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2	3,831	19,153	38,305	76,611	114,916	153,221	191,526	229,832	268,137	306,442	344,747	383,053
3	2,451	12,253	24,506	49,013	<mark>73,519</mark>	98,025	122,532	147,038	171,544	196,051	220,557	245,063
4	1,763	8,814	17,629	35,257	52,886	70,515	88,144	105,772	123,401	141,030	158,659	176,287
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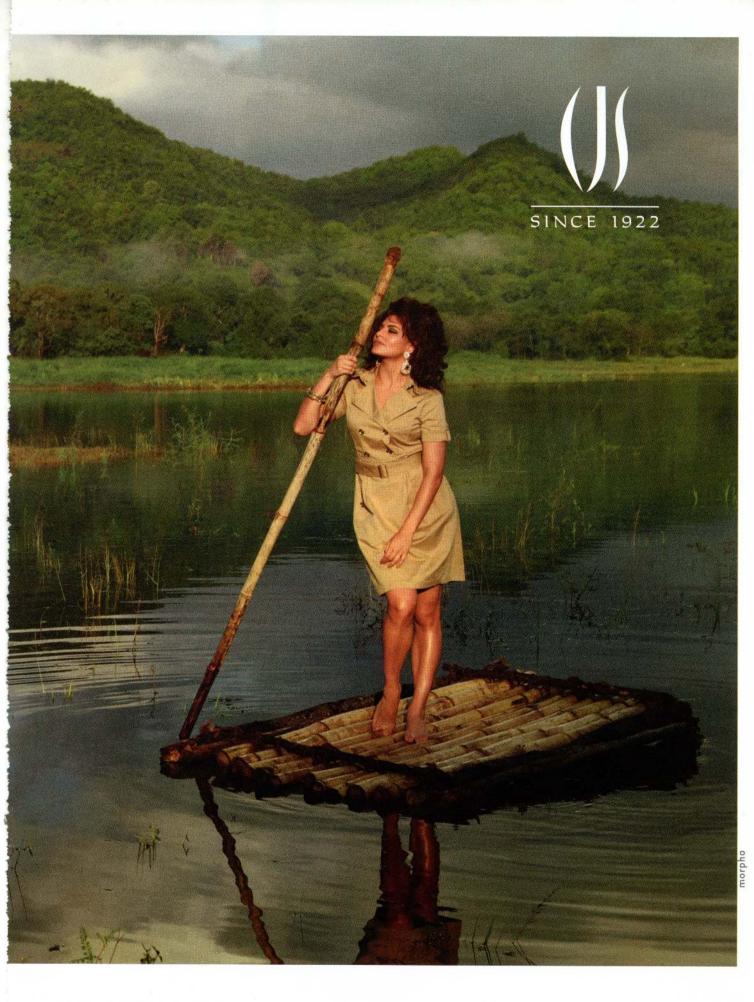
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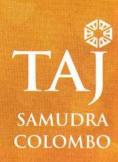
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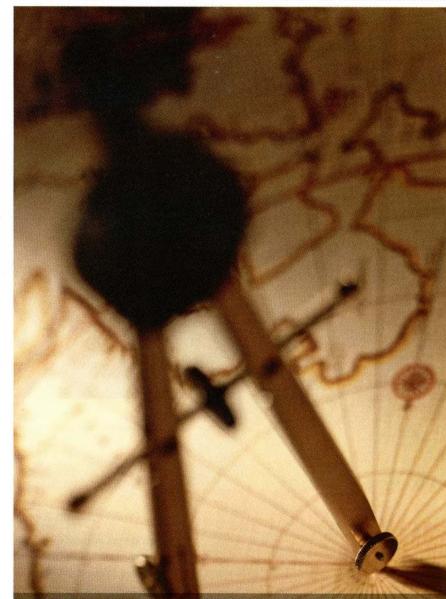
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21NI() LMD PERSPECTIVES

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ELECTION COMPASS Business will come to a standstill, following President Mahinda Rajapaksa's proclamation of his intention to hold a presidential election and seek another term – and the probability of more elections thereafter, given that the poll to elect Sri Lanka's next Executive is likely to be followed by general elections. The upshot of political manoeuvres that have hogged the headlines in recent weeks is that business confidence could be muted, until we know whether change will be the watchword in the New Year. And here, we're not necessarily talking about 'regime change,' but fresh policies that will reinstate law and order, grant the judiciary the independence it richly deserves, and halt the spread of bribery and corruption. So to the apolitically minded, elections aren't about personalities, but promises that won't be broken and policies that will revive a society that ails. Where we end up will depend not only on who occupies the presidential chair next year, but also on the calibre of politicians that the people elect to serve them (rather than themselves) and whether or not Parliament will have a two-thirds majority, as it presently has, following the next round of national elections - because that could be crucial for the changes that some of us desire.



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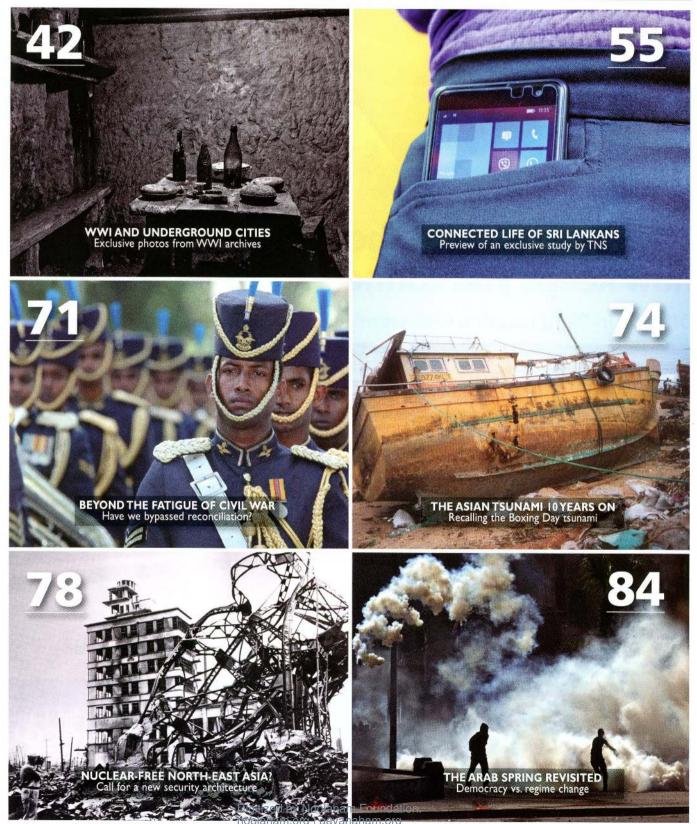
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BUSINESS VOICES



BANKING SECTOR

The future will be challenging - because, as interest rates come down, banks have to learn to operate with smaller margins.. Dimantha Seneviratne



With the development of infrastructure, and investments in ports, airports and communications, Sri Lanka has become a large export zone ... Sarath De Silva



INSURANCE CHALLENGES Premium growth will stem from new initiatives that insurers take, to expand their brands and business operations... Harin Perera



QUALITY CONUNDRUM

The primary challenge is the influx of inferior goods into the market and the authorities turning a blind eye to it ...

Bary Jaleel



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LIFESTYLE I value teamwork,

and believe that we can achieve much better outcomes when we work together ... Nilantha Bastian

OPINION SHAPERS



YOUTH OUTLOOK

One of the main challenges the country continues to face is racism – our inability to overcome it Michelle Handy





DIPLOMATIC MISSION

My Colombo of the future will be a city to be enjoyed - a city that embraces and respects the diversity of its inhabitants... Shelley Whiting



ECONOMIC OUTLOOK

Given the proposed expenditure increases, financing these through adequate revenue growth will be a crucial determinant of the feasibility of the budget Deshal de Mel



BENCHMARK TV

They [the stock market mafial are under control, and I hope that we can continue to control them ... Vajira Kulatilaka



BENCHMARK TV

From a sort of negative perspective, health care demands will continue to rise quite strongly ... **Steven Enderby**



CORPORATE GURUS

'Groupthink' is a dangerous phenomenon associated with team decisions, where members go along just to get along. Dr. Errol Wirasinghe



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LMD-TNS SURVEY

Talking Point

Voice of the People 🖬 📑 YEAR 2014 IN RETROSPECT

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The latest TNS Lanka islandwide poll, on Sri Lanka's performance in 2014, highlights the socioeconomic progress achieved by a nation looking to move beyond the ghosts of war.

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LIFETIME ACHIEVEMENT AWARD



THE CZAR OF HEALING Deshabandu Victor Hettigoda's old-world charm and entrepreneurial spirit

is eyes hold the wisdom of the ancient sages. His hands promise the magical power of healing. Deshabandu Victor Hettigoda is the acclaimed Ayurvedic physician, entrepreneur who founded the Siddhalepa empire and chief proponent of Ayurveda in the country. Bestowed with numerous titles (Deshabandu, Vaidya Vidya Ratna Vibushana and Vishwa Prasadini, amongst others), the modestly attired octogenarian is most comfortable barefoot and clothed in the national dress.

The life story of the Siddhalepa Vedamahathmaya – as he is fondly known – is both inspirational and admirable, reflecting the iron will of a young man who refused to count the word 'impossible' in his vocabulary.

It is fitting, therefore, that Hettigoda wins this year's LMD's Lifetime Achievement Award. His is a life well-lived, in the service of others and furthering the reputation of the nation as a destination for Ayurveda healing.

Legend has it that he has made the lame walk and the sick sprightly once again. He is a physician to the man on the street, as much as he is to the rich and powerful who seek his medical advice. It is no secret that he literally reads the pulse of the people, a talent and an ancient art very few Ayurveda practitioners are qualified to do.

The seeds of his future were laid over 150 years ago, when his grandfather delved into astrology and Ayurveda. Hettigoda's father followed suit, proving his worth as a suitable successor, even studying amongst yogis at the Himalayan foothills for over a decade.

Young Victor Hettigoda was drawn to the science of Ayurveda, despite trying his hand at regular jobs, and joining his father's Ayurveda practice soon after. He would apprentice with his father for over 12 years, learning the art of Ayurveda medicine and poring over *ola* leaf manuscripts.

The fruits of his labour was the revelation, by his father, of the secret recipe for the wonder balm Siddhalepa, which would become the cornerstone of the young boy's business empire decades later – an empire which encompasses an Ayurvedic hospital, holiday resorts and spas in Sri Lanka and abroad.

Before fortune smiled on him, espying tremendous potential in the healing power of the balm, young Hettigoda set out determinedly, hawking his product from village to village by foot, sleeping by the roadside to rest his aching limbs. He would skip breakfast, despite severe hunger pangs, in a bid to save money. And that unsatiated hunger is perhaps why his employees enjoy breakfast, on the house, every day. Indeed, the manual distribution of the past is a far cry from the sophisticated global network of today.

While Siddhalepa balm continues to be the flagship product, the current range includes oils, soap, toothpaste, Asamodagam, Thripala and dietary supplements, amongst others. The Siddhalepa brand is certainly sitting pretty, as resorts and spas in Germany and the Czech Republic use its many products regularly.

Yet, Hettigoda appears unfazed by the material wealth that surrounds him.

Despite his legendary healing powers, he perceives himself as a businessman first, and an Ayurvedic physician next. This suggests that, were it not for his entrepreneurial sense, the Siddhalepa brand may have not become a business empire and his service to the ancient art of healing would have been constrained.

He is naturally distressed to see quacks luring foreigners and cheating them, stressing that this causes harm to the 5,000-year-old science. An ethical operation is the pillar on which he has built his empire, he avers. The Siddhalepa *Mudalali* values research, and has been investing heavily in research facilities, in his pursuit of popularising Ayurveda in other countries.

Few might remember that he once wore another hat – that of a politician – when he campaigned in the presidential election of 2005, promising a cow in every home to revive the dairy industry and to provide avenues of livelihood to the common man. Contesting as an independent candidate, he was seen as a people-friendly candidate who would work for the masses.

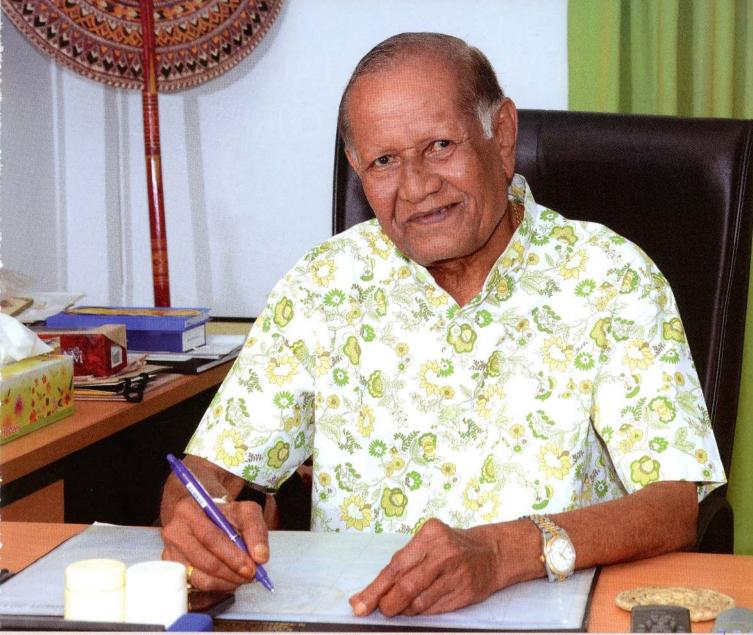
Unfortunately, his reputation did not translate into popular votes, for whatever reason.

Yet another hat he dons with pride is that of a mentor to the nation's youth. Over the years, he has lectured at 1,000 schools and delivered speeches to over 200,000 students on a wide variety of self-improvement topics, as a model citizen.

Hettigoda has been a pioneer in many ways. In fact, his practice (since 1978) of applying balm on the legs of pilgrims free of charge at Adam's Peak was an early form of community service. He had even devised a garbage disposal system for pilgrims at the site, while promoting moral behaviour to conserve the sanctity of the location.

A strong-willed man who has lived life on his own terms, his sense of pride and dignity reflect an oldworld charm rarely seen in today's business leaders.

- Compiled by Yamini Sequeira



MEDIA SERVICES PHOTOFILE (CHAMIKARA JAYAWARDANA)

PERSONAL PROFILE

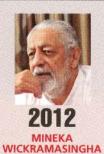
Deshabandu Victor Hettigoda was born on 13 September 1937, in Matara, to a family of six brothers and two sisters. He completed his London matriculation at Rahula College, Matara. His wife, a school teacher, and he have a son and two daughters, all of whom are involved in the Siddhalepa family business. In his free time, Hettigoda paints and likes reading biographies, and says that he has no unfulfilled dreams. He admires Mahatma Gandhi (for showing the non-violent path); his father (for his wealth of knowledge); and S. W. R. D. Bandaranaike (for making it possible for the common man to study in Sinhala).

