiribathgoda. State-of-theart TVs, including the curved UHD TV - which Samsung claims is the world's first - as well as the Joy Plus range are on display at the new plaza. Samsung, which has dominated the global TV market in recent years, targets cricket enthusiasts with its Joy Plus range which features a cricket mode that promises 'the ultimate cricket viewing experience.' In addition to TVs, visitors to the plaza can also view Samsung's range of mobile phones, refrigerators, microwaves, washing machines and other household appliances.

#### **ADHESIVES FACTORY**

Victory Alliance, which produces industrial adhesives, with a production capacity of over 200 metric tonnes a month, unveiled its first state-of-the-art factory in Ratmalana recently with an investment exceeding US\$ 3 million. The company partnered Thai and Chinese organisations, to introduce the production of industrial adhesives to Sri Lanka. It plans to export its products to the Asian and African markets, "With this joint venture, we look forward to minimising the import of industrial adhesives and outward remittances of Sri Lankan Rupees. We look forward to being a proud contributor to the growth of the Sri Lankan economy," says CEO Izzath Ibrahim.

#### **IMAGINE CUP 2015**

At the Imagine Cup Sri Lanka 2015, sponsored by Microsoft, students from the Informatics Institute of Technology (IIT Campus) emerged victorious for the third consecutive year. With this victory, IIT Campus sets a new Imagine Cup Sri Lanka record for winning the most number of awards. Seven teams represented the IIT Campus, bagging six awards, including first place in the Games, Innovation and World Citizenship categories. Over the years, IIT has won many accolades at national and international competitions, including National Best Quality Software Awards, Google Summer of Code and e-Swabhimani.



#### **BUSINESS TRAVELLER MIDDLE EAST AWARDS**

At the Business Traveller Middle East 2015 Awards, Emirates scooped four titles: Best Airline Worldwide, Airline with the Best First Class, Airline with the Best Economy Class and Airline with the Best Cabin Staff. "We're always in pursuit of excellence, when it comes to delivering the Emirates experience and providing value to our customers," comments Executive Vice President and Chief Commercial Officer Thierry Antinori. He adds that this is why Emirates continually invests in developing innovative and highquality products onboard. The Dubai-based airline added eight new routes last year, serving Kiev, Taipei, Boston, Abuja, Chicago, Oslo, Brussels and Budapest.



**SMART METER** 

A smart meter device which helps homes and offices to monitor and manage their electricity consumption was launched by JLanka Technologies recently. The monitoring device e-Pro 1000 - which works via a Web-based portal, is Sri Lanka's first Internet of Things product. "Smart meters are a new version of the meter that records household or enterprise energy use," explains Nalin Karunasinghe, Consultant for Research and Development of JLanka Technologies. By installing a smart meter next to the existing electricity meter, consumers can remotely control appliances installed in their homes or office, including air conditioners, refrigerators and light bulbs.

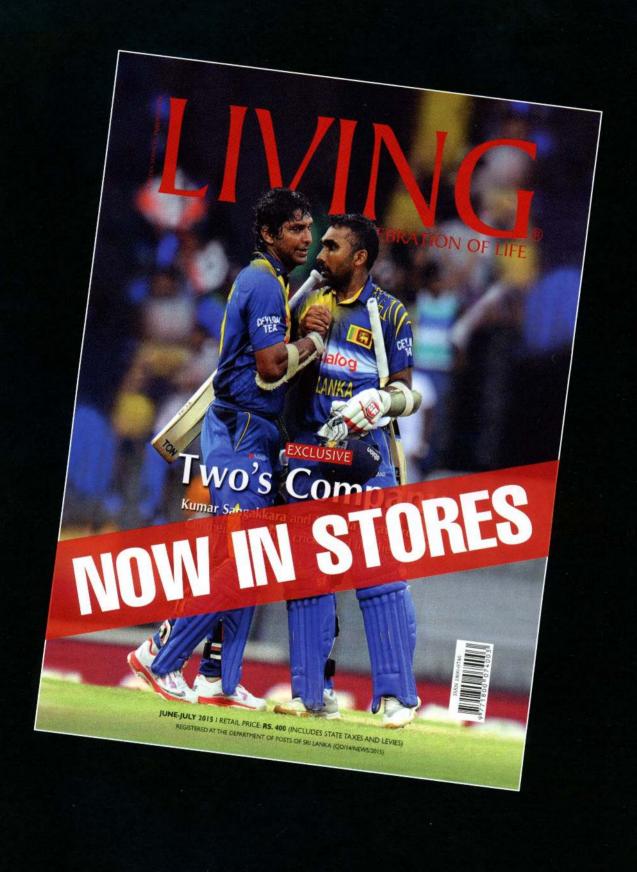
THE NEWSREEL: Press releases submitted to LMD will be published in snippet form. Priority will be given to the launch of products and services, and for information sent exclusively to LMD. MAIL TO LMD HOUSE, 4 GREENLANDS AVENUE, COLOMBO 5.

#### PAINTERS ACADEMY

Manufacturers and marketers of Robbialac Paints, Lankem Paints launched the Robbialac Painters Academy, which will train paint applicators and empower them with skills for life. A CSR initiative of Lankem Paints, the academy is the first of its kind in the island, and offers a professional course in painting, free of charge. "With the current resurgence in economic activity and building construction, there is a dearth of well-trained and qualified painters. The Robbialac Academy offers just that, and is open to all those who wish to learn the 'ABC' of painting and become professional painters," says Ruwan Weerasinghe, a Director of Lankem Ceylon.



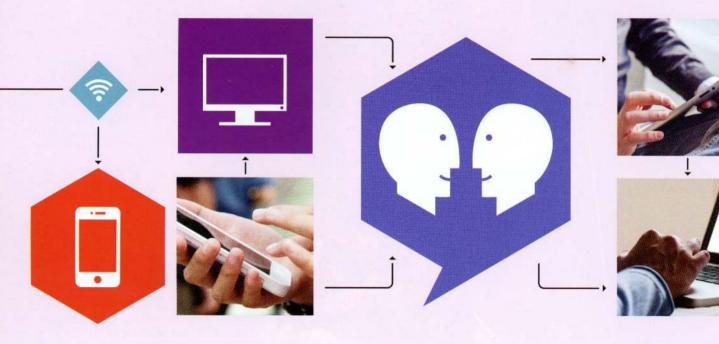
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# **CONNECTED WORLD**



# THE DIGITAL OPPORTUNITY **HOW MARKETS GROW UP** Joe Webb launches an exclusive six-part series on the connected life of global citizens

he advance of Internet access is often portrayed as a simple progression, with little room for variation and inevitable consequences for marketers. Digital leads to fragmented audiences and diminishing returns; building awareness and engagement becomes harder work, with less certain rewards. And the media landscape becomes a maelstrom of proliferating touchpoints and uncertain consumer behaviour.