LMD'S LIFETIME ACHIEVEMENT AWARD | CHRONOLOGY











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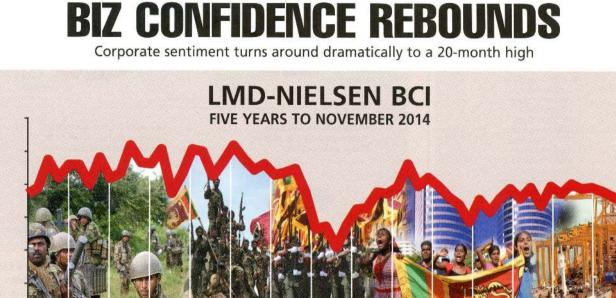
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BUSINESS SENTIMENT



uch has been said and discussed in reference to the cost of living, and its importance is highlighted every time election manifestos are thrown around by our political top brass. When the prospect of an in-advance presidential election looms on the horizon, as it has done for many weeks, inflation statistics ought to be a focal point for both the man on the street and the business community.

During the month of October, the Colombo Consumers Price Index (CCPI) rose by 1.6 percent – the lowest increase since November 2009, and continuing the deceleration in headline inflation witnessed for much of 2014.

The Central Bank attributes this turn of events mainly to the downward revision of electricity tariffs (by 25%) for households. Annual average inflation declined to 3.8 percent in October, from 4.2 percent in the previous month.

Amidst increased scrutiny of how Sri Lanka's inflation data is compiled, media reports reveal that the Department of Census and Statistics is looking to expand the basket of goods used in this mother of all computations next year. The process will also reportedly involve an elimination of the CCPI, while a national index covering all districts is expected to be introduced.

Meanwhile, the external sector sustained its momentum, with exports rising by 0.5 percent year-on-year (y-o-y), to USS 903 million, in September. Textiles and garments continued to make the largest contribution to export igitized by Wooham Foundation.





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growth, followed by coconut and printing industry products, according to official statistics. Cumulative export growth in the first nine months of this year amounted to 13 percent, y-o-y.

The flow of imports into the island grew to 1,667 million dollars in September, which reflects a point-to-point increase of over 12 percent – the growth in import expenditure reflects a significant rise in incoming transport equipment, as well as motor vehicles for personal use.

THE INDEX The LMD-Nielsen Business Confidence Index (BCI) makes a double-digit leap, rising by 15 basis points (to 143), in November. Not only does this reflect a reversal of the negative sentiment we've seen over the past three months, it also marks a 20-month high, in addition to being a notable 16 notches higher than the all-time average of 127. An increase in consumer spending (as mirrored in Nielsen's Consumer Confidence Index) is believed to have contributed to the upturn in the BCI.

And Nielsen's Managing Director Shaheen Cader explains that his firm's Retail Audit data bears testimony to this in the last quarter, adding that "FMCG volumes have shown a 10 percent increase, compared to the same quarter a year ago – on top of low, single-digit volume increases in the previous three quarters."

Cader continues: "Consequently, the BCI survey shows that businesses have seen a positive turnaround in October, and expect higher revenues to continue in the next few months."



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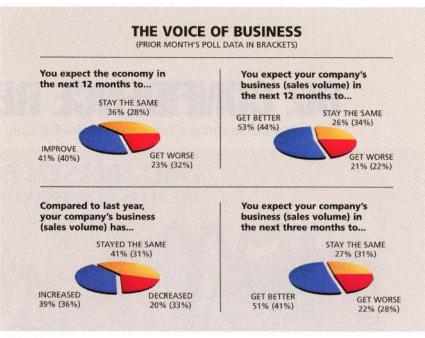
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BUSINESS SENTIMENT



ECONOMY As for the macroeconomic outlook, businesspeople appear to be standing their ground, with 41 percent of those polled stating that the economy will improve over a 12-month horizon, and a further 36 percent expecting conditions to remain as is – which leaves less than a quarter in the 'will get worse' camp, and that is much lower than it has been in recent months (this segment has ranged from 32 to 37 percent, since July).

"The economic situation of the country is good. We get the highest income during December, so there is no risk during the next three months," asserts a respondent, alluding to the upcoming festive season.

Another businessperson notes: "There are economic and political changes... The country's climate is very suitable for development; there is a chance that development in the near future will be huge."

INVESTMENT There is a slight change in terms of how respondents view the prevailing investment climate. Thirty-seven percent (versus 43%, in October) of corporate executives say conditions are encouraging, while just over a third claim that the outlook is 'fair' and 29 percent (down from 32% in the prior month) offer no more than a thumbs down.

Another notes: "Given that interest rates are low, we can get a lot of benefits by investing at this point of time." However, a more sceptical member of the biz community believes that "small-scale businesses do not receive many benefits, and are unable to develop their businesses... Only those who have money are investing for next year." Going back to the numbers, our forex coffers must surely be looking healthier these days – this, against a backdrop of higher earnings from tourism and ever-increasing overseas remittances from our diaspora (inflows from the latter breached the US\$ 5 billion mark, in the first nine months of this year).

IIELSEN/MEDIA SERVICES RESEARCH

SENSITIVITIES Disposable incomes and price levels are proving to be key determinants of business success, as indicated by the latest BCI survey. This sentiment is articulated by a businessperson who spoke to the pollsters: he notes that "business performance in the upcoming months will depend on the price of goods – i.e. whether prices will increase or decrease. People's incomes have gone up, and they are beginning to return to their old habits. I think this should eventually convert into sales for us."

PROJECTIONS As we noted last month, the Government's budget for 2015 has – by and large – been hailed by the business community. The slew of election and citizen-friendly budget proposals appear to have boosted consumer sentiment which, in turn, has propped up business confidence.

But while one may view this month's BCI as a verdict on the national budget, next month's index will tell us how Sri Lanka's corporate community perceives the political landscape – and whether the election fever that has gripped the nation for weeks on end will subside in the near future, following President Mahinda Rajapaksa's recent announcement.

- 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 10 days 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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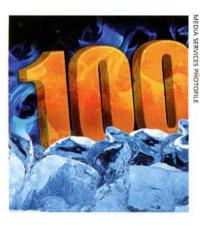




Number of days to tart a business



SOURCE: WORLD BANK GROUP



DOING BUSINESS 2015 SOUTH ASIA

SERVICES

RESEARCH

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GROUP

COUNTRY	RANK
Sri Lanka	99
Nepal	108
Maldives	116
Bhutan	125
Pakistan	128
India	142
Bangladesh	173
Afghanistan	183



LEADING CORPORATES 21ST EDITION OF THE LMD 100

The 2013/14 edition of the LMD 100, which releases shortly, sees double-digit annual growth in the collective revenues of Sri Lanka's largest business houses, although their bottom lines have come under pressure. In fact, only four of the top 10 corporate entities have registered growth in aftertax profits, for the period under review. Nevertheless, the island's top-ranking listed corporations report a notable improvement in asset values which, as in previous years, is led by the financial services industry. The latest rankings also see the entry of three new players.

DOING BUSINESS INDEX SRI LANKA MAKES PROGRESS

ri Lanka advances in the Doing Business 2015 index, moving up six places to No. 99, out of 189 economies surveyed. According to the latest rankings published by the World Bank Group, Sri Lanka's Doing Business distance to frontier - i.e. how close the economy is to the global best performer - has improved to

61.36, from 60.01 in the previous year. Sri Lanka is the highest ranking economy in the South Asian region, for a third consecutive year. The island has also improved its ranking in terms of paying taxes (albeit with certain reforms which make it more costly for companies) and trading across borders.

RUBBER INDUSTRY MOU SIGNING OF PACT WITH CHINA

The Rubber Research Institute (RRI) of Sri Lanka signed a Memorandum of Understanding with China's state-owned CETC International for the development of the RRI, including infrastructure development, upgrading essential equipment and technical assistance. The proposed laboratory complex is expected to facilitate all stakeholders in the rubber industry, comprising the SME

sector, product manufacturers, rubber-based trading companies, importers, research and development personnel, university students and academia. Established in 1909 to cater to the R&D aspects of the rubber industry, RRI lays claim to being the world's first rubber research institute to make a major contribution to the advancement of the global rubber industry.

MICRO TRENDS



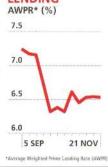
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SERVICES RESEARCH (LEGATUM INSTITUTE)

MILD DECLINE IN RANKING

S ri Lanka is ranked 62nd globally, in the 2014 Legatum Prosperity Index, having dropped two places from the previous year. The nation's best performance is in the Social Capital sub-index, where it is placed in the No. 27 spot in 2014 – 80.8 percent of Sri Lankans surveyed claim they can rely on others in times of need, compared to the global average of 79.9 percent. Meanwhile, Sri Lanka's lowest rank is in the Safety & Security subindex, where it occupies the No. 120 position among the 142 nations surveyed by Legatum Institute.

SELF-SUFFICIENCY OBJECTIVE

Sri Lanka recently signed an agreement with Australia to import 20,000 milch cows for uplifting the island's small and medium-scale dairy farming sector. The programme is also aimed at making Sri Lanka selfsufficient in liquid milk by 2016. The Ministry of Economic Development, which was a party to the agreement, cites the claim made by livestock experts that Sri Lanka can achieve this objective if 30,000 milch cows are milked in the country. At present, the number of registered dairy farmers in Sri Lanka amounts to over 200,000, while the count of small-scale, unregistered farmers is in the region of 100,000.

GAP WIDENS IN SRI LANKA

S ri Lanka tumbles to No. 79 in the Gender Gap Index 2014, from its prior year ranking of No. 55. The island is also among six countries that have regressed, relative to their starting point in the index. The World Economic Forum notes: "Sri Lanka's gender gap on 'Health and Survival' remains closed. Its high performance on the 'Wage equality for similar work' indicator is offset by a low score on the 'Estimated earned income' indicator... Very low scores on the 'Women in Parliament' and 'Women in ministerial positions' indicators are offset by a high score on the 'Years with a female head of state' indicator."

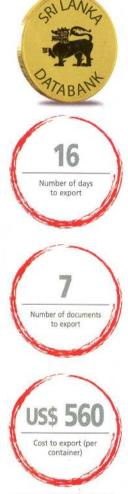
LEGATUM PROSPERITY INDEX SRI LANKA

SUB-INDEX	RANK
Social capital	27
Personal freedom	43
Governance	52
Education	66
Economy	76
Health	78
Entrepreneurship	85
Safety and security	120



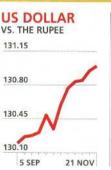
GLOBAL GENDER GAP

YEAR	RANK
2006	13
2007	15
2008	12
2009	16
2010	16
2011	31
2012	39
2013	55
2014	79



SOURCE: WORLD BANK GROUP











SERVICES RESEARCH (WORLD ECONOMIC FORUM





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Once the job is done, if you look closely enough, you might even catch your car wink.



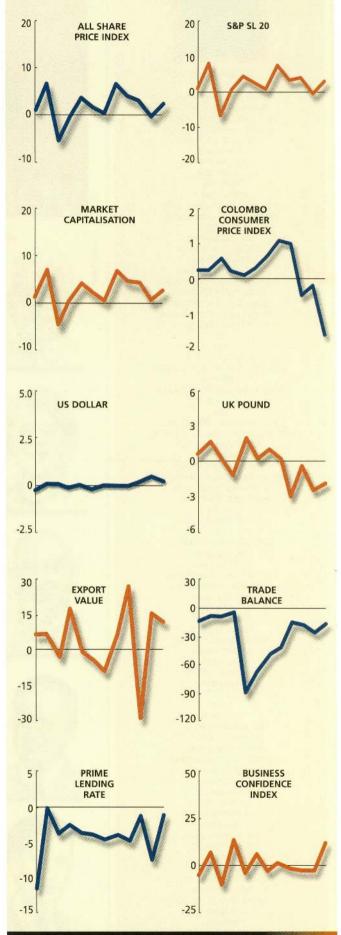
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KEY DATA			
FOREX MARKETS	21.11.14	Month Ago	Year Ago
US Dollar	131.00	130.77	131.10
UK Pound	205.68	209,65	212.75
Australian Dollar	113.22	114.35	120.06
Euro Indian Rupee	164.50 2.12	165.51 2.14	177.57
Japanese Yen	1.11	1.21	1.29
Singaporean Dollar	100,90	102.46	104.75
STOCK MARKET	21.11.14	Month Ago	Year Ago
All Share Price Index	7,401.6	7,213.5	5,792.7
S&P SL20 Index	4,127.3	4,003.8	3,197.9
Average daily turnover (Rs. million) Foreign purchases (Rs. million)	2,386.1 428.9	1,230.6 419.2	656.2 34.7
Foreign sales (Rs. million)	71.4	166.4	29.7
Market capitalisation (Rs. billion)	3,144.4	3.067.7	2,409.8
INTEREST RATES	21.11.14	Month Ago	Year Ago
Prime Lending Weekly Average (PLR)	6.53	6.61	10.93
Standing Deposit Facility	6.50	6.50	6.50
Call money weekly average	6.00	6.00	7.75
GOVERNMENT SECURITIES	21.11.14	Month Ago	Year Ago
Treasury Bill Yield (TBR) – 3 months	6.15	6.15	8.10
Treasury Bill Yield (TBR) – 12 months Three-year bonds	6.00 10.87	6.00 10.87	9.75
PRICE INDICES	Oct 14		A MARKAN AND AND AND AND AND AND AND AND AND A
		Sep 14	Year Ago
Colombo Consumers' Price Index [CCPI(N)] Annual average change (%)	179.0 3.8	181.9 4.2	176.1
Point-to-point change (%)	1.6	3.5	6.7
GOVERNMENT FINANCE	Jan-Jun 14	Jan-Jun 13	Budget
Revenue (Rs, billion)	536,4	487.9	
Expenditure & lending (Rs. billion)	915.4	868.5	2004
Capital & lending	278.2	268,4	C. S. S. S.
EXTERNAL TRADE	Jan-Aug 14	Jan-Aug 13	Change (%)
Exports (Rs. million)	963,630	823,970	16.9
Imports (Rs. million) Trade balance (Rs. million)	1,638,250 -674,620	1,534,850	6.7 -5.1
	-014,020		100 C
TRADE INDICES		May 14	Year Ago
Total export value Total export quantity	137.2 126.6	122.8 118.3	112.4
Total export unit value	108.3	103.8	101.3
Total import value	128.8	121.1	146.5
Total import quantity	118.8	105.4	135.1
Total import unit value	108.5	114.9	108.4
AGRICULTURAL PRODUCTION	Jan-Sep 14	Jan-Sep 13	Change (%)
Tea (Million kg)	254.9	248.5	2.6
	Jan-Aug 14	Jan-Aug 13	Change (%)
Rubber (Million kg)	74.4	80.0	-7.0
Coconuts (Million nuts)	1.912.7	1,716.9	11.4
TOURISM			Change (%)
	Jan-Aug 14	Jan-Aug 13	
Tourist arrivals (000s) Farrings from tourism (Rs. million)	1.001.6	813.9	23.1
Earnings from tourism (Rs. million)	1.001.6 188,900.0	813.9 140,300.0	34.6
Earnings from tourism (Rs. million) EXTERNAL FINANCE	1.001.6 188,900.0 End Jul 14	813.9 140,300.0 End Jul 13	34.6 Change (%)
Earnings from tourism (Rs. million) EXTERNAL FINANCE External assets – total reserves (Rs. million)	1.001.6 188.900.0 End Jul 14 1.364.108	813.9 140,300.0 End Jul 13 983,356	34.6 Change (%) 38.7
Earnings from tourism (Rs. million) EXTERNAL FINANCE	1.001.6 188,900.0 End Jul 14 1.364.108 1.168.471	813.9 140,300.0 End Jul 13 983,356 839,750	34.6 Change (%) 38.7 39.1
Earnings from tourism (Rs. million) EXTERNAL FINANCE External assets – total reserves (Rs. million) External assets – gross reserves (Rs. million)	1.001.6 188.900.0 End Jul 14 1.364.108 1.168.471 Jan-Mar 14	813.9 140,300,0 End Jul 13 983,356 839,750 Jan-Mar 13	34.6 Change (%) 38.7 39.1 Change (%)
Earnings from tourism (Rs. million) EXTERNAL FINANCE External assets – total reserves (Rs. million)	1.001.6 188,900.0 End Jul 14 1.364.108 1.168.471	813.9 140,300.0 End Jul 13 983,356 839,750	34.6 Change (%) 38.7 39.1
Earnings from tourism (Rs. million) EXTERNAL FINANCE External assets – total reserves (Rs. million) External assets – gross reserves (Rs. million) Private remittance inflows (Rs. million)	1.001.6 188.900.0 End Jul 14 1.364.108 1.168.471 Jan-Mar 14 2.17.304	813.9 140,300.0 End Jul 13 983,356 839,750 Jan-Mar 13 188,178	34.6 Change (%) 38.7 39.1 Change (%) 15.5
Earnings from tourism (Rs. million) EXTERNAL FINANCE External assets – total reserves (Rs. million) External assets – gross reserves (Rs. million) Private remittance inflows (Rs. million) Private remittance outflows (Rs. million)	1.001.6 188.900.0 End Jul 14 1.364.108 1.168.471 Jan-Mar 14 217.304 30.185	813.9 140,300.0 End Jul 13 983,356 839,750 Jan-Mar 13 188,178 28,550	34.6 Change (%) 38.7 39.1 Change (%) 15.5 5.7
Earnings from tourism (Rs. million) EXTERNAL FINANCE External assets – total reserves (Rs. million) External assets – gross reserves (Rs. million) Private remittance inflows (Rs. million) Private remittance outflows (Rs. million) Private remittance net (Rs. million)	1.001.6 188.900.0 End Jul 14 1.364.108 1.168.471 Jau-Mar 14 217.304 30.185 187.119	813.9 140,300.0 End Jul 13 983,356 839,750 Jan-Mar 13 188,178 28,550 159,628	34.6 Change (%) 38.7 39.1 Change (%) 15.5 5.7 17.2
Earnings from tourism (Rs. million) EXTERNAL FINANCE External assets – total reserves (Rs. million) External assets – gross reserves (Rs. million) External assets – gross reserves (Rs. million) Private remittance inflows (Rs. million) Private remittance outflows (Rs. million) Private remittance net (Rs. million) GOVERNMENT DEBT	1.001.6 188,900.0 End Jul 14 1.364,108 1.168,471 Jan-Mar 14 217,304 30,185 187,119 End Jun 14	813.9 140,300.0 End Jul 13 983,356 839,750 Jan-Mar 13 188,178 28,550 159,628 End Mar 14	34.6 Change (%) 38.7 39.1 Change (%) 15.5 5.7 17.2 Year Ago