In reality, more touchpoints mean more choices, for both consumers and marketers. Although markets grow up in a number of different ways, consumers within those markets use their devices in a manner that is largely predictable – provided you know which devices they can access and what attitudes they have towards those devices.

As the availability of different devices increases, consumer media consumption becomes more specialised, with different roles for different platforms, at different times of the day. Because this specialisation follows a logical pattern, there is a real opportunity for marketers to follow consumers precisely, from platform to platform.

Understanding the role that a device or channel plays within a given consumer's day offers new opportunity to engage within a specific context. Media fragmentation may make mass targeting more challenging, but it also offers robust, precision targeting at scale – when specialised digital routines provide a rich variety of platforms and purposeful opportunities.

**PERSONALITIES** Markets grow up in different ways, as their inhabitants settle on the uses of technology that best meet their needs and resources. The key to understanding a market lies in an appreciation both of the access that consumers have to different digital technologies and their attitudes towards using them.

Market forces and history combine to dictate access: the availability of technology, and the price at which it is made available. Attitudes can be both drivers and barriers to adoption; drivers for the early adopters who actively seek the latest devices, barriers for habitual users who are already comfortable with what they have and are less inclined to look elsewhere.

Whilst it is true that mobile is taking on a more central role across all markets, this can happen far quicker in markets that do not have a history of using other devices, and where low-cost smartphones offer the most affordable route online.

This lack of pre-existing alternative forms of Web access distinguishes single-device, mobile-centric markets like Kenya (where

Digitized by Noolaham Foundation. noolaham.org2@averabesn.org 98% of time online is spent on a mobile) from those such as Egypt, where legacies of desktop use make Internet users slower to migrate to other devices, and 67 percent of online time continues to take place on a PC.

The cost of data can still be a barrier to access in single-device, mobile-centric markets, but it also provides an opportunity for brands that are alive to access and attitudes. Unilever has had considerable success in India's rural regions by offering free entertainment, served with accompanying ads, on mobile platforms.

**NEW ATTITUDES** The proliferation of alternative digital technologies helps shift attitudes within a market, but is no guarantee that they will shift quickly. In many such markets, the PC remains central for a majority of consumers.

In Germany, it accounts for 69 percent of time online, and a willingness to wait for this preferred digital experience (rather than going online at any time, through a tablet or smartphone) helps explain why overall time online for Germany stands at only three hours, whilst Kenya leapfrogs to 3.2.

The key differentiator between a multipledevice, PC-centric market such as Germany and a multiple-device, mobile-centric market such as Hong Kong isn't in the access to technology; it's in the attitudes and lifestyles. Internet penetration levels, alone, do not dictate the impact of digital on media consumption...

Developed markets, where early adoption has become a mainstream behaviour, don't necessarily spend that much more time online – but they have huge flexibility as to when and where that time online takes place.

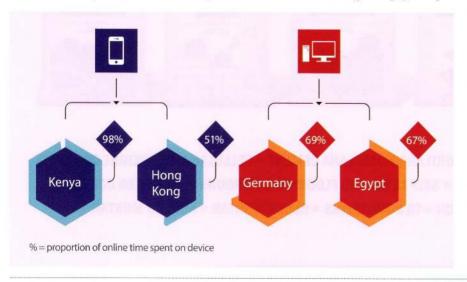
The fact that 51 percent of online time in Hong Kong is spent on a mobile or tablet device doesn't add up to that much more time online overall (3.9 hours a day), but it hugely expands the range of needs that digital can meet. And it's this broadening of the roles that digital media can take on that has the most significant implications for traditional media channels.

**MORE MEDIA** As the potential roles that digital media can play increase, the use of traditional media, itself, becomes more spe-

cialised. Many tend to assume that traditional platforms are simply ousted from the daily media routine once digital options arrive on the scene. The reality is far more nuanced. Attitudes, as well as access, define how consumers choose to consume media.

Morning media routines are dominated by a need to catch up on the news, and 15 percent of German Internet users still turn to a traditional printed newspaper to do so. Interestingly, this figure does not dip significantly in Hong Kong, where 13 percent of Internet users do the same.

However, in a mobile-centric market such as this, a faster and more social alternative is clearly emerging. Almost half (47%) of Internet users in Hong Kong pick up a



mobile device before getting out of bed; 21 percent of those in Kenya do the same.

Traditional media consumption patterns are being similarly disrupted in the evening, when TV once reigned supreme. Amongst worldwide Internet users, only around 54 percent of TV viewing during the early evening now represents undivided attention. For the rest of their time in front of the TV, viewers are simultaneously carrying out other activities, on other platforms. This division of attention peaks in markets that have the greatest range of digital devices.

**MORE OPPORTUNITY** At first glance, this seems like a damaging constraint on the reach and effectiveness of TV advertising. However, the data also shows that 25 percent of digital device usage taking place in front of the TV involves social media and other forms of communication.

Fragmentation such as this undoubtedly represents a challenge to marketers – but for brands that are able to earn attention and generate engagement, it also represents a significant opportunity for amplification and advocacy.

Similarly, the minutes that those in Kenya and Hong Kong spend in bed with a mobile device, prior to waking up, represent a wholly relevant opportunity for messaging, from oral care or breakfast brands.

The key to success for marketers lies in identifying the specific context for the use of particular devices, and leveraging this to their advantage.

**BRAND STRATEGIES** It is through such precise understanding that brands can trans-

form the challenge of media fragmentation into the opportunity of increased relevance and engagement. Internet penetration levels, alone, do not dictate the impact of digital on media consumption, and pegging digital media spend only to this metric misses the point. Instead, marketers must



understand the access and attitudes that consumers have to different digital devices. Doing so at a granular level holds the key to delivering tailored, personalised, contextspecific messages to different groups – and to doing so at scale, on whichever platform they happen to use.

NOTE Views expressed in this article are personal

Joe Webb has spent his career helping brands get closer to their consumers through digital research solutions. Since joining TNS, in 2007, his experiences have spanned publishing work on how to measure brand interactions on social media, designing and launching the award-winning Digital Life study in 60 countries, and delivering digital insights at conferences in three different continents. As Head of Digital of TNS Asia Pacific, he continues to help brands get closer to their consumers.

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#### WORKFORCE DYNAMICS

**DIVERSITY AND INCLUSIVI** 

Tanya Warnakulasuriya values 'holistic inclusivity' in the workplace

e like to think of ourselves as inclusive employers. Many corporations pride themselves on being 'equal opportunity

employers,' and offer assurances that they are in no way discriminatory. But is that really the case, especially when we see job adverts that seek applicants between the ages of 18 and 30?

This is perfectly fine, if the work is hard, physical labour; but many times, these age requirements are for office jobs that could accommodate our ageing population.

We insist that applicants need a minimum of three A-Level passes to apply for a junior post such as shop assistant or receptionist, while 'a university degree is preferable.' But these jobs require skills that were never learned at the A-Levels or in university. By insisting on these requirements, aren't we deliberately excluding a majority who are in need of jobs?

More importantly, aren't we also excluding ourselves from tapping into a pool of talent that may not be academically trained, but may have natural talents and abilities that make them the perfect candidate for the job?

Recruitment policies should be guidelines; yet, they are treated as totally prescriptive. Human Resource (HR) professionals have become lazy, relying on guidelines to do their job for them, without understanding the character and personality required to undertake a certain role, and then looking beyond paper qualifications to find the right fit.

To be truly inclusive, we need to widen the net and look beyond educational qualifications – and search for gems of talent, in places we haven't looked before. There are directors and HR professionals who do this; but sadly, they are a very rare breed in Sri Lanka. They understand



the benefits of a diverse workforce, and actively seek talent and skills from communities that would normally not respond to an ad in the papers.

These professionals have helped grow their company profits, simply by hiring a blind worker whose suggestions reduce production times. They hire women into previously male-dominated roles, and see a dramatic improvement in the efficiency and productivity of an ailing department. They take on older people with years of invaluable experience, who no longer wish to climb the corporate ladder, but can guide and mentor young executives with ambition but lacking the experience and discipline to make impactful decisions.

Such managers understand that to be truly inclusive, you need to look beyond the job specs. The trick is to unearth the talent and characteristics that are needed for that role, and then create an enabling environment which draws talent and nurtures it. Setting the person up for success is what it is all about.

For example, the blind employee who excels on the factory floor may not fare so well in an office environment. He requires a job that involves a simple, repetitive task which he could perform easily... and then improve on, once he gains confidence. When the environment enables him, his natural ability to seek

improvement will shine through. Enabling environments don't just start and stop in the work premises. Organisations that are truly inclusive look at every aspect of a person's life, to ensure that people have the right conditions to excel at work. This is called 'holistic inclusivity.'

For instance, there are organisations that provide secure accommodation for female workers, because they understand that an abusive domestic situation has a direct impact on workplace productivity. Some encourage religious festivals of all denominations to be celebrated by all staff, to promote experiential understanding and tolerance amongst workers. Posters and signs are trilingual, and also pictorial, for those who may have difficulty in reading.

There is clear evidence of inclusivity bringing bottom line

"Organisations that are truly inclusive look at every aspect of a person's life, to ensure that people have the right conditions to excel at work..."

benefits to companies. Truly diverse workforces that are more tolerant and accept differences are RESS LOFT/GEORGE & WILL

able to adapt better to change. And they have more flexibility. They are also more innovative, as working differently, and with a diverse and varied workforce, challenges the group to exercise different thinking and problemsolving skills.

By understanding a workforce beyond the roles that they perform in the workplace, managers gain insights as to why individuals perform the way they do at work. And by understanding the reason for performing in a certain way, it becomes easy to appraise, incentivise, and manage performance and output.

Most of the necessary skills can be taught on the job. Natural talent, character and ability to perform the role brilliantly, however, cannot. Diverse workforces are a powerful asset for any organisation. They stem from managers and HR personnel being brave enough to look beyond paper qualifications, and search for talents hidden deep within.

The columnist is an award-winning media specialist who managed the international business operations of one of the world's largest media corporations for 15 years. Currently resident in Series and the trains program and the international in corporate communications. noolaham.organ area and a series of the trains of the tra

### WORKPLACE CULTURE

"Business leaders should be empathetic and persuasive, not ruthless and coercive; but where it counts, they must have the courage to call a spade a spade ... "



# THE CULTURE OF CANDOUR

#### Jayashantha Jayawardhana identifies honesty to be the best policy

n advertisement for New York Fries that features a silicone beauty holding a cup of fries sports a clever slogan - Real Fries in a Fake World, Whether its claim is valid or not, we know we're living in a fake world. Honesty might be the best policy, but few people seem to adopt it nowadays, and it's growing extinct even faster in the business world.

Inside companies, people lie outright or withhold information. They keep their bosses in the dark about unpleasant news. Businesses deceive customers by offering low-quality products at exorbitant prices. Admittedly, it seems that falsehood is more marketable than the truth!

Against this background, building a culture of candour seems to be almost counterintuitive... but it isn't. In A Culture of Candor, James O'Toole and Warren Bennis two prominent leadership scholars - outline the vital steps for building such a culture.

It starts with encouraging



people to tell the truth. But this isn't as simple as it sounds. It's never easy for people who are lower in the hierarchy to tell unpalatable truths to those at the top, especially in a culture where the messenger gets proverbially shot for delivering bad news.

Therefore, business leaders must encourage people to speak the truth, and be ready to listen to bad news without rushing into judgments. In fact, before you ask people to be honest with vou, make a conscious effort to tell the truth yourself. Build a reputation for straight talk, and people will soon reciprocate.

But there are complexities. Some business leaders tend to avoid confronting people with candid performance feedback. This arises from a deep internal urge to be liked by others. Thus, they either wink at their people's less-than-satisfactory performance or offer sugarcoated, vague criticism that does little to convince people of their dismal performance.

As the former Chairman and CEO of General Electric (GE) Jack Welch opines, such 'false sympathy' does more harm to the business in the long run. Business leaders should be empathetic and persuasive, not ruthless and coercive; but where it counts, they must have the courage to call a spade a spade. Another vital step in building

a culture of candour is to reward

contrarians. Very few have the nerve to stand up against the opinions held by the majority, and risk being called a cynic and earn their collective wrath. Yet. to rid your organisation of groupthink, you need contrarians who think differently and spot dimensions of an issue that you don't.

Contrarians are distinctly different from cynics, who harp on out of sheer force of habit, are lazy and sloppy, and seek to avoid the burden of a new project or initiative. True contrarians thoroughly weigh the pros and cons of a proposed project, but beg to differ for compelling reasons, and articulate their objections. Whereas you may feel they're a thorn in your side, it's advisable to heed and encourage them to remain contrarian.