MONTHLY TRENDS (%)

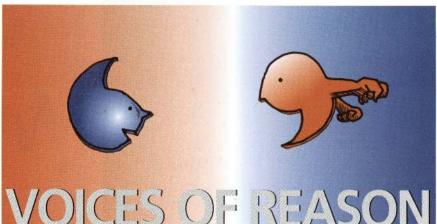


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Rienzi Wijetilleke, in a feature interview in the 2014 Most Respected special edition, published by Media Services earlier in the year.

As different as we are in Europe, it's to our own good fortune that we're united...

Chancellor Angela Merkel has maintained that Europe won't waver, if the time comes to hit Russia with tougher sanctions, over Ukraine.

Sri Lanka is sitting on a social time bomb; it is only a matter of time before there is youth unrest, due to unemployment...

CSR Lanka Chairman Chandula Abeywickrema – in an interview, in October. He added that what's worse is that the corporate sector seems to be sitting pretty, without understanding what lies ahead.

A group far smaller than the number of people in this room possesses more wealth than half the world's population...

World Bank President Jim Yong Kim – speaking at Howard University, in Washington D.C. – on the eve of the World Bank-IMF Annual Meetings, in October.

Half the world's population is under 25. Many of them lack nutrition, health care, education and jobs...

Sebastian Kurz – Austria's Foreign Minister – at the UN General Assembly, in New York. "I believe I am the only person under the age of 30 who has the privilege of speaking here," he observed. Kurz described himself as part of the post-Cold War generation of young Europeans who "communicate without borders, on Facebook and Twitter."

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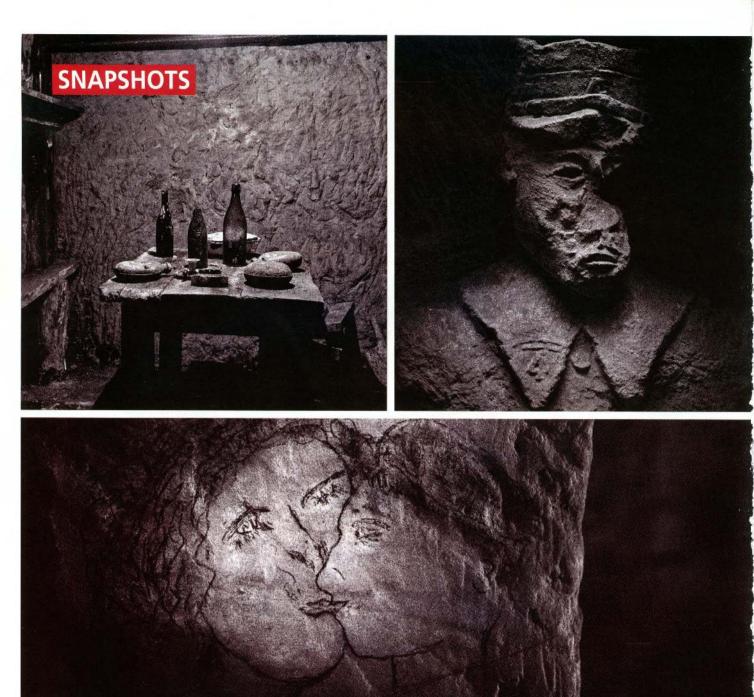
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HIDDEN TREASURES Hidden under former battlefields of World War I lie hundreds of ancient rock quarries transformed into modern underground cities, by armies from both sides. Photographer and physician Jeff Gusky captured images containing artefacts, art and the infrastructure of vast underground spaces located on private land, in the northern French countryside.



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WWI BATTLEFIELDS AND UNDERGROUND CITIES

MEDIEVAL WONDERS Carvings range from pieces that look like they belong in a gallery, to simple initials. The carving on the ship translates into "the sun of my youth, the disasters of the 20th century, liberty is leaving the world – September 1917." Many chapels and synagogues were formed in these vast underground spaces – one carving shows a French soldier kneeling in prayer. With street signs to navigate their way around, and a staircase leading to the trenches above, these spaces transformed medieval rock quarries into modern underground cities.





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NEWS JOURNAL





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CUSTOMERS CALL THE SHOTS

New technology is changing purchasing habits

ew technologies such as big data, cloud computing and mobile devices are creating smarter consumers. Online shopping has given customers an edge - they no longer need to take the word of advertisers, and they're persuaded (or not) by customer testimonials. "For the innovators who embrace technology, disruptive pricing opportunities will be created as never before. But traditional corporations with a high overhead structure that are unwilling to adapt will be put at a high risk," Entrepreneur magazine asserts. Putting consumers at the centre of everything is key, it adds. And combining that with disruptive pricing "opens up the opportunity for entrepreneurs to build huge, disruptive businesses."

CHINA'S WAR ON NARCOTICS

Beijing tries to curtail rising drug-related crime

hina's recent high-profile crackdown on drugs may have resulted in positive publicity, but the nation's narcotics police are facing unprecedented challenges, with the rise of increasingly sophisticated smuggling methods and new synthetic drugs, reports News China. It quotes Associate Prof. Li Wenjun as saying that "more younger people are using drugs ... since more new forms of synthetic drugs have entered the market." Beijing's drug laws are among the harshest in the world. Besides drug-related crimes such as possession and supply (which also exist in many Western countries), "China also prosecutes those who have consumed drugs or allowed the use of drugs on their property," the journal adds.

ALLURE OF BRAND BUFFETT

A billionaire puts his name to astute marketing

Nondly called the Oracle of Omaha, billionaire Warren Buffett is set to play a bigger role in the life of the average American - at least as far as branding goes. His company (Berkshire Hathaway) is rebranding some of its subsidiaries - in real estate, automobiles and utilities - to emphasise their affiliation with the tycoon, Money magazine notes. It quotes a partner at consultancy firm Millward Brown Vermeer, as follows: "Like Virgin reflects Sir Richard Branson's rebelliousness, Berkshire Hathaway has built brand equity around trust, stability and integrity." Analysts say that the investing sage's celebrity holds value, and this could "bring in additional business, if successfully monetised "

OBAMA FIGHTS ISIS WITH OIL

America's new strategy targets Syrian oil fields

"he 'oil weapon' - first used by Arab members of OPEC, in the 1970s, to stem the flow of petroleum to the US, in a bid to dissuade America from supporting Israel - is back, albeit in a smarter form! It is President Barack Obama's weapon of choice, as he attempts to quell the power of ISIS, by targeting oil installations in regions of Syria that are under the control of the extremists. Commenting on Washington's strategy, The Nation says, in a recent edition, that the Obama administration "now seeks to exploit this [the oil weapon] by selectively denying access to world oil markets, whether through sanctions or the use of force, and so depriving hostile producing powers of operating revenues."

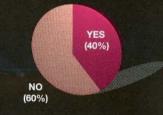
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NGO BACKLASH

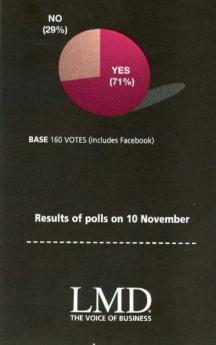
Is the NGO community acting in the interest of Sri Lanka and its people?

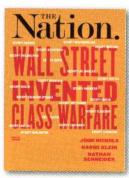


BASE 154 VOTES (includes Facebook)



Are you in favour of the Government's decision to monitor NGO activities?

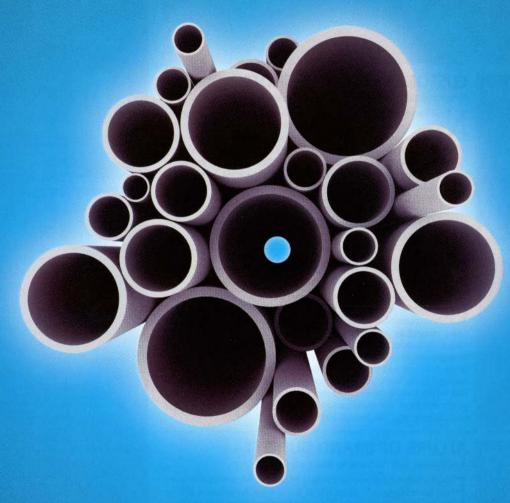




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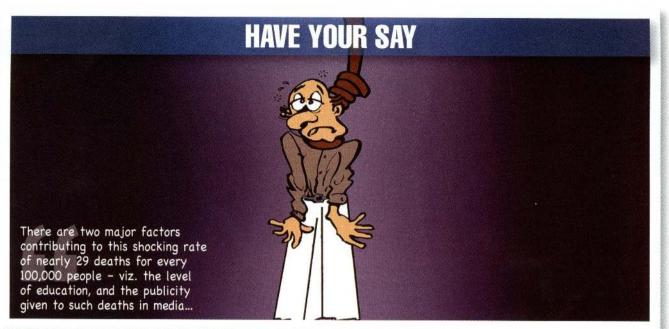


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ARE SRI LANKANS SUICIDAL?

Sri Lanka ranks No. 4 out of 172 countries for suicides, with a shocking rate of nearly 29 deaths for every 100,000 people – according to a report released by the World Health Organization, in early September. Only Guyana and the two Koreas fared worse than us.

Why does Sri Lanka have a track record of high suicide rates?

Such balderdash! According to World Bank records, Sri Lanka ranks No. 145 out of 230 countries, in terms of per capita income. All the issues discussed – including poverty, unemployment, lack of education, high debt burdens, mental and physical illness, alcohol and acute emotional distress – are hallmarks of a weak society, where one could potentially expect an end result of suicide. Fortunately, Sri Lanka's situation with regard to most of those indicators is far superior to that of most Group of 77 countries...

THE LMD POST

Posted by Dr. Lal Wijenayake

It is a pity to note that Sri Lanka ranks No, 4 out of 172 countries for suicides, even after the end of the war. In my opinion, there are two major factors contributing to this shocking rate of nearly 29 deaths for every 100,000 people – viz. the level of education, and the publicity given to such deaths in the media... **Posted by** Sanath

The World Bank gets its numbers from national statistics ... Our Government, which the leftist parties are a part of, use the number of mobile phones in use as a barometer of people's incomes getting better... We do not post letters anymore. We use email! People use Skype. Our grand-mothers did not have water coming from a tap. We do. Is this because our corrupt politicians carpeted roads, or built ports and airports? Politicians, even leftists and the JVP, want the people to be poor. That way, they will have no access to accurate information. And that is a way to feed and brainwash them with garbage... **Posted by** A. Gunasekera

A balanced view of suicides in the world, by country, is given in the website http://www.worldlifeexpectancy.com – published by LeDuc Media, purely for educational purposes, with no hidden agenda... According to this data, Sri Lanka is in the safe region, which most advanced countries belong to – notably, Switzerland, Iceland, Finland and France fare worse than we do, while Poland and Slovenia trail behind us... **Posted by** Timasha Miller

Death by suicide has become common mostly in rural areas, where pesticides are readily available. According to WHO global statistics, more males commit suicide, while more females attempt suicide. Suicide has become one of the three leading causes of death across the world. Even though the age group 15-44 is more prone



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to suicide, the number of old-age suicides is now on the rise... **Posted by** Avanthi Perera

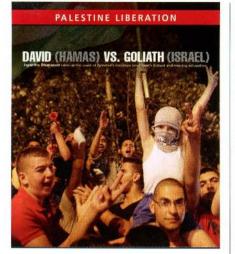
To curb this issue, first and foremost – and from kindergarten – we should inculcate resilience in our children, so that they develop a strong character with an optimistic outlook on life. Also, we should establish more treatment facilities of greater quality, for those who've been diagnosed with clinical depression... **Posted by** Jayashantha Jayawardhana

Yes, it is true; there are hundreds of issues facing people, whether it is poverty, education, debt, alcohol, etc. Since it has developed as a trend whenever a problem arises, people think: 'I have nowhere to go, no solutions to my problem[s]; the only thing I can do, is to commit suicide' ... We should address the mental state of the citizens of Sri Lanka. It will take years to solve problems like poverty. This is the responsibility of all the people.

Posted by Anjana Herath

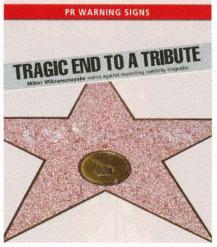
I don't believe that the statistics are accurate. Nevertheless, it is quite acceptable that there is steady growth in the suicide rate in Sri Lanka. I feel that the main reason for this increase is due to radical changes that have taken place in recent years, since the introduction of open economic policies in 1977. For instance, people are more work-oriented and have given priority to earning money. This trend has prevented many people from socialising and living balanced lives...

Posted by Chirantha Udurawana



Both groups are not just terrorist organisations, but also very large political parties which control territory adjacent to Israel. They reflect the real grievances of a large public, by providing welfare services and winning elections; but they continue to execute terrorist attacks against civilians. When it comes to dealing with Hamas, military action is important. But whilst this might hurt or temporarily disable Hamas, it is already based and rooted within the society in which it lives and whom it pretends to represent...

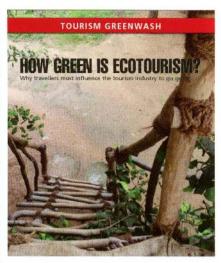
Israel also needs a doctrine to deal with an insurgency that's based on the capabilities of special units and penetrating operations. When you speak to decision-makers and the security sources, you get the feeling that Iran... is 'the devil we know' and 'the enemy of my enemy is my friend.' But I think that attitude is a big mistake. When Europe and the US wake up from their dream, they will realise that it is a nightmare – because 'the enemy of our enemy is a bigger enemy.' **Posted by** Isuru de Silva



This is more harmful (than bringing disrepute to a brand). where negative emotions are concerned. However, the probability of people affected by such negative emotions suing media channels and PR firms is comparatively low, unlike 'brands' that do so by justifying the damage to themselves, and their reputation and market share. Perhaps, this may be the likely cause for certain PR firms not being afraid about how their communications strategies bear intangible consequences to society.

On the other hand, the global public relations firm – Edelman – suddenly went blind with greed, in seizing the celebrity news for its own business gain. Did it ever realise the harm this may cause to its own reputation? Did it ever consider how its communications were a blow to itself, when public perception labelled it as being 'soulless'? And that, once again, reminds us how PR should be [conducted].

Posted by G. Karunaratne



With the issue of global warming mounting, attention is being focussed on the concept of 'Go Green.' As a result, tourists are showing an interest in ecotourism. As pointed out by Karin Fernando, many of the tourism services are using the green language in their marketing campaigns, but what is important is to ensure that this is put into practice. Many resorts and lodges have been built in our country to blend in with the environment, by using natural materials.

Therefore, governmental organisations connected to the tourism industry should take steps to promote ecotourism, and also encourage hoteliers to introduce resource conservation and waste disposal methods... This cannot be done singlehandedly. NGOs and hoteliers should join hands with the Government, to protect fauna and flora, and the heritage sites of our country. This could also be achieved with the support of the local community in the area, which will create additional income-generating opportunities for the local community. Posted by Lalindra Abeysekera

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Letter of the Month

PHOTODISC



here was much interest around the Dialog Axiata and United Nations Global Compact Sri Lanka Network sponsored visit to Colombo by sustainability guru John Elkington, in September, though it deserved more press coverage than it received.

Elkington was an early proponent of the Triple Bottom Line (TBL) with economic prosperity, environmental quality and social justice combined, as a new approach to business. This has been abbreviated to the three Ps (Profit, People and Planet), in addition to the 3 Es (Economic, social Equity, Environmental factors).

Each facet makes compromises on robustness. For example, social equity is one aspect of social justice, as is profit an aspect of economic prosperity (in addition to economic well-being of the community). While TBL is an easy-to-understand and useful framework that triggered changes to the way business is done, it lacks clear performance measures. The line between CSR and sustainability has increasingly blurred, necessitating greater transparency in what an organisation is measuring – and why.

Chosen aspects of sustainability need to be balanced and linked to stakeholder concerns, relevance to the organisation and its context. Appropriate conceptual frameworks – including TBL and ESG (Environmental, Social and Governance – from investment circles, emphasising transparent and fair governance), The Natural Step and the Global Reporting Initiative (GRI) are also necessary.

Elkington reminded us of the Implementation Gap between recognising the importance of sustainability by CEOs and its embedded practice within an organisation. This gap can only be addressed by creating an understanding throughout an organisation, about its unique Business Case (BC) for sustainability - and that embedding it is good for business. It makes businesses more innovative and competitive, and thereby improves profitability. It is the new normal, like Total Ouality Management (TQM) was decades ago.

Each company's BC for sustainability is a unique mix of internal and external factors that includes a core rationale and an interface between several elements: trend information, stakeholder concerns, strategic direction and core purpose. It is based on an analysis of relevant external trends as well as disaggregated stakeholder concerns.

An understanding of risks and opportunities will need to be justified by a pool of evidence that includes trends data. Stakeholder analysis is intrinsic to identifying concerns, and then linking them to the strategic direction an organisation takes. It is essential to establishing the materiality of these concerns to a firm's decision to prioritise sustainability goals.

Companies that are quick to implement sustainability measures, and overhaul strategies and operational frameworks, are known as Harvesters, Global evidence points to an increase in potential additional profitability of a Harvester company being at least 51-80 percent over three to five years (MIT Sloan Business Management Review and the Boston Consulting Group, Research Report, 2012). This comes from three broad categories: reduced costs, increased revenue and lower risks for a given situation, sans new technological breakthroughs and regulatory incentives.

The integration of sustainability into the core of business remains a key challenge. If this country is to become a Breakthrough Nation in sustainability, then our future business managers will require a sustainability and innovation mindset, as part of a new business model that will differentiate corporates. This also requires developing a Sustainability Strategy.

Kiran Dhanapala Nugegoda





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

SRI LANKA: A NATION ON THE MO

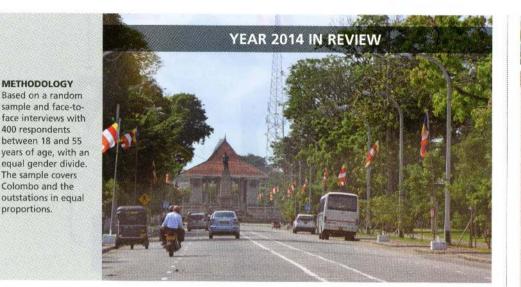
The people's concluding verdict on the macro landscape in Sri Lanka in the year that was

METHODOLOGY

400 respondents

Colombo and the

proportions.



s a nation, Sri Lanka experienced its fair share of ups and downs in 2014. Now, as we head towards the close of another year, it is time for citizens to reflect on the 12 months gone by - to recall all that was good, while weighing in on concerns that require further consideration.

The people are largely of the view that Sri Lanka achieved satisfactory progress on the economic front, with 60 percent of those polled in the latest TNS Lanka nationwide survey commenting to that effect. An equally enthusiastic number of respondents (66%) claim that measures aimed at national reconciliation did see the light of day in 2014.

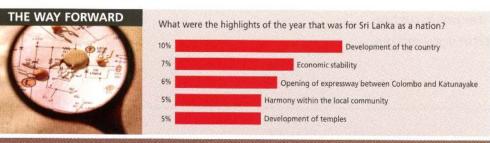
On the issue of political stability, at least twothirds of those consulted affirm that conditions were to their liking - even if 22 percent remain 'unsure' and a further 11 percent 'disagree' with this

Citizens also offer overwhelming support for the infrastructure development projects undertaken during the year. A substantial 91 percent of respondents note that such initiatives have gained momentum in 2014, citing the construction of highways and housing as examples.

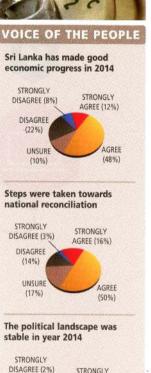
More than half (59%) of the people express confidence in Corporate Sri Lanka which, they say, thrived during the year - the growth in SMEs and support extended to the Samurdhi sector prove key in this regard. Respondents point to the overall development of the country, economic stability and opening of roads as some of the highlights of 2014.

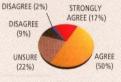
- LMD

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

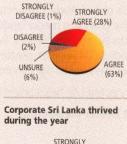


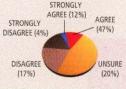
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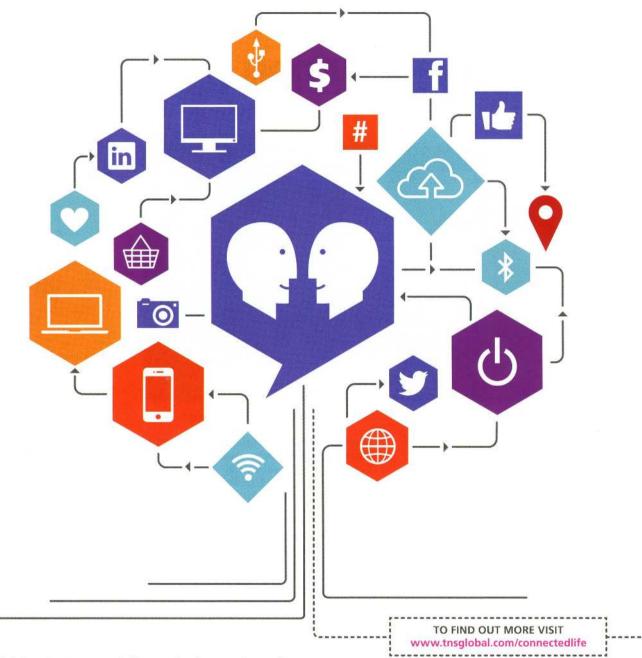
Infrastructure development gained momentum





PHOTODISC

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.

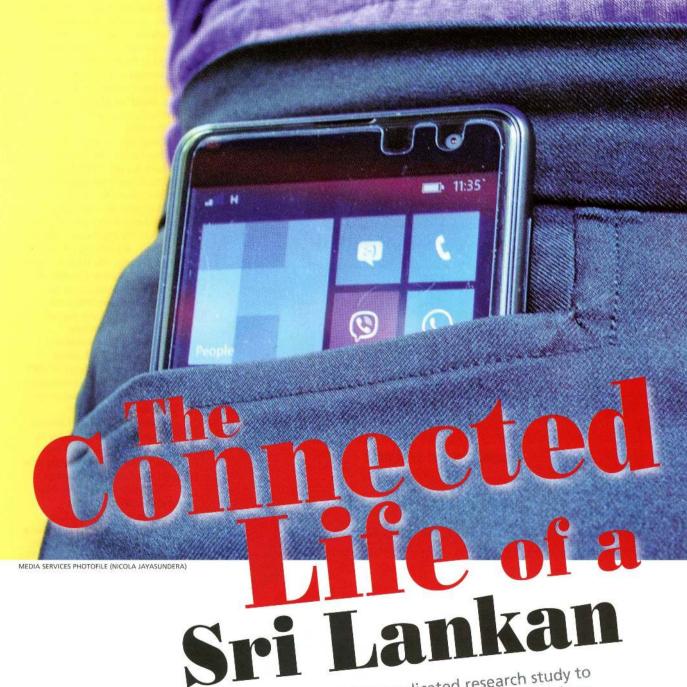
Connected Life helps brands make better digital decisions.

Get better connected.





EXCLUSIVE CONNECTED SRI LANKANS



TNS

A preview of **TNS**' syndicated research study to understand the connected world of Sri Lankans

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55 - DECEMBER 2014 - LMD

EXCLUSIVE CONNECTED SRI LANKANS

eet Michelle. She is 26, and works as a marketing manager in a leading corporate, in Colombo. Michelle has over 300 friends

on Facebook – far more than she can keep track of. As soon as she wakes up, Michelle reaches for her mobile, even before she gets out of bed, to check on messages. On her way to work,

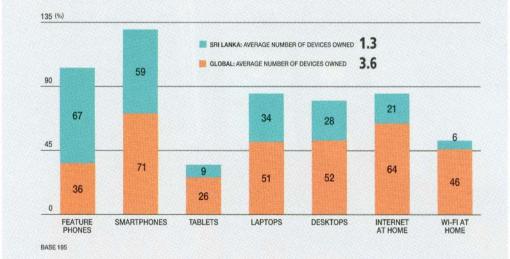
TNS LANKA

In terms of devices, 28 percent of connected Sri Lankans own a laptop, a third have a PC and over 50 percent own a smartphone..

she catches up on the latest news in town on her mobile, and the hottest gossip about her friends. She sends and receives messages on Facebook, WhatsApp and Viber throughout the day – even

OWNERSHIP OF DEVICES

for her professional interactions. During lunch, she researches for a few gift options online, to pick up something for her brother's birthday – but she prefers an in-store experience,



INCREMENTAL USE OF DEVICES

(%) COMPUTERS/LAPTOPS TABLETS NEWSPAPERS MOBILES TV BADIO IN BED WHEN I WAKE UP IN THE MORNING EARLY LATE DURING EARLY LATE AFTERNOON AFTERNOON EARLY DURING LATE IN BED BEFORE I GO TO SLEEP BASE 195

as she likes the 'touch and feel' experience.

On her way back from work, stuck in traffic in a *tuk-tuk*, Michelle streams videos of her favourite TV show. She stops at the neighbourhood supermarket, to pick up some groceries which her mother has asked her to buy – here, Michelle spots a new brand in the aisle.

She quickly does her research on her mobile, and decides to give it a try. After dinner, Michelle calls her long-distance boyfriend via Skype. She exchanges a few messages and jokes with her friends, then changes her Facebook status to 'zzz...' – it's time to hit the sack.

On average, Michelle has spent over two hours on her mobile, more than two hours on her laptop for leisure purposes – indeed, a significant part of her day is spent online.

Welcome to the world of the Connected Sri Lankan.

If the interim findings of TNS Connected Life – a syndicated research study, undertaken by TNS, to understand the Connected World and Lives of Sri Lankans – are anything to go by, Michelle's world will soon be the description you may read of a typical Sri Lankan.