If you rely on one or two people for learning what's going on inside your organisation, that's not going to help in building a culture of candour either, because everyone is biased and has their own agenda. Therefore, you have to diversify your sources of information.

Here, it's essential that you communicate regularly with different groups of employees, customers and competitors. Once you get into the habit of doing this, your own understanding will become nuanced and multifaceted. You don't have to know

everything that's going on to lead a company. But once you sense that something is out of order, keep probing until the truth surfaces. Many savvy business leaders are gifted interrogators, and they know that very few people can withstand the pressure of grilling.

If you concede your mistakes, and don't behave as if you're superhuman and infallible, it'll give your people the leeway to do the same. It'll keep them from sweeping things under the carpet, or from disavowing responsibility for their mistakes. It's imperative that you also protect the whistle-blowers in your organisation; they'll divulge the sordid issues in your organisation before they escalate into massive crises.

Ensuring a free flow of information contributes to building a culture of candour. But setting information free doesn't mean that KFC should share its recipe with all employees, or that Facebook should divulge its source code to its workers.

And in the event of a serious crisis such as a costly accident, admitting failure on ethical grounds may be implicated in your insurer's refusal to settle the claim. In such a scenario, candour might possibly force your business into bankruptcy!

All in all, building a culture of candour is no easy feat ... but it is worth the hassle.

The columnist is a Senior Creative Writer/Project Leader - Marketing Content, at a leading digital marketing solutions company in Sri Lanka. He's a Business Management graduate from Wayamba University, and is deeply interested in creative entrepreneurship. noolaham.ogg ลูลพลุษลูลลากพราย



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#### EMPLOYMENT OPTIONS

hile Asia has been no stranger to start-ups, since the launch of several successful small businesses in the

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PRESS 1

United States, start-up fever has begun to spread to the rest of the world. The rampant use of technology, especially smartphones, has seen the birth of several mobile-only and technology start-ups.

With so many start-ups mushrooming around the island, many different avenues are now opening up for job seekers. Individuals are not only following in the trailblazing footsteps of entrepreneurs, but more and more people are now more willing to leave the security blanket of Multinational Corporations (MNCs), to be big fish in the small sea of start-ups.

So what are the key differences between working at a well-known MNC and a start-up? How do you determine which job is the right fit for you?

Before you decide to toss aside your tie and formal wear, to take the leap into the casual jeans and flexible-workinghours world of start-ups, don't let the stereotypes of start-ups fool you.

Contrary to what's portrayed in the popular media, start-ups demand hard work. Unlike MNCs that have tried-andtested systems in place, start-ups are still navigating the uncertain waters of business. That means that there will be several setbacks, and things may often not be as smooth sailing as you wish.

The advantage, however, is that you have room to make mistakes and grow. Since startups work on a trial-and-error basis, you can take minor risks and be appreciated for them. Every employee in a start-up works towards the common



THE SPREAD OF START-UP FEVER Suganya Manivannan outlines the benefits of being part of a start-up

goal of the business. And with only a limited number of people, you must be willing to take on additional responsibilities that were not in your job description.

At MNCs, there are (more often than not) departments taking responsibility for every job function. This ensures that you have a clear designation, and an idea of exactly what your roles and responsibilities are. Start-ups, on the other hand, have budget constraints and a limited number of employees, so someone who is hired for a core marketing role could find himself on the selling team as well, while a technical engineer could be multitasking as an HR manager.

If you are a jack of all trades, you would love the start-up environment, as it allows you to dip your toes in all areas of a business. Individuals who prefer specialised job functions and directions may find it difficult to adjust to the dynamic environment of a start-up.

In their initial stages, unlike MNCs, start-ups also lack funding and investors. The perks will definitely be lighter; and in some cases, so will the salary packages. In addition, with usually only one main office, the chances of onsite postings at exotic foreign locations are virtually nonexistent. However, if you join a start-up, especially in its early

phases, and the organisation is successful, you will reap the benefits.

Building an organisation from scratch is no easy task. And as an employee in a start-up, you can expect to be fully involved in building the business from the ground up. That means long hours, working weekends and maybe even staying overnight in the office. Forget the 9-5 routine – while your timing may be flexible, you might find yourself leaving work at 3 p.m. one day, and 3 a.m. the next.

If you're lucky, you will be able to see the fruits of your labour sooner rather than later. But at other times, it could take weeks or even months for you to see results. If you are looking for instant gratification and glory, a start-up may not be where you find it.

When deciding to take the leap of working for a start-up, don't be surprised if you face resistance from family and friends. No job offers you 100 percent job security, but the risks are greater at a start-up.

"If you are a jack of all trades, you would love the start-up environment, as it allows you to dip your toes in all areas of a business..."

If the business does well and achieves its goals, you can expect investors to flood in with funding – and your career will

grow. But if the business fails to impress investors, you could find yourself without a job, questioning if the months you put in at the start-up were worth it.

You will find yourself explaining to friends, family and associates – countless times – what your company does. You might even face disappointed or pitiful looks, when they realise that you do not work for a popular brand name.

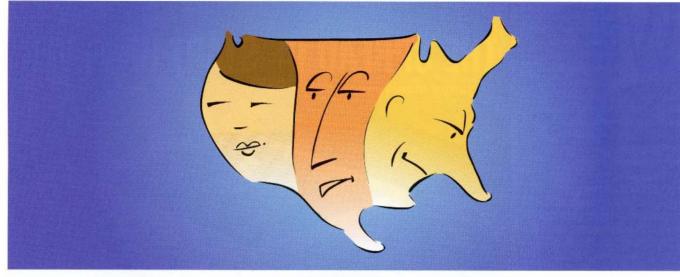
With so much at risk, why are thousands of skilled workers opting to work at start-ups?

The rewards for working for a start-up often outweigh the risks. Yes, there will be a lot of hard work, fewer perks and even resistance from loved ones, but all great companies – including Facebook, Google and Uber – were start-ups.

If your responsibilities allow you to break out of your comfort zone, try your hand at working at a start-up. While you may succeed or fail, you'll probably take away some of the greatest lessons in your career.

Suganya is a full-time marketing professional and part-time writer. She tries to balance her love for words and the English language by contributing to magazines and news publications. Dignized by Noolanam Foundation. noolaham2019 June vansham0.org

#### LEADERSHIP MINDSET



# **'MINDING' YOUR BUSINESS!**

Archana Law describes a new paradigm in organisational leadership

hat's on the minds of business leaders, these days? Despite an estimated annual investment of over US\$ 170 billion on leadership-based curricula, the question is: How do we produce better, more successful, leaders?