TNS has released a preview of the findings from its syndicated Connected Life study exclusively to LMD, from interim data in the main report due for release in December. The study focusses on understanding attitudes, behaviour and habits of regular online users – i.e. those who access the Internet for leisure purposes at least once a week.

ONLINE MEDIA ACCESS At least two-thirds of regular users access the Internet through any device at least once a day, and over a fifth of them check the net throughout the day.

In terms of devices, 28 percent

TNS

of connected Sri Lankans own a laptop, a third have a PC and over 50 percent own a smartphone. Tablet ownership is still low in the country, at close to 10 percent. And even lower are those accessing the Internet through TV, with a mere four percent or so owning smart TVs.

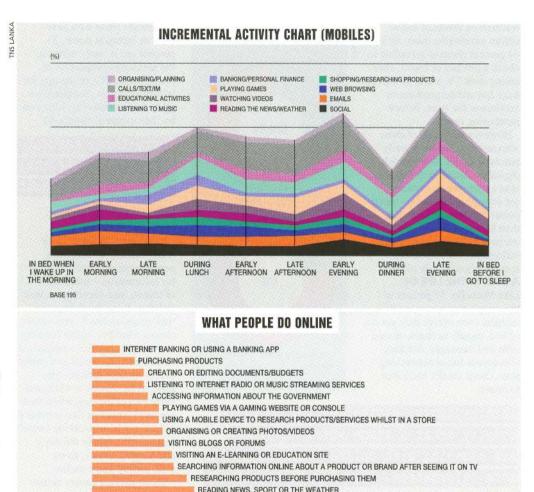
But this number is likely to rise, with 12 percent wanting to acquire one soon. Interestingly, on any typical day, more people (84%) claim to use their mobile device, than those who watch TV (72 %).

Of the 50 countries where the Connected Life study was conducted, Sri Lanka seems to belong to the group of nations which has 'short-circuited' their path to go online. The study reveals that countries which have a strong legacy of online access through PCs (like Germany and Egypt) have yet to move into online access through mobiles as rapidly as some of the developing countries (e.g. Kenya), where the majority is accessing the Internet directly ... and only through their mobiles. The rapid increase of eminently affordable smartphones with great data packages from telcos is providing easy, cost-effective routes to go online - way ahead of laptops and PCs, and definitely TVs.

Speaking to LMD about the survey, Country Manager TNS Lanka Kiran H.N. notes: "Sri Lanka might soon be what we call a single-device, mobilecentric market. This has huge implications for businesses and marketers, in terms of digital marketing planning and activation."

WHAT DO THEY DO ONLINE?

To most connected Sri Lankans, going online is for general activities like connecting on social networks, chatting, emailing and watching videos on the Internet. Eighty-six percent



UPLOADING PHOTOS, VIDEOS OR MUSIC TO THE INTERNET

ACCESSING SOCIAL NETWORKS

WATCHING ON-DEMAND, RECORDED OR ANY VIDEO ON THE INTERNET

PLAYING GAMES VIA A MOBILE OR TABLET

SENDING AND RECEIVING EMAILS

90

MAKING VOICE CALLS OVER THE INTERNET

The rapid increase of eminently affordable smartphones with great data packages from telcos is providing easy, cost-effective routes to go online - way ahead of laptops and PCs, and definitely TVs...

60

of those who regularly go online use it to access social network sites, close to 75 percent chat and email, and at least two-thirds regularly watch videos online. More than half (55%) go online to read about the news, sports and weather, whilst at least 58 percent upload photos and videos regularly.

Over four-in-10 also access the Internet for education purposes, slightly over those who play games online regularly (36%). Contrast this with those who play games on their mobiles or tablets, which is almost double (64%).

BASE 195

Marketers should take note that at least half (51%) of those who go online regularly carry out

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EXCLUSIVE CONNECTED SRI LANKANS

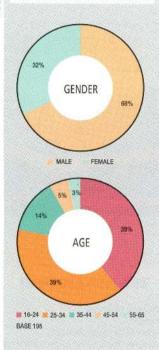
research on products online, before purchasing them. At least 44 percent claim to go online to check a product or brand, after seeing it on TV, while 36 percent have researched products or services at the store, before purchasing them.

However, only half of those who research online actually purchase online. Interestingly, digital evolution in the country is at a stage where consumers are engaging with online touchpoints for more information, than for transactions. In a sense, the path to buying is digitally influenced, but purchasing remains significantly off-line. **A DAY IN THE LIFE OF...** Like Michelle, 37 percent of the sample reaches out to their mobiles even before they get out

of bed, mostly to check missed calls and messages. But they also access social networking sites, check emails and listen to music.

Interestingly, digital evolution in the country is at a stage where consumers are engaging with online touchpoints for more information, than for transactions.

THE CONNECTED SRI LANKAN



Amongst those who have a PC or laptop at home, 53 percent use it 'early morning' – the maximum proportion of people using PCs or laptops for leisure activities, compared to other times of the day, followed by 'late evening' (where 44

prefer to do so during 'late afternoons and evenings,' which are also the preferred times for watching videos online on mobiles. Interestingly, around 12 percent of the sample claims to watch videos on their mobiles even during dinner!

Forty-three percent of connected Sri Lankans use their mobile phones `in bed, before going to sleep,'...

percent access the Internet using their PC or laptops).

It is during 'lunch time' or 'carly afternoon' that more people generally surf, looking for information – other than, of course, late evenings on their mobiles. It is also during this 'late morning/lunch' period that chores related to online banking activities seem to be wrapped up.

Maximum activities and online access through mobiles also seem to be skewed towards the latter part of the day, when there are more activities like watching videos, social networking (which features throughout the day) and playing games, along with surfing and emailing.

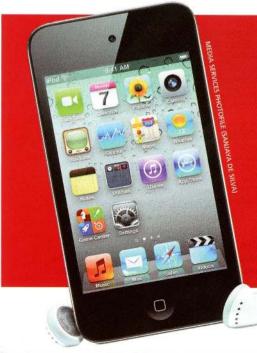
Those playing games online

Forty-three percent of connected Sri Lankans use their mobile phones 'in bed, before going to sleep,' and 25 percent use their laptops. And often, the last thing they do is use it for messaging, listening to music or social networking.

NOTES FOR CORPORATES

The pace of the digital evolution in the country is not in question. The same goes for how rapidly connected Sri Lankan consumers are changing, and likely to change, vis-à-vis the way they interact with products and brands.

Digital, social and mobile have already been acknowledged by businesses and marketers as a key part of their marketing



ABOUT CONNECTED LIFE

Why digital is a buzzword today

It manifests in many forms – social media is now the 'new animal' that everyone is trying to get better at. Mobile is rapidly changing the way individuals access and share information, thanks to the advent of imminently affordable smartphones.

Digital is at top of the agenda of every marketer and business manager. Some call it digital marketing, while others refer to it as 'integrated marketing in a digital age.' While most believe in the inevitability of business and marketing in a connected world, a few still say: 'Hey, not yet in our country." And they believe that it is not yet a game changer.

Every marketer wants to work in the digital space. However, many don't know where to start. The ones who work in the digital space are coming to terms with how to measure ROI and success. To make these business decisions and digitally integrated mixed media marketing strategies, one must understand how the Sri Lankan consumer is behaving in today's connected world. There is much opinion, but little facts. Many of the facts and figures are debatable – or they represent

Digitized by Noolaham Foundation. noolaham.gg_beetersehamorg_mp strategy and media planning. However, given the socioeconomic diversity in the island, it is still a tough decision as to how much energy, time and resources should be invested – or how much is good enough.

Unfortunately, there is no onc-size-fits-all answer, and the decision depends on the industry, sector and business context. But one thing is clear – it will only be a matter of time, before every Sri Lankan is digitally connected. And given the pace of technology and progress, it is likely to happen sooner than later. marketing strategy with a sense of urgency. They cannot relegate it to the IT division, and marketing directors mustn't treat digital and online as yet another media vehicle, alongside other conventional vehicles."

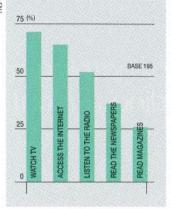
He continues: "Today's connected consumer provides multiple opportunities, at different times of the day, for products and brands to present themselves – and make themselves relevant to the consumer. To make the most of these opportunities and get ahead of the curve, one has to

It will only be a matter of time, before every Sri Lankan is digitally connected..

As Kiran H.N. puts it, "corporates must consider shifting budgets online at a much faster rate. But more than the investment, what matters is the commitment. CEOs and heads of marketing have to acknowledge that they are staring at the future today, and commit to the digital transformation of their organisations and their put online, digital and mobile at the heart of the marketing and brand strategy. Only then will we truly come up with innovative ways of accessing as well as delivering content to today's connected consumers. Just managing your Facebook page is not a strategy."

And within digital, mobile is no longer an opportunity. It is a necessity, he adds. Sri Lanka





is on a par with much of the world that is moving towards mobile-centricity. "One already witnesses how screen time share is increasingly dominated by mobile, and brands must now move towards mobile-centric strategies. Having a mobile website is just a start," he contends.

One also sees reasons to be highly optimistic about the exponential growth of ecommerce in Sri Lanka. Today, half of regular online users research and engage with products and brands online; and amongst them, only one-in-two proceed to purchase online. This, according to the TNS Connected Life global report, is also the world average. However, marketers should actively try to bridge barriers confronting consumers to buy via the Internet.

This also has a significant impact on the consumer's purchasing path. Today, many consumers move to and fro between online and offline channels. And they are influenced by multiple touchpoints on both sources. Marketers will do well to reevaluate the relationships between offline and online channels.

Today,	half of	regula	r online	users
resear	ch and e	ngage w	ith produ	cts and
brands	online;	and am	ongst the	m, only
one-in	-two pro	ceed to	purchase	online

speculation, at best. Furthermore, there are no 'validated information sources' that are backed by robust research, to guide new age integrated marketers. Connected Life, by TNS, provides this. Connected Life is the most comprehensive survey undertaken by TNS across 50 countries, meeting over 55,000 consumers, with information about consumers and how they behave in today's connected world.

The Sri Lanka chapter of TNS Connected Life is the first-ever research study in the country that is dedicated to understanding the digital landscape and consumer behaviour in a connected world. The sample comprised over 1,000 respondents across the island; and the aim of the research was to understand the role of digital in media landscapes, and the reach of digital platforms and channels. And the study covered how and why consumers engage with brands online, how digital platforms influence a consumer's 'path to purchase' in 43 sectors of business. The report is due for release – and open to subscription – from December.

- TNS Lanka

FOR MORE INFORMATION

Contact Kiran H.N. (Country Manager - TNS Lanka) on 0777 342553 or email him at kiran.hn@tnsglobal.com

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THE BIG PICTURE -

The mer who personify the spirit of cricket in our land

lad in white flannels or blue pyjamas, depending on what the game plan is, Sri Lanka's cricketers have led the nation's hopes and aspirations on and off the field – and they've led by example. The young man in charge of the Test side has grown in stature, and his record in all forms of the game has been the stuff of legends this year – which is why he swept the line-up at Sri Lanka Cricket's annual awards, in September.

With the two perennial heroes of Sri Lankan cricket playing out their swansong – and Mahela Jayawardene and Kumar Sangakkara are doing so with aplomb, as we've come to except – Angelo Mathews knows full well that the weight of 20-plus million citizens rests on his 27-year-old shoulders.

And when the International Cricket Council (ICC) named Mathews as the captain of its Test team for 2014 – ahead of the Dhonis, Clarkes and Amlas of the cricketing world – his leadership credentials multiplied incalculably.

Meanwhile, Sangakkara has been named in the ICC's Test team on seven occasions in the last nine years – and both Angie and

THE VOICE OF DUSINESS

Sanga were on a four-man shortlist for the ICC's highest honour (the Sir Garfield Sobers Trophy for ICC Cricketer of the Year) last month. Few Sri Lankans will forget that the latter won the award two years ago.

And in the shortest format of the gentlemen's game, Sri Lankan cricket has been blessed with the inimitable Lasith Malinga at the helm. He learnt the ropes of leadership (in his case, by committee, it would seem) in a matter of a few games at the helm, and has the distinction of captaining Sri Lanka to its second World Cup, in April this year.

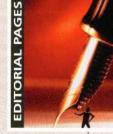
The Sri Lankan Cricketer has truly embodied the Spirit of Cricket in recent years; and Mahela's ICC award last year, for this facet of the intriguing game we call a religion in our neck of the woods, was the ultimate test of sportsmanship.

So we've come full circle, from the days when Arjuna Ranatunga taught The Sri Lankan Cricketer the nitty-gritties of gamesmanship which were desperately needed at the time, to turn the plenitude of talent on hand into hard-nosed World Cup champions.

Since that time, Jayawardene and Sangakkara have moulded a team that now has both qualities: Mahela is the perfect embodiment of grace and talent, whereas Sanga took off from where Arjuna left – and he's done this with so much élan that Kumar Sangakkara is arguably Sri Lanka's most iconic personality today, both on and off the field.

And last but not least, and no matter what the critics (an absolute minority, thank heavens) say, playing for Sri Lanka continues to retain the pride and honour that it so richly deserves. Why else would a squad of young men take the field when they haven't been paid, and when their bosses are often accused of transgressions that we would rather not repeat here?

And why else would they embark (grudgingly, as we know) on a hastily arranged tour of India, when they were in the middle of an allimportant physical training regime, in-between a muchdeserved sabbatical... simply because their bosses wanted them to?



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Ironically, the recent series against the Indians filled in for the

sudden suspension of our neighbour's duel with the West Indians, who literally walked out on the hosts and their own bosses because of a pay dispute.

That was, perhaps, because The Sri Lankan Cricketer believes that not taking the field is a betrayal of his duty to a nation and its people. Which is why The Sri Lankan Cricketer is our Sri Lankan Of The Year.

- Editor-in-Chief

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here are political groups that have started their election campaigns, and are claiming that the country is likely to see an LTTE revival. Ethno-nationalism has been a strong mobilising factor in virtually all past elections. It will undoubtedly be the case at this juncture too.

With elections on the horizon, it is evident that the Government is focussing on issues of national security. The European Court of Justice (ECJ) has helped the Government in this regard, by lifting the ban on the LTTE – for technical reasons, it has said. This has been more than adequate for the Government to accuse the West of ill will towards Sri Lanka.

Its immediate response to the ECJ decision was to describe Opposition politicians and civil society activists who travelled to the West in recent times as traitors who contributed to the decision to lift the ban on the LTTE. The Government has also imposed travel restrictions on foreign citizens entering the north.

It has denied permission to United Nations (UN) investigators to enter the country, and continues to be hostile to the UN investigation into alleged human rights violations during the last phase of the war. The Government of Sri Lanka (GOSL) has stated that a policy of zero tolerance for civilian casualties existed; and that if any occurred, it was collateral damage.