Neuroscience's potential for enhancing leadership effectiveness – and translating its insights into practical applications at work – is rapidly gaining acceptance. Our brain, spinal cord and peripheral nerves combine to produce a complex, integrated information processing control system that regulates the conscious and unconscious facets of our lives.

Though creatures of habit, we can learn new and smarter ways of doing things at any age, if we make the effort.

For the first time, we can see how employees react to varying management styles. A group of workers, when recalling a resonant leader (who valued relationships and participation), activated energy in 14 areas of their brains, indicating that emotional impressions form before conscious recognition. It also means that negative impressions stay!

Secondly, leading from a 'results only' orientation inhibits workers more than it inspires them. Emphasising results after the leader establishes trusting relation-



### HOW TO BOOST PERFORMANCE

BE POSITIVE A positive mood improves verbal fluency, and creativity and problem-solving skills. It helps us think less linearly – a key to innovation. Confident leaders who are passionate about their work are cheerful, appreciative and encouraging, particularly amid challenges.

AVOID FLYPAPER Foster change in people by giving them specific, positive and regular feedback. Prof. Barbara Fredrickson describes our minds as natural negative-thinking absorbers. Critical statements actually reinforce the negative pathways in employees' brains that cause this behaviour.

CRAVE CERTAINTY Though life is uncertain, the perception of too much uncertainty undercuts focus and performance, causing panic and poor decisions. Leaders can build confident and dedicated teams by sharing business plans, rationales for change and accurate growth maps, to enhance employee trust and confidence.

GRANT AUTONOMY Studies show that the degree of control available to humans confronted by stressful situations determines the ability to function. When people feel they're in control, they execute better. Reduced autonomy or micromanagement generates a threat response and raises stress levels. Leaders can support their people through choices, wherever possible.

MANAGE DIVERSITY Fruitful collaboration and healthy relationships call for trust and empathy. Our brains automatically make quick 'friend or foe' distinctions, whenever we meet new people. Leaders can minimise the threat potential with deliberate planning. Trust, empathy and goodwill develop when employees recognise former strangers as friends, through time and repeated social interaction.

BE SELF-AWARE A self-aware leader projects a feeling of safety amidst uncertainty, enabling a focus that leads to improved performance. Leaders infect others around them with specific feelings, some of which help perform better and innovate. Being able to change your internal state might be one of the most powerful techniques to practice, in becoming an effective leader – to inspire others to learn, adapt and perform better. ships and open communication proves to be more sustainable.

A third insight comes from a University of California, Los Angeles (UCLA) experiment. It captures what goes on in people's brains, when they feel rejected. Volunteers playing a computer game felt angry, snubbed and excluded, despite humans not being involved.

At work, people who feel betrayed or unrecognised – and are reprimanded, given monotonous assignments or subjected to pay cuts – experience it as a powerful, painful blow that limits their commitment and engagement, making them transactional employees who are reluctant to give more.

A fourth finding reveals 'threat and reward' dynamics. Neural responses – similar to those driving us towards food, or away from predators – are triggered by unfair treatment, because our brain equates social needs with survival. Hence, the threat response is both mentally taxing and deadly to individual and organisational productivity, taking away the brain's internal resources at a time when they are needed.

Supportive leaders make people feel good, communicate expectations, empower decision-making, and make employees feel intrinsically rewarded and less susceptible to stress or burnout. Mind your business with a new mindset which transcends yesterday's logic! Cross the threshold, let go of the old... and embrace the new.

Leading is about practical abilities to navigate an inspiring, authentic journey; energising and equipping yourself and others – not merely orchestrating or conducting, but facilitating the ability to selfattune.

The columnist is an Emotional Intelligence and Performance Coach, based in Colombo. She practises psychometrics, teaches neuro-linguistic programming and focusses on behavioural psychology, to build competencies. Digitized by Noolanam Foundation. noolaham.ozgs | meezoabamorg



# **ADDE PIPES** Engineering excellence for industrial strength

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#### FEEDBACK LOOP

or many of us, the annual performance review is a tortuous process – a necessary evil that needs to be gotten over and done with, as soon as possible. Whether you are the manager or employee in this process, chances are, you don't look forward to this occasion. But why do such reviews fill people with trepidation? Giving and receiving

feedback is a delicate art. When handled clumsily, it can lead to frayed tempers, diminished selfesteem, inadvertent humiliation, resentment and a breakdown of trust.

While receiving feedback can be unpleasant, anyone who has appraised others knows that to tell people what they are doing wrong is also a painful process. Some supervisors go overboard and destroy their rapport with colleagues; others are so afraid of doing so, that they withhold crucial observations and insights.

So how can we ensure that we're delivering feedback effectively and maximising the chances of it being received well?

Many managers think that 'feedback' essentially means criticism. This is not true! Feedback is meant to be a blend of the positive and the negative. Remember, the objective of feedback is learning and development. So if a team member is doing something right, he or she needs to be told, so that the behaviour continues into the future.

In addition, the recipient of your feedback will be far more inclined to be open to criticism, if you are generous and genuine with praise.

Some supervisors adopt a 'feedback sandwich' approach: begin with a positive observation, follow it up with constructive criticism and wrap up with another positive comment. The rationale is that the impact of the negative feedback – sandwiched, as it is, between two positive layers – is softened. Which makes it easier for the manager to conduct such a conversation.

#### Pallavi Pinakin explains the art of providing and receiving feedback

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# **GIVE-AND-TAKE MODEL**

Sometimes, providers of

feedback are tempted to use such occasions to get things off their chest. Remember, feedback is not about the giver – it is about the recipient. Focus on communicating only what is useful to the employee, since too much information and commentary can be overwhelming.

Conversely, it is important to convey the message properly. You may be holding back, to avoid causing resentment or humiliation. These are laudable goals, but for your colleague's growth and development, it is essential to offer meaningful guidance. The solution is to give comprehensive feedback, rather than not giving enough.

In line with enabling employees to modify their behaviour, it is necessary to be specific. Generalisations and personal attacks are unhelpful, and will lead to the listener being defensive. This includes phrases such as 'always,' 'all the time,' 'never,' 'your work is terrible,' 'you are irresponsible,' etc. Instead, try and pinpoint a certain instance, and communicate your impression of the employee's behaviour. Be equally specific with your suggestions.

After outlining a problem and explaining how you feel about it, ask the employee whether your description is accurate. Then, solicit suggestions on how things could be handled differently, in similar situations, in the future. Give the listener a chance to respond and take ownership of his or her solution. Changing someone's attitude and behaviour without their investment in the process is an impossible task!

What about receiving feedback? How can we better absorb and act on comments and remarks from our supervisors? Go into such meetings with an open mind. Many of us tend to be closed off and defensive from the start – remember

that this is not a personal attack on you, but a chance for you to improve and grow. Of course, that's easier said than done; responding to negative feedback with denials, justifications, anger or hurt is a very human response. We simply have to do our best to be mature and objective about it!

Have you ever found yourself planning what to say after the boss finishes, rather than listening to what he or she is saying? Try to stay in the moment, and focus on the message being communicated, instead of planning your response. The more you listen, the more information you will have to work with. Think about what to say *after* you've finished listening – sounding glib is not as important as absorbing the message.

If you find yourself confused, seek clarity. Misunderstanding the message can be counterproductive! Summarise what you have understood, to check if you are on the same page as your supervisor.

Similarly, if you cannot think of an ideal way to handle a situation raised during the feedback session, ask for input. Your investment in finding an effective solution to the problem will be appreciated, and you will be able to act appropriately in the future. If you lack the resources or assistance to implement these changes, ask for what you need.

Pallavi is the founder of a communications company in New Delhi. She is a travel enthusiast and self confessed bookwarm, and presently resides in Thailand. noolaham.ogg1 and analog a DMDrg

#### EDUCATING SRI LANKA

"With each new government, we hold our breath in anticipation... only to let it out again in resigned frustration..."



# **CHAUVINISM DICTATES POLICY**

#### Goolbai Gunasekara longs for meaningful reform in our education system

or the establishment of an all-island system of education, the credit goes to the British government and Christian missionary activity of that time – although temple schools existed, and an indigenous educational system ensured that Sinhalese and Tamil children were literate.

When the change came, the emphasis was on an English education, which Macaulay (an unashamed imperialist) was cager to develop in Britain's colonies. We still speak with awe of the old Ceylon Civil Service, for example, which spawned an admirable group of dedicated, honest and incorruptible public servants.

But what was most admired by intellectual and educated people of that era, was that these civil servants were also masters of the English language, and often wrote in a far better literary style than the Englishmen themselves. Their writings were impeccable – their speech, likewise. Indeed, Macaulay might have called them (with certain supercilious-



ness) 'perfect colonial successes.'

After gaining independence, the new government of the time naturally turned its attention to national education. Never before, or since, has any Sri Lankan government been so focussed on this particular department.

What was paramount in the minds of the nation's founding fathers was that the 'colonial slant' of education be rectified instantly. So a system was born, which gave Sinhala and Tamil pride of place, with a date for the switchover of all schools to the new system set arbitrarily.

But was real thought given to these new systems, and the serious social changes they would usher in?

One sad result of this unadvised speed was the exodus of the Burgher community, which felt that its future in Ceylon was dim, or non-existent. In one fell swoop, Sri Lanka lost almost an entire race of educated, hardworking and professionally qualified men and women to Australia, where they have prospered mightily.

An important comparison to this folly would be to liken it to the expulsion of Jews and Muslims from Spain, at the time of the Catholic revival under Isabella and Ferdinand. Spain's decline dated from thereon – it lost brilliant doctors, merchants, mathematicians, philosophers and entrepreneurs, thanks to the short-sighted and jingoistic policies of a group of people who obviously had no idea of history.

Sri Lanka would have been better off following the example of India, which retained the use of English, promising to make a change at some vague date which has yet to dawn. While Hindi is its national tongue, English continues to be the medium of instruction in all the leading schools and universities of India. The upward push of India is phenomenal, thanks to sensible policies on education.

The 'system' in Sri Lanka at the time of independence was that children of mixed marriage could study in the English medium for a certain number of years, while those born later had to be absorbed into the Sinhala or Tamil streams straightaway.

National-minded pundits ('chauvinists' would be a more apt description) came into prominence. One and all, they bleated that proper learning was possible for children only in their native tongue. Any other language, they maintained, stunted a child's development, emotionally and even academically. Exactly how this opinion was arrived at was never properly disclosed.

From that period of so-called 'entrepreneurship,' to where we are today, there has been little upward movement. Our education systems have resulted in a sort of hybrid mix, which has changed with each government – and not always for the better.

A stupid minister once came up with the idea of bringing forward the O-Level exam, so that students sat for a public examination after a lesser number of years in school. My own offspring was a victim of that bout of stupidity, which was reversed fairly quickly.

Meanwhile, international schools are not popular with the Department of Education. Their syllabuses are British, and the exams are foreign-based. Yet, many Sri Lankan citizens clamour for these schools, which give them access to English.

Of course, all schools that call themselves 'international' do not follow a British curriculum, but merely conduct local exams in English. Graduates of these schools are qualified to enter national universities in Sri Lanka, while those graduating from foreign exam-oriented international schools are not. Can anything be more complicated and idiosyneratic?

I frequently ponder this situation with sadness – there is no other word for it, other than 'sadness,' for there is no sensible 'system' in sight. Too many pundits are hooked on chauvinistic educational theories. And with each new government, we hold our breath in anticipation... only to let it out again in resigned frustration.

The writer is a Director and the Bringinal of a leading international school, in Colombo. noolaham.org2828/CME2/04571/MD

# LEFT AND RIGHT-BRAIN POSERS

Circle the statement that most accurately describes you from either A or B below

#### THE QUESTIONNAIRE

- A At home, my room has organised drawers and closets I even try to organise other things around the house
- **B** At home, I like the lived-in look I clean as I see a need and when I have the time
- A My desk is usually clean and has everything in place
- **B** I leave my work out on my desk so I can work as and when I'm inspired by ideas
- A I like using the tried-and-tested method
- B I like creating new methods
- A I follow directions carefully when I build a model or create a craft
- **B** I like to build a model my way to make it my own creation
- A I complete one project at a time
- B I like to start many different projects but don't like to finish them

When I am asked to write a report on a subject, I... A Research information – then outline and

- organise my writing B Work in my own self-inspired direction
- When I had to undertake a project in class, I...

More **A** responses suggest you're left-brain dominant, meaning that you...