GOSL has been able to muster opposition to the investigation amongst citizens, by claiming it to be a plot against the country's unity. As a result, the general population is oriented to seeing any human rights or international activism in relation to the fate of those who went missing during the war as being against the national interest.

But when such terror warnings are given by the Government, the international media reports this to their



COLLATERAL DAMAGE

Dr. Jehan Perera counts the economic cost of using terrorism warnings for political gain

audiences. In addition, the travel advisories of developed countries warn potential tourists about the dangers they might face in Sri Lanka.

For example, the UK Government has issued a travel advisory stating that "the security forces have imposed restrictions preventing all foreign passport holders (including British nationals) travelling to the Northern Province. All foreign passport holders planning to travel to the north must get prior approval from the Ministry of Defence."

The travel notice continues: "Military activities are ongoing. You should obey orders from the security forces and signs warning of the danger from landmines... Political rallies in Sri Lanka have sometimes turned violent. You should avoid any political gatherings or rallies... There is an underlying threat from terrorism."



It seems as though the Government is not aware, or does not care, that its fear tactics with local constituencies may have international ramifications...

It seems as though the Government is not aware, or does not care, that its fear tactics with local constituencies may have international ramifications.

No tourism agent in a First World country wants to sell a destination where the Government is announcing that 'terror is reviving.' They are busy protecting their own business, and will not market

a destination where customers could be caught up in any kind of danger, whether terrorism, opposition protests or security agency intrusiveness. With many other competing destinations, Sri Lanka's attractiveness diminishes significantly.

It is not surprising, then, that tourists prefer to travel to destinations such as the Maldives and give Sri Lanka a miss, even when they transit through Colombo.

The relatively low level of foreign direct investment into the island also indicates that the international community is bypassing Sri Lanka. Sadly, this means that Sri Lanka is failing to attract its fair share of the international market for tourism and business.

The main reason for the relatively low success rate of Sri Lanka, in comparison with other tourist destinations, is the continuing political instability and controversial human rights issues that have gained international attention.

In fact, the application form for a tourist specifically mentions that dealings with Non-Governmental Organisations (NGOs) are not permitted on a tourist visa.

Together with the travel restrictions to the north, this means that there are limits imposed on tourists due to political and security concerns.

The message is that Sri Lanka is not a normal peacetime country, but one that is grappling to come to terms with the almost three-decadelong war and its aftermath. And the negative impact on tourism and investment is a form of avoidable collateral damage to Sri Lanka.

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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JAYASUNDERA





Zulfath Saheed reflects on plans to improve public transport in our capital city

o for a spin around Colombo on a public holiday, and you will surely realise just how small our commercial capital is. With much fewer vehicles plying the roads, you can travel from one end of the city to the other in 30 minutes or so. But if you attempt to do this during the rush hour on a traditional workday – amidst the sea of cars, vans, motorbikes and buses – the experience becomes one you never want to repeat – if only that were an option!

Traffic congestion is an issue that has long been discussed locally, but with little progress being made. Some even suggest that travel times have increased even more, on account of the many roadside (read: pavement) development projects currently underway in the city. Add to the mix, the 'excavation' work being carried out on several roads, and there's a recipe for great disdain.

The development of the national road network is, no doubt, a positive development; especially in the context of long-distance travel in and around the island. But with the number of vehicles entering the highways increasing by the day, there is little relief in sight for those who have to travel to, from and within key urban centres.

Enter the railways – a traffic-free, generally economical mode of transport that offers a time-saving alternative to travelling by road.

Most recently, we witnessed the reopening of the Colombo-Jaffna railway service, providing a much-appreciated transport



In many developed nations, the railways are a preferred mode of transport, with a stream of trains made available at regular intervals...

alternative for those wanting to visit the northern peninsula. The railway provides a vital link for transporting goods and people between the north and south, and serves as a positive indicator of post-war Sri Lanka.

But what of the daily commute in the nation's capital?

The regular trains are packed to capacity, and don't offer much in the way of convenience or ambience.

However, in many developed nations, the railways are a preferred mode of transport, with a stream of trains running at regular intervals. Options such as park-andride are also offered, to those who wish to leave their vehicles and transfer to the rail system. In addition, such railway networks are designed in such a manner that they connect the major locations and buildings within a city.

There's been talk of Sri Lanka opting to build a monorail mass transit system, to case traffic and improve mobility in the capital city. The venture is estimated to cost in excess of US\$ 1 billion, with Japan International Cooperation Agency (JICA) set to provide the necessary funds for the first phase of the project.

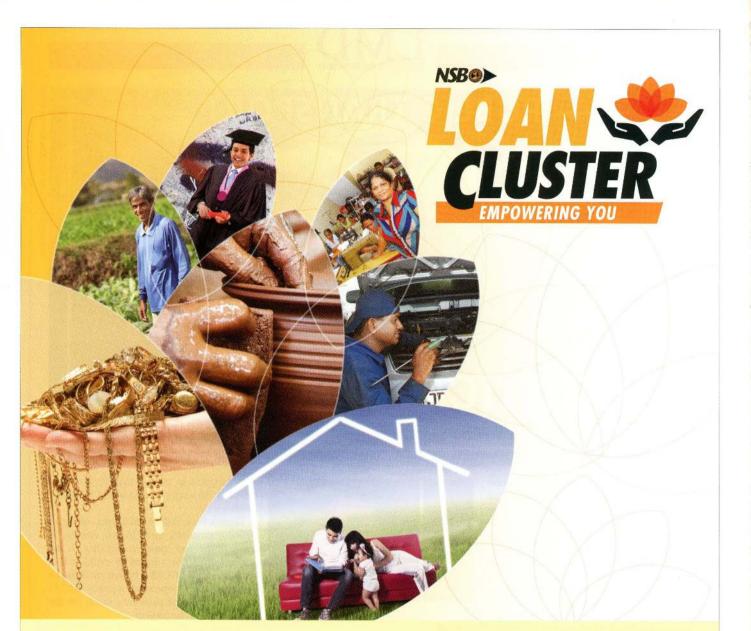
Stage One of the proposed monorail will reportedly involve a line running from Malabe, Talahena, Robert Gunawardena Mawatha, the National Hospital, Dr. Colvin R. De Silva Mawatha (Union Place), the World Trade Center, the Colombo Fort and Kotahena, with a further link planned from Colpetty to the National Hospital – Stage Two is expected include a line running from Kotahena to Kelaniya. The plan also considers linking other modes of transport – such as a rapid bus transit – to the rail system.

When can we expect to see this system in action?

Should all go according to plan, the monorail will likely be built over a period of at least eight years, including approximately 36 months of pre-construction activities. Also worth bearing in mind is that the taxpaying public will, in one way or another, have to bear the capital cost of constructing the new line.

Be that as it may, judging by the transport bottlenecks witnessed on an almost daily basis, the 'Colombo Metro' of the future will be a welcome addition to the city's ever-changing landscape.

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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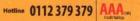
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LMD THE VOICE OF BUSINESS

REAL CONVERSATIONS

DON'T CUT THE CORD!

Angelo Fernando plugs the merits of engaging in *real* conversations!

Voice calls will soon become cheaper and sexy once again. Voice in hi-def will make us want to return to those richer conversations...

ALWAYS-ON MODE Yes, phone calls are cool... again! Alexander Graham Bell – looking aggravated, is complaining to his wife. 'I just invented this darn thing yesterday,' he says, 'and Watson calls in... sick!' For my mum's 90th birthday, in September, I made use of a technology that's been



around for 138 years. We don't do Face'Time; she doesn't need an app. And yet, she's almost always 'online' – if that means being within earshot of a device through which we can connect.

The digerati sometimes refer to these devices as POTS – which stands for Plain Old Telephones. The funny thing is, in spite of the simplicity of the so-called Over The Top services (OTT is another term flung around by the digerati) such as Viber and Line, the plain vanilla telephone rocks! It does not need to be restarted every few days, to clear its cache and it never freezes on you.

I am a regular user of Skype. I've looked into some amazing free services such as ooVoo, and it's hard not to be awed by what you can do in a Google Hangouts chat session. Google Hangouts is now joined at the hip by Google Voice, though one is for videoconferencing and the other for voice calls. A Google Voice user could be chatting to a group in Hangouts, and still receive a phone call to his or her Google Voice number.

And don't get me startcd on WhatsApp, a service which has become a de facto social network for people who shun the narcissism of Facebook – like yours truly.

And yet, nothing beats the satisfaction of a phone call.

CUTTING THE CORD Don't get me wrong. There are many things we can accomplish on a mobile device, without needing to make a phone call: checking a bank balance, getting directions or reminding the spouse to pick up a list of grocery items that he would otherwise forget.

About two years ago, there was a huge jump in texting, especially among teenagers between the ages of 13 and 17. A Nielsen study found that they could send and receive 4,050 texts a month. To meet this bump in traffic, mobile carriers charged an additional fee for unlimited texting, which cost them practically nothing.

Think about that for a second. The urge to *not* talk became a revenue stream! Soon, the rest of us began paying for the all-youcan-eat type plans... and tens of thousands of us gave up our plain, old (home) phones. We cut the cord, so to speak.

In 2010, a barrage of depressing data points hinted at the 'death of conversation.' One of them found that 43 percent of 18 to 24-year-olds felt that texting was just as meaningful as having an actual conversation with someone over the phone, according to an cMarketer report.

These findings coincided with the hockey-stick growth in social networking sites, with some like Facebook adding around 400,000 new active users a day. It looked as if the most popular way to hold a conversation was in spaces where you could be seen and not heard.

Call me optimistic, but I think the trend could be shifting.

BACK TO THE PHONE Here's a shocker: in 2013, Skype carried an estimated 214 billion minutes of international 'on-net' calls a day (they're defined as calls made from one Skype app to another).

In spite of all the texting, WhatsApping and refusing to pick up the phone (because

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).

REAL CONVERSATIONS

you don't want the caller to waste your time, and since an SMS would suffice), it appears that people are returning to real conversations. Another service – ooVoo – has well over 100 million users.

And here's why I think phone calls will return to being the coolest way to communicate.

VOICE AND CLARITY For years, we put up with the chug-chugging of voice traffic over slow-speed lines. This resulted in poor voice clarity. DSL and more affordable broadband alleviated this. But as most of our phone calls are being broken up into tiny data 'packets' and ferried over the Internet using a voice-over protocol, we sometimes experience time delays or dropped calls.

Now, there is an emerging standard known as VoLTE, (another acronym that is too boring to describe here) that's supposedly about to deliver an 'infallible voice service.' Some predict it to be a replacement for the older 'VOIP' standard.

In other words, voice calls will soon become cheaper and sexy once again. Voice in hi-def will make us want to return to those richer conversations.

THE RICH CONTEXT "I passionately believe that there's immense latent potential in voice to convey tone and emotion," said Ray Ozzie, a former Chief Technology Officer at Microsoft. Ozzic was talking about a service called Talko, which he launched earlier this year. Talko is what has been described as 'multi-person conversations' that combine voice, text and photos. And they're all laid out – or overlaid – over 'an evolving timeline.'

Ozzie believes that the voice can quickly resolve issues, help people arrive at better decisions and get things done. He calls the voice an underutilised feature, to which all



POWERFUL FANTASIES Our always-on devices, the phones in our pockets provide "three powerful fantasies: that we will always be heard; that we can put our attention wherever we want it to be; and that we never have to be alone." – **Sherry Turkle**

people with teenaged children will nod their heads vigorously.

We instinctively know this. We know, for instance, how so many of our present day 'conversations' via text chat are misconstrued or garbled.

Before ooVoo and other similar back-tophone services emerged, conversations that took place on a screen, without both parties truly engaging, let people fake their quality of engagement or attention.

Sherry Turkle, a psychologist and professor at MIT, studies such behaviour. She tracks how our devices, which enable faux conversations, also trap us: "Technologyenabled, we are able to be with one another and also elsewhere, connected to wherever we want to be." Turkle calls this "companionship without a relationship." This is a succinct way of describing what we sometimes consider as conversations, using social media. How many times have you asked someone if they have spoken to someone, only to hear a reply such as: 'Yes, I had a Facebook conversation with him just last week!'

What the person really means is that he has had an exchange of niceties (of the 'Wassup?' variety), jokes ('LOL, you must read this!'), status updates or back-andforth comments on a photo.

Somehow, that seems to satisfy us, and give us the semblance of being connected. "We expect more from technology and less from one another, and seem increasingly drawn to technologies that provide the illusion of companionship without the demands of relationship," says Turkle.

TRUST AND REACH Look around you. How much of what you hear or see do you trust? Our deliberate attempts to stay super-connected (subscribing to premium services, for instance; or never wanting to be off the grid) have made us become sceptical of those whom we follow or chat with online.

Real life conversations taught us to read a person's face or body language. Phone and video-augmented conversations put these within our reach once again.

And this might be a good place to talk about Robo-calls – i.e. voice-calls made by real people, but are nothing more than electronically scheduled monologues by telemarketers and politicians. Robo-calls destroy the value of the plain, old telephone.

And yet, there is a resurgence of voice conversations. Suddenly, it's become easier to get a person's attention by simply picking up the instrument... as my mum always does.



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BEYOND BATTLE FATIGUE

Anoma Pieris wants to know whether we've bypassed reconciliation

must admit to experiencing battle fatigue in recent months, caused by the sinking realisation that our race for development appears to have bypassed political reconciliation. Ethno-religious sentiments have hardened and turned violent once again. Having first targeted Christians and then Tamils, putting many to flight, the focus of radical religio-ethno-nationalist groups is now on Muslims. This unfortunate minority has now been victimised by both sides; first the LTTE, and now BBS.

Even fewer voices are raised in protest. But more seriously, I am haunted by the real social dysfunction otherwise concealed beneath this aura of progress. The resultant culture of silence and self-censorship has many dimensions.

If, during the J. R. Jayewardene era, we were concerned with the impact of market forces on ethno-religious morality – responding through an insular nationalism, rather than ethical responsibility – it seems that morality is now the least concern. The increasing economic activities of the Buddhist clergy, and their radical politicisation, is only one aspect of this phenomenon, albeit the most confronting.

The war has changed us. It has changed our needs, our goals and our aspirations. If, throughout the war, we were consumed by the desire to prove ourselves to be national patriots, today we're global subjects



"

It also seems that the military has become an alternative industry that might educate and upskill our male population, in the absence of other industries...

focussed on the world. We are also more accepting of a militarised culture and securitised public sphere. We see these as features of the new economy of liberalisation. We do not wish to be left behind.

In the post-war period, you would expect to see many expressions of reconciliation take concrete form. You would look for commemorative monuments that recognise collective losses on both sides of the conflict, and a mutual commitment to the goals of peace. You would expect the proliferation of civilian memorials in the war zone of old. The absence of such measures, continued hostility of the Government and political groups in the Tamil diaspora – and the culture of militarisation – suggests a lack of resolve.