- ✓ Are very rational
- ✓ Analyse people and situations
- Usually favour maths and science
- ✓ Are methodical
- ✓ Are a sequential thinker
- ✔ Use logical reasoning
- Like to work with things that can be seen or touched

#### FUN FACTS

- The right side of your body is controlled by the left side of your brain
- The left side of your body is controlled by the right side of your brain
- Most people are left-brain dominant even people who are left-handed writers are
- The left side of your brain controls speech, reading, writing and math
- The right side of your brain deals with spatial relationships, abstracts and feelings

- A Used my parents' ideas or modelled it on the project of a bright student
- **B** Loved the challenge (and like a 'mad scientist,' produced a unique project)

When I'm in charge of an important job with many people working on it, I...

- A Organise, assign responsibilities, prepare lists and ensure that everyone completes their part on time.
- **B** Work at my own pace and let others work as they want, since I want to address needs and problems as they arise.

#### I enjoy ...

- A Planning a trip or project
- B Creating an original art form

I hate it, when other people ...

- A Are indecisive about what activities to do when I am with them
- **B** Plan activities in step-by-step detail when I am with them

Number of A responses

Number of **B** responses

#### WHAT YOUR SCORE MEANS

More **B** responses suggest you're right-brain dominant, meaning that you...

- ✓ Are very creative
- Are usually emotional
- Like to be different
- Handle situations easily
- Like to think in the abstract
- ✓ Enjoy the arts
- ✓ Are a divergent thinker

#### EXPLANATIONS

Special functions by both sides of the brain are required to accomplish most tasks in one's daily life. The right side of the brain excels in some nonverbal tasks such as drawing, painting, dancing and music.

But it would best to shelve your left-brain functions. to prevent interference by your rational side. While most people can be categorised as left or right-brain thinkers, there are exercises that can help you develop and nurture your intuitive side as well.

Compiled by Archana Law (adapted from www.davis.k12.ut.us)

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#### What do you like most about your profession?

The fact that it is a social science provides a great deal of leeway. Meaning, the conceptual frameworks can be stretched to a great extent, enabling a lawyer to be a catalyst for support and social change.

#### And what's a typical day like, for you?

There is nothing typical about any day, except that I start work at 7.45 a.m. Thereafter, it is an open canvas.

#### Who or what is your inspiration in life?

My mother, who never takes 'no' for an answer and always finds a solution to the most knotty problem. Also the late Justice Mark Fernando, to whom I credit most of my success as a lawyer. He instilled in me the type of confidence and self-belief that has held me in good stead.

### What responsibilities do you have in your work sphere?

Managing through delegation and empowerment, the business and affairs of the JKH Group, making portfolio decisions and prioritising the allocation of resources, among other matters.

In addition to these responsibilities, in my capacity as a member of the Group Executive Committee, on a day-to-day basis I am responsible for functions such as legal and secretarial, HR, sustainability, enterprise risk management, sourcing and CSR.

#### So what drives you?

I'm self-motivated. And I take great personal satisfaction in seeing that the tasks and goals I've set for myself are done – and done well.

### Being the largest conglomerate, what does CSR mean to JKH?

We recognise that we belong to the society at large in all spheres we operate in. Therefore, over the years, we have ensured that our work is in line with societal needs and expectations. We have strived to take society along with us, for the greater good of the country – hence the various areas we concentrate on: health, education, livelihoods, arts and culture, the environment and disaster relief.

In all these areas, we do not merely write a cheque, but engage with the communities for the long term. CSR has also enabled us to empower our employees to engage in activities to enrich their own lives.

#### What is your strongest belief?

Hard work pays; and if you set your mind to anything, you can achieve it.

#### Inequality and deprivation: How do you view them?

There is nothing to say that inequalities will disappear when a country is thriving, as it is a relative measure. It could also be argued that inequality fuels exceptional effort and innovation. Our Constitution guarantees the citizenry equal treatment. This would form one benchmark.

### What would you do to make the world a better place?

Dispel ignorance. Provide the right kind of education for our kids. Value-based education will only make this world a better place.

#### Could you tell us about your family?

I come from a family of four siblings, and I'm the eldest. I am married to Geoffrey, who is a lawyer by profession. We have a daughter.

### In your environment, what inspires you the most – and why?

Since I spend most of my waking hours at work, the work ethic at JKH – and the culture of work and fun – inspires me. Our values of excellence, innovation, caring, integrity and trust keep me on course, especially as they gel with my personal value system and beliefs.

#### What is your favourite clothing?

Saree for work, formal wear for functions and jeans for casual wear.

### Being a Sri Lankan, what are you most grateful for?

The weather we are blessed with, not being prone to extreme natural disasters and the innate goodness of the people. And the fact that women in Sri Lanka have a voice and also the freedom of choice, unlike in most of our South Asian neighbours.

#### What are your views on corruption in Sri Lanka? Corruption results in many ills. Over time, it could lead to people believing that they are doing the right thing. If we are to stop this, we cannot take the eye off the ball. We must consistently and continuously resist corruption.

#### How can we safeguard our younger

generation from this vicious cycle? Through education, and nothing but. Parents, teachers, mentors and supervisors must lead by example, and teach what's right.

### CSR: What strategies does JKH have for financial year 2015/16?

Our core focus areas will remain under the broad theme of 'Empowering the Nation for Tomorrow.' The thrust areas are designed to further improve on staff volunteerism, and take the message of attempting to put an end to gender-based violence and child abuse. Our project WAVE (Working Against Violence through Education) to the community is going on apace.

### The best life advice you would give anyone is...?

Seize opportunities when they come your way, and excel in whatever targets you set for yourself. There is no short cut to success. It all boils down to hard work.

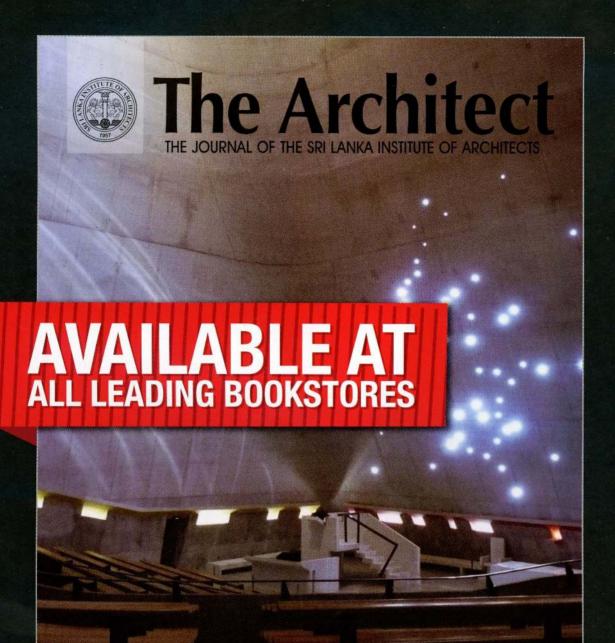
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In conversation with Charmaine Fernando

Ulagaratu

Dilani is a member of the Group Executive Committee of John Keells Holdings (JKH) and President of Group HR, Legal & Secretarial, Corporate Communications, Sustainability & Enterprise Risk Management & Group Sourcing. A lawyer by profession, she has been with JKH since 1992, and is a law graduate and holder of a Master's Degree in Law.