This is troubling.

It also seems that the military has become an alternative industry that might educate and upskill our male population, in the absence of other industries. Its involvement in humanitarian activities, in the very areas where the armed forces led hostilities, is an additional concern.

None of these scenarios are desirable for peace-building.

People make the country what it is; not its governments. And however much we may blame government policies and practices, they are rooted in what the people want. The majority want systems that are structured to their advantage, and democracy is the means by which these advantages are being won. The demographically disadvantaged minority must depend on the majority's political generosity; and in its absence, resort to violence. A good leader would not pander to the majority or inflict state-induced violence. A poor politician will. Yet, leaders or politicians are identified as good or bad according to the will of the people.

Today, we are consumed by the production of religious identity, now looming

Anoma has degrees from the University of Moratuwa and the Massachusetts Institute of Technology, and a Ph.D. from the University of California. She is the author of several books on architecture. Digitized by Noolaham Foundation.

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CONTEMPORARY PERSPECTIVES

larger than democracy in the new flag (donated by the Buddhist Theosophical Society) flying high at Independence Square. If you thought that peace would advance a secular national vision that is acceptable to minorities, then you were wrong.

Religion has overtaken both ethnicity and language, in defining national culture, in identifying loyal subjects and shaping institutions.

The protection of Buddhism through the 1972 Constitution is being fully realised. There is a sense in the country, particularly among the Sinhalese, that the universe that was unsettled for the duration of the conflict has finally righted itself.

Corruption, nepotism, ethnocratic government, religious entitlements and granting favours are all viewed as elaborations of what it means to be culturally Asian, while their pejorative associations are declared Western constructs. Conversely, many believe that our political culture is finally in consort with our cultural origins. Others, who damn its excesses, do not hesitate to partake of it.

Democracy is certainly a culturally hostile Western concept that places the individual above the cultural collective.

As demonstrated by all our closest Asian neighbours, democracy has been of little use.

The patronage of a strong paternalistic government which organises ethno-religious entitlements to favour the loyal majority, and the reinforcement of majoritarian communal cultures via the state apparatus, has been the surest formula for political success.

Violence comes easily to Asian governments, and the absence of democratic elections has ensured political longevity. Indeed, many Sri Lankans believe that it is democracy that's problematic. That the constant swing of electoral politics, rather than socialist policies, kept South Asia economically stagnant, unlike its South-East Asian neighbours; and that minorities should assimilate into the culture of the majority. They feel that human rights are not relevant in impoverished nations.

In reality, the culture of governance is not very different from either monarchic or colonial rule. It is inherently hierarchical, autocratic, obsequious and officious. Coupled with military power, you have a fail-safe partnership.

Militarisation is pervasive in Asia; and it is largely a post-colonial phenomenon, although the seeds of active military service are a colonial and WWII legacy.

Indeed, Western neo-imperialism has shaped Asia militaristically in US involvement in the demilitarisation of Japan, and the Vietnam and Korean Wars.

Yet, these Asian nations have also desired militarisation, and maintained it with US support against communism and radical Islam. Although Sri Lanka's war was wholly internal, various threads of intervention connect us to these other conflicts, not the least being through weaponry and military strategy. More recently as the militarisation of Japan re-enters the news, other issues are at stake.

So now, let us revisit this new three-fold alliance for nation-building, where economics, militarisation and religion intertwine. In short, we are yoking together divergent forces: a consumption-driven and liberal economic environment, an institutionalised and authoritarian practice of aggression, and a religion that abhors both materialism and violence.

What interests me is not the incongruity

of the collaboration. Sri Lankans are known for achieving the impossible. I am, to get back to the issue of morality, curious about their future cohabitation. Will it succeed?

On journeys to Jaffna during the postwar period, I have often had the opportunity to speak to Sinhalese visitors. They were on pilgrimages to Jaffna, paid for by their children – an act that brought merit to both parties. The tours typically include the Madhu shrine and Trincomalee, with Vavuniya, Kilinochchi and Jaffna peninsula as the main areas.

In Jaffna, they visited many sites; and although they inscribed the Buddhist pilgrim's route to Nagadeepa, Naga Vihara and Dambakola Patuna, these visits were interspersed with other sacred and profane activities beyond Buddhistic concerns. Visits to Hindu *kovils*, grape farms, hot springs and beaches, Prabhakaran's ancestral home and his bunker far outweighed destinations of religious pilgrimage.

Pilgrimage, war memorials and leisure tourism were hopelessly entangled in their itineraries. I say hopeless, because their original inspiration was moralistic, a desire to inscribe a religious path... but history, identity, personal loss, general curiosity and minor consumptive practices intervened, diverting their ideological goals.

Perhaps, this population could be diverted towards democracy, indirectly; or inspired by alternative methods for sustaining the peace. Perhaps, the greatest virtue of this new three-fold alliance is its lack of cohesion – and, therefore, a lack of resilience to other forces of change.

I would like to inject some modicum of hopefulness into this dismal litany, but I can't see beyond battle fatigue.



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TSUNAMI ANNIVERSARY

ASIAN TSUNAMI 10 YEARS ON Amantha Perera recalls the Boxing Day tsunami of 2004 – and the havoc it wreaked

ust before the southern extension of the Port of Colombo was commissioned in 2013, I was on a tour of the new terminals when I asked about a 20-foot-high wall that ran along the southern boundary, from a Ports Authority official. He told me that the wall was in place to protect the harbour and cranes from a tsunami.

My next question was whether the wall could withstand a tsunami akin to what the country had faced nine years back. "We can only hope that it will," he retorted.

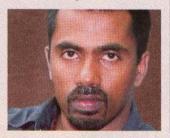
The answer was symbolic of the national psyche, since that fateful day on 26 December 2004. We're a nation that is concerned about the destruction caused by the tsunami, while feeling utterly and abjectly helpless at its awesome power.

DISASTER MANAGEMENT

A year later, I was at a major international conference on disaster resilience, in Colombo, where speaker after speaker explained how the 2004 tsunami had resulted in making Sri Lanka much safer, vis-à-vis the after-effects of natural disasters,

That assessment is completely true. Within eight months of the tsunami, the Government enacted the National Disaster Management Act and set up the Disaster Management Centre (DMC).

Within that decade, Sri Lanka's disaster management levels had improved from almost nothing, to a level



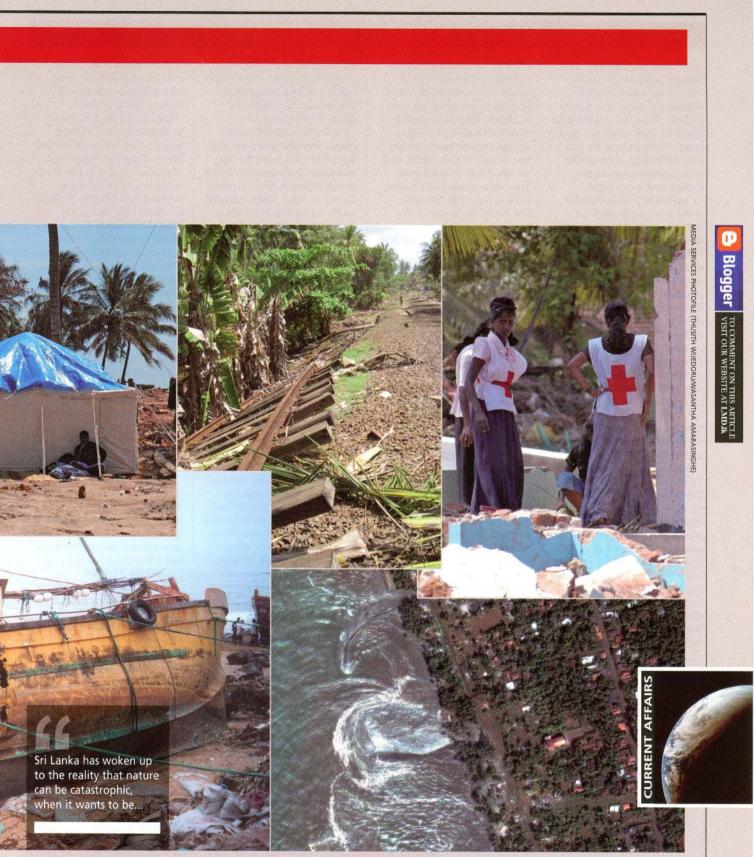


that – in April 2012 – the DMC could initiate the evacuation of over a million people, in the event there were fears of another tsunami striking our coastline. DMC has offices in each of the 25 districts, and Government Agents have been provided with emergency funds which can be utilised to acquire supplies speedily, in the event of a calamity.

Sri Lanka also signed on for a World Bank facility that allows the country to draw up to US\$ 100 million in emergency funds, within 48 hours of a natural disaster that has been declared a national emergency.

NATURAL DISASTERS Sri Lanka has woken up to the reality that nature can be catastrophic, when it wants to be. Before the tsunami, natural disasters like floods

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



and cyclones were inevitable, in our frame of mind. We only paid attention to what we could do post-disaster, not pre-disaster.

In fact, a drought was not even on the list of such disasters.

In just one decade, all that has changed. Now, we are spending millions of dollars to make Colombo flood-proof, a mere quarter of a century after we had made the city burst its innards internally with every shower of rain because we had just built on every inch of marsh land that was available. The awakening to the warning - not to play dice with nature - was a rude

My initial experience was frightening - seeing a ship tilt precariously just outside the Colombo harbour, and large fishing trawlers getting smashed onto small bridges on the Hamilton Canal, south of the commercial capital. Well, that was what I considered frightening... one ... for everyongitized by Noolahefore I started travelling

to the worst-hit areas.

One of the worst hit was the village of Sainthamarathu, in Kalmunai, on the east coast. It is a fishing village, but not the traditional fishing village of yore that is made up of cadjan huts. It is home to a large Muslim community, and tightly packed with concrete structures where one could put

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one's hand into the next house through one's own window.

When the waves crashed without any notice, the tightly packed village was a death trap. Heaps of brick structures came down. Villagers here say that over 3,000 died, although the exact number is not known. Bodies were everywhere.

I arrived in Sainthamarathu about three nights after the tsunami, and it felt like walking into an open morgue. THE STENCH OF DEATH The smell of death hung in the air. It stuck to your body like an evil glue that would never come off. There were men, women and children moving the debris, looking for loved ones, their eves hollow like deep wells. They were walking like zombies on the narrow alleyways where children had played cricket just four days ago. Even though the bodies turned up every minute, the list of missing persons kept getting longer.

Three weeks after the tsunami, I was back in Sainthamarathu. The bodies were still turning up. Now, what was being found were bodies of children and infants that had got stuck in narrow crevices, or been swept deep under the rubble. I spent a day with two young men, both migrants working in the Middle East, who had rushed home after hearing of the disaster. But they had not heard from their loved ones. The two kept visiting areas which had not been cleared, armed with basic off-the-shelf surgical masks and giant vats of Dettol. They kept coming back with bodies of children wrapped in coir mats. No one was around to claim them, and the smell was overpowering. The two men went about their work in a zombie-like state, and buried the bodies on the beach

One man told me that the best option would have been to burn them. "But how can we? These are babies," he exclaimed. He was looking at me. I simply looked away.

It was on this beach that I met Mohideen Ajeemal, a wholesale fish supplier. He had a house next to the beach. I met him in his house – or what was left of it – 72 hours after the tsunami. He said the waves crashed when most of the village was asleep. He was out, waiting for a boat to return. It never came.

Ajeemal said that he found himself clinging onto a coconut tree, after the first wave swept in and climbed all the way to the top. Then, when the big wave came in, he saw his young daughter and son being swept inland. The next time he saw them was when he recovered their bodies.

But Ajeemal embodied the spirit shown by many tsunami survivors who did not wait for handouts. About three weeks after the tragedy, he reopened his business, where his house once stood. Most in the villages had fled in fear, as darkness fell, because they believed spirits roamed at night.

For a while, Ajeemal and a cousin who operated a tea shop across the road, were the only businesses that operated on that stretch of beach. Slowly, others moved in. For a while, Ajeemal was bringing fish from other parts of the country, and rerouting it through Kalmunai.

But he will never move his family back to their old house. They now live about half a mile inland. Most of them had lived all their lives next to the sea; but for many who faced the waves that day, the fear lingers on.

A FEAR PSYCHOSIS I met a group of women one day, chatting under a tsunami memorial on the beach in Batticaloa. One of them told me that she was afraid to stay alone at home; and when the sea becomes rough, she cannot sleep at night. This was a woman who had once said that she could sleep through any storm. In fact, her parents had told her that she even fell asleep during the 1979 cyclone. Now, she stavs awake even when a drizzle falls at night. Another young man who survived the train tragedy in Peraliya, refuses to speak of his experience, to this day.

But one positive effect of that same fear has been the

improvements in the country's disaster-preparedness levels, on a national scale as well as at a citizenry level.

The last decade has shown us that we need to be more aware of our surroundings and the environment. What most of us don't realise is that the frequency of catastrophic events due to extreme weather conditions has increased. **RISK ASSESSMENT** The World Bank estimates that Sri Lanka carries a risk of US\$ 380 million a year, as a result of climate-related disasters. A large flood between late 2011 and early 2012 caused damage to the tune of 50 million dollars.

This year, the rice harvest is expected to fall by 20 percent – to below four million metric tons, for the first time in six years. The attention we pay to the climate, and our impact on it, has to increase phenomenally. And there needs to be serious coordination at national level on water usage.

The tsunami left behind a terrible legacy: some 35,000 dead or missing, a million people affected (half of them, for an extended period of time), over 100,000 houses destroyed and a massive reconstruction bill of US\$ 3 billion.

Ten years on, that impact has paled... but it should never be forgotten. When nature bares her fangs, the result is mass extinction.