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# THE LMD CHRONICLES WHAT THEY SAID IN LMD FIVE YEARS AGO

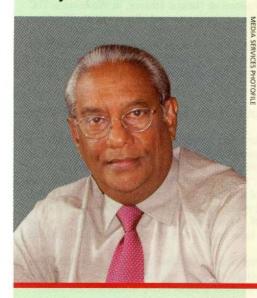
### **JUNE 2010**

The prevailing corporate environment is like an artery that is slowly becoming clogged... Shalindra Fernando

Hearing the developing country perspective is no longer just a matter of charity or solidarity: it is self-interest... Lakshman Ratnapala

As long as institutions maintaining law and order are looked upon as being alien, the people are unlikely to cooperate – and effective governance isn't sustainable... **Dr. Jehan Perera** 

The reality is that our markets are in the West. So we can't tell our exporters to forget them and find other buyers... **Ranjit Fernando** 





Many foreign investors are of the view that we have a very high tax regime, and many find that there is too much red tape...

Ajith Gunawardena

Forecasting the future is probably the most challenging aspect of developing a business plan, especially in a volatile environment... **Charitha Ratwatte** 

We need to look at new and innovative ways to get through to consumers, so that budgets aren't wasted – and make the most of what we've got...

Priya Epitawela

The challenge is to improve infrastructure that has suffered due to the war and other issues... **Bruce Levy** 

Digitized by Noolaham Foundation. noolaham.org/ janetahammerg The existence of poverty is hard to stomach, given the technological advancements we have witnessed in recent years...

#### Dilshan Kathriarachchi

The practical realities of working to earn a living drove me to a more sedate side – that of banking and finance... Simon Morris

We have all been co-opted into the business of buzz. Without even realising it, we have all become mini PR networks... Angelo Fernando

Each segment of the printing process is capital-intensive, and too many printers try to do everything and end up being the master of none...! **K. R. Ravindran** 





#### STRANGE BUT TRUE



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#### **APRIL ANSWERS**

Across (1) NEST (3) PENCIL
 (6) RIOT (7) EXTRA (8) EVEN
 (10) YET (11) GUN (13) SAYS
 (15) BRAVE (18) ONCE
 (19) BUDGET (20) KEPT

Down (1) NORWAY (2) TITLE
 (3) PAL (4) COST (5) LIMA
 (7) ENVY (9) VASE (12) NICEST
 (14) SHOCK (15) BULB
 (16) ARID (17) CAT

#### **APRIL WINNER**

Dennis De Rosayro Colombo 8

#### Name

Home address

**Daytime telephone** 



**Q:** At your next party of brainiac friends, challenge them to be the first to answer this: A bat and ball cost US\$ 1.10, with the bat costing a dollar more than the ball. So what's the cost of the ball?

**A:** It will be rare, if your first response isn't US\$ 0.10, with the dime pushing the total to US\$ 1.10. Nice try... but think about it, for a minute. If the ball cost US\$ 0.10, the bat would cost a dollar more, at US\$ 1.10, bringing the total to US\$ 1.20. Therefore – according to Jonah Lehrer, in the New Yorker magazine – the ball would cost five cents, and the bat US\$ 1.05.

Now, for a second puzzle: A patch of lily pads in a lake doubles in size every day. If it takes 48 days for the patch to cover the entire lake, how long would it take for the patch to cover half the lake? Your first response would probably be to divide 48 days by half, and say 24 days. Actually, it takes 47 days. This is because on the 48<sup>th</sup> day, it would cover the other half of the lake.

#### Q: What's one of those little things about beer that may add to its lustre?

**A:** It's one of those splash-proof drinks you can carry around rather freely, without having to worry about spillage, New Scientist magazine notes. Coffee spills more easily than beer, as do water, tea, soda and wine.

When carrying drinks from the bar, Princeton University's Alban Sauret noted that they rarely sloshed out of the glass, provided they weren't full to the brim: "The same was true of a latte, though less so; but not a regular coffee."

Sauret and colleagues mixed water with glycerol and surfactants, and blew bubbles to create stable foam, allowing them to control its thickness. Then, the team jolted containers holding various mixtures and filmed the results. "It turns out [that] just 0.3 centimetres of foam is enough to dampen much of the sloshing motion, and three centimetres stops it almost completely," Sauret reported.

#### Q: What does it mean for all of us to be living in the 'post-pigeon century'?

**A:** That's the terminology used to mark the 100<sup>th</sup> death anniversary of the last known passenger pigeon, in 1914, reports Susan Milius, in the journal Science News. For the occasion, the slim coffee and cream coloured taxidermy mount of that final pigeon (named Martha) was displayed at the National Museum of Natural History, in Washington D.C. Visitors puzzled anew, at how a species once numbering several billion vanished in a matter of decades.

The 2014 State of the Birds report listed 33 common birds in steep decline. Though too numerous to be considered 'threatened,' common grackles, eastern meadowlarks and northern bobwhites have lost "more than half their population during the last 40 years," the report observes.

### **Q:** How many people could point up at the moon and boast: 'Did you know that part of me is buried up there?'

**A:** Upwards of 10 million earthlings, if the Lunar Mission One project is successful, says Paul Marks, in New Scientist. It's the brainchild of British space consultant David Iron, who plans to charge people some 50 Pounds each, to place a DNA sample strand of hair in "an archive to be buried on the moon, alongside a digital history of as much of their lives as they want to record, in the form of text, pictures, music and video," adds Marks.

The seed funding from this 'hair-raising moon shot' will set up a company to design the spacecraft for a hoped for 2024 blast off. After landing on the moon's surface, Lunar Mission One will drill 20 metres into the lunar crust, insert the DNA and digital data into the borehole, and seal it.

As Marks concludes: "The hope is that the archive can serve as a sort of 'backup drive' for human civilisation." However, the Australian Centre for Ancient DNA's Alan Cooper feels that "for long-term storage, DNA from cheek cells or blood would be more stable."

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