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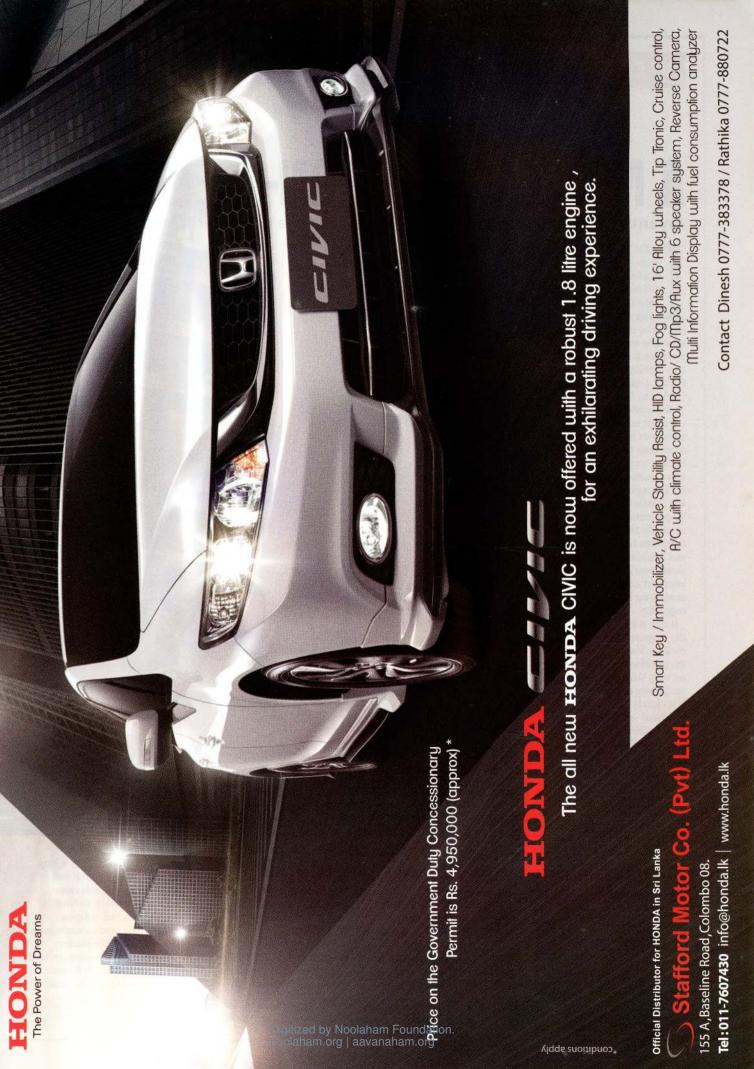
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WEAPONS OF WAR

A NUCLEAR-WEAPON-FREE NORTH Jayantha Dhanapala emphasises the dire need for a new security architecture in the

n 2015, it will be 70 years since the horrible bombing of Hiroshima and Nagasaki, by the US – the only time nuclear weapons have ever been used. The urgent need to seek solutions over nuclear weapons in North-East Asia was highlighted in the Asia-Pacific Leadership Network's (APLN's) Jakarta Declaration of September 2014.

It reads as follows: "Acutely conscious that the world's more than 16,000 remaining nuclear weapons are strongly concentrated in the Asia-Pacific region, with the US and Russia having over 90 percent of the world's stockpile and major strategic footprints here, China, India and Pakistan all having significant arsenals, and the breakout state of North Korea continuing to build its capability..."

It also notes that "most of the projected world growth in civil nuclear energy – with all the proliferation, safety and security risks associated with such energy production, unless it is closely and effectively regulated – will occur in the Asia-Pacific."

The Six-Party talks over North Korea's nuclear programme have made little progress, even as China's patience wears thin. Tensions among China, Japan and South Korea continue over the bitter legacy of World War II, and disputes over the ownership of islands in the East China and South China Seas exacerbate them, while the US hovers in





after the atomic bomb was dropped by an US Air Force B-29, on 6 August 1945. Around 140,000 people — more than half of Hiroshima's population, at the time – died in the first atomic bombing on this day. Another 70,000 people perished as a result of the bomb dropped over Nagasaki, three days later. Following the bombings, Japan surrendered on 2 September 1945, to Allied forces, officially ending World War II. And that brought the curtain down on the costliest conflict in history.

the background. Five Nuclear-Weapon-Free Zones (NWFZs), one single-state NWFZ (Mongolia) and an unpopulated nuclear-weaponfree continent (Antarctica) – apart from the denuclearisation of the extremities of the seabed, ocean floor and outer space – have been legally established and exist in the world today. While they do not conform to a replicable model, the UN Disarmament Commission has established guidelines which future proposals for NWFZ may wish to follow.

The proposal for a North-East Asian NWFZ (NEANWFZ) has intrinsic merits, but the first steps towards it in this tensionfraught region are still a long way off. The proposal has acquired a fresh relevance, both as a solution to North Korea's nuclear-weapon programme, and as a safeguard against a possible nuclearweapon option being exercised by Japan and South Korea. It could also assuage fears

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of a Chinese nuclear threat in East Asia, with China accepting the protocols to a future NWFZ. The NEANWFZ is being seriously discussed among academics and legislators – perhaps, as a prelude to a negotiation at the policymaking level.

Conceptually, NWFZs represent 'affirmative action' on the part of Non-Nuclear-Weapon States (NNWS) within the Treaty for the Non-Proliferation of Nuclear Weapons (NPT), in accordance with its Article VII. There is strong opposition to nuclear weapons among NNWS members actually predating the NPT and leading to the creation of NWFZs as building blocks for a nuclear-weaponfree world.

Indeed, NWFZs refer to global nuclear disarmament in unambiguous terms, in their preambles As quarantine DIGITZEG DV NOOI and The force agreements with NWS

zones protecting countries and regions from the contagion of nuclear weapons, NWFZs are not all consistent in the set of prohibitions they have adopted. The Treaty of Rarotonga for the South Pacific NWFZ and the Treaty of Semipalatinsk for the Central Asian Nuclear-Weapon-Free Zone (CANWFZ), for example, include countries that have defence agreements with NWS and, therefore, enjoy extended nuclear deterrence.

In the case of Rarotonga, the treaty permits the passage of nuclear armed vessels through the NWFZ and the harbours of its member states. These compromises on the principles of the prohibitions enshrined in the NWFZ treaties through adroit drafting were not seen to be in such fundamental conflict with the prohibitions as to vitiate the central thrust of the treaty.

The 1999 UN Disarmament Commission guidelines for establishing NWFZs states, inter alia: "States parties to a nuclear-weapon-free zone exercising their sovereign rights, and without prejudice to the purposes and objectives of such a zone remain free to decide for themselves, whether to allow visits by foreign ships and aircraft to their ports and airfields, transit of their airspace by foreign aircraft and navigation by foreign ships in or over their territorial sea, archipelagic waters or straits that are used for international navigation, while fully honouring the rights of innocent passage, archipelagic sea lane passage or transit passage in straits that are used for international navigation."

All NWFZ treaties allow, at the sovereign discretion of each member state, for overflight and transit of nuclear armed vessels through international waters. The provisions of the Treaty of Bangkok also cover Exclusive Economic Zones (EEZs) and continental shelves. However, it is disputed whether this is in accordance with the United Nations Convention on the Law of the Sea.

Jozef Goldblat has noted, in respect of the CANWFZ, that "this means that transit of nuclear weapons may be allowed or refused, but the decisions 'should not be

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prejudicial' to the purposes and objectives of the treaty. Since neither the frequency nor the duration of transit is limited by the treaty, it is not clear to what extent transit differs from stationing."

"With the proviso mentioned above, total absence of nuclear weapons in the CANWFZ, as envisaged in Article VII of the NPT (dealing with the right of states to conclude regional denuclearisation treaties). cannot be guaranteed ... Introduction of nuclear weapons into the zone, even for a short time, would defeat the sought goal of regional denuclearisation. Moreover, transit of nuclear weapons allowed by one zonal state might affect the security of another," he adds.

With regard to another aspect of a NWFZ treaty, more recently the agreed Australian decision to export uranium to India – despite the latter not being within the NPT – is widely seen as a violation of the Treaty of Rarotonga. Thus, accepted NWFZ guidelines have been shown to be flexible.

In the case of all NWFZs, however, the provisions of the NPT apply, since they are all parties of this treaty. Thus, the application of extended deterrence or sheltering under



President Barack Obama's speech in Prague, in April 2009 – and all that has transpired with regard to the objective of a nuclearweapon-free world – has altered global circumstances...

the nuclear umbrella offered by any one of the NWS must be seen as a violation of Article 1 -one of the core articles of the NPT.

Firstly, the transfer of nuclear weapons, or control of such weapons "directly or indirectly," is prohibited. This has been violated by the geographical location of US nuclear weapons in five NATO countries in Europe, but has been justified by the Americans because the weapons are under their control – a justification frequently rejected by NNWS, at NPT Review Conferences and other forums.

No NWFZ would make the actual stationing of nuclear weapons, whether they're under the control of a NWS or not, legal. Secondly, the prohibition "not in any way to assist, encourage or induce" any NNWS to acquire or control nuclear weapons stands obviously violated when the protection of a nuclear weapon defence is agreed upon by a bilateral treaty with a NWS – as in the case of Australia, Japan or South Korea.

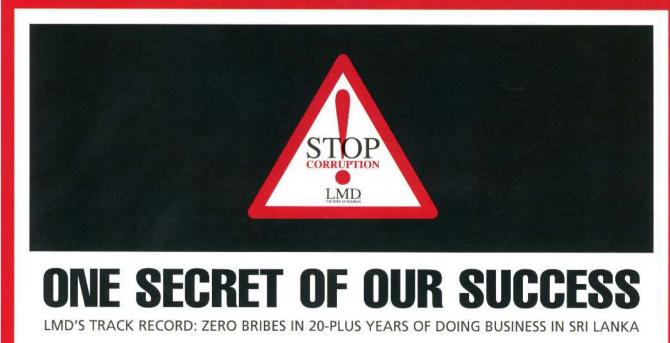
The International Court of Justice (ICJ), in its Advisory Opinion of 8 July 1996, ruled unambiguously against nuclear deterrence and extended nuclear deterrence, both of which contain a threat of the use of nuclear weapons. The case brought before the ICJ by the Marshall Islands against nine nuclear-weapon-armed states may very well clarify and expand on the 1996 ICJ Advisory Opinion, when it is taken up next year.

Thus, a NWFZ in North-East Asia has many reasons to commend itself as a solution to the complex issues in the region that threatens its security. However, compromising on fundamental NWFZ principles will only exacerbate matters. Exceptions and ambiguities have been introduced in the negotiation of past NWFZs, but they cannot and should not be cited as precedents for future NWFZs. Extended deterrence and a NWFZ are mutually exclusive, and as the North Korean nuclear programme is dismantled, the US nuclear umbrella – under which South Korea and Japan have long been sheltered – must be folded in the interests of regional and global security.

President Barack Obama's speech in Prague, in April 2009 – and all that has transpired with regard to the objective of a nuclear-weapon-free world – has altered global circumstances.

Cold War warriors George Shultz, Henry Kissinger, Sam Nunn and William Perry said in their famous Wall Street Journal op-ed of 2007: "The end of the Cold War made the doctrine of mutual Soviet-American deterrence obsolete. Deterrence continues to be a relevant consideration for many states with regard to threats from other states. But reliance on nuclear weapons for this purpose is becoming increasingly hazardous and decreasingly effective."

The time to bury nuclear deterrence and extended nuclear deterrence is now. A NWFZ for North-East Asia that is guaranteed by the five nuclearweapon states in the NPT is the new security architecture needed for the region.





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Companies first answer questions about their organisations – such as name, location, type of business and brand values. They then choose from a number of visual cues they think match their style. Using natural language processing and image matching, the service generates a selection of custom typographic logos for users to pick from. If they don't like any of the options, they can go back and tweak their descriptions, to include more relevant keywords.

For US\$ 50, users receive a design package consisting of a logo, business card and letterhead design. Giving small businesses a slick and modern look, as well as an edge to their branding, is one service that is worth checking out.

AEROSPACE CITY Malaysia is to start work on a new aerospace industry hub fcaturing research and development facilities, office suites, academic campuses, a convention centre and residential areas. Asia Aerospace City is aimed at transforming Malaysia into a high-income economy by 2020, by providing a world-class business ecosystem that will attract global engineering services and businesses.

Spanning 3.5 million square feet, it will be connected to Kuala Lumpur International (KLIA) and Subang Airports with a newly built light railway station.

The site will host an academic cluster that includes the Malaysian Institute of Aviation Technology, a professional development centre for about 2,000 students, and a research and training centre for aerospace testing and validation activities.

Offices and businesses will benefit from high-speed fibre-optic broadband and back-up power, professional event spaces, and a convention centre and hotel. Meanwhile, residents, workers and students will enjoy a variety of amenities, including a restaurant, café and sports facilities.

SAVVY INVESTMENT Social media, while undeniably valuable for businesses, can be time consuming to run. And if you're not social media savvy, leveraging it effectively can be tricky. ZootRock offers businesses an opportunity to maximise social media engagement while concentrating on running their company, by injecting businesses with social media feeds that have relevant content to engage customers.



Ayesha Reza Rafiq explores our wacky and wonderful world

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ZootRock allows members to simply connect their Facebook, Twitter or LinkedIn accounts, and select the types of content they'd like to post to their followers. Members can include content from curated topic categories, and posts that match key phrases and hashtags, as well as select whether they want to repost articles, quotes and other social media posts.

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DATA ADVANTAGE Companies in today's tech-oriented world are often told they need to take advantage of big data, if they want to get ahead. Turning raw data into a coherent business strategy is a difficult task, however – it is one for data geeks, rather than company CEOs.

A new service called Adatao now offers a solution that enables business leaders and data scientists to work together and more easily, on turning big data into big benefits.

The service is split into two layers: pAnalytics is designed for analysts to put information into applications that are easier to understand for colleagues in other departments; and pInsights lets these employees create interactive visuals, based on the data, which help put it into context – and this assists non-technical staff communicate with analysts via the same platform.

And the result is real-time collaboration across departments, by effectively integrating IT functions into every aspect of business.

MOOD RATINGS! Emotional problems like stress and depression are becoming all too common, in an increasingly competitive workforce, affecting both personal health as well as productivity. MoodHacker is an app designed for companies to improve the well-being of their workforce, by offering tips for employees to de-stress at the right moment.

Developed by a health technology firm, the service uses techniques from Cognitive Behavioural Therapy and Positive Psychology, to offer personalised tips to help anyone reduce the symptoms of depression through actionable tasks.

MoodHacker works with businesses, to deliver the app direct to workers through employee-assistance programmes. Users are asked to log onto the service at the end of each day and rate their mood out of 10, as well as record positive activities they've accomplished – whether this is exercising, a walk outdoors or even laughing with a friend.

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THE ARAB SPRING

DEMOCRACY VS. REGIME CHANGE

Saro Thiruppathy looks beyond the extraordinary hype that greeted the Arab Spring

emocracy, which is the system of government by the whole population or eligible members of a state, typically through elected representatives, is considered to be the best form of a government 'of the people, by the people, for the people.' But those of us who live and breathe in the 21st century know that democracy, alone, is not a panacea for all governance ills. In fact, it provides a legitimate means for autocrats embracing familial rule, to do so - sometimes indefinitely, through the will of the people.

This phenomenon is being played out in mostly Asian, South American and African states. Many of these countries have been the beneficiaries of democratic ideals, as a result of being colonies of European countries which continue to be functional democracies.

Opinions vary about just how necessary democracy is in the modern world, and how it assures a citizenry of being governed by those who represent them in Parliament. But the reality is very different, and the people are often hoist by their own petard, after casting their ballot, when their views are not considered in the overall scheme of things.

Over the past few years, we have watched in horror and awe, as the Arab Spring raged through five countries and razed to the ground, cities and towns in its path. It appeared as though, finally, the Middle



East was saying enough is enough to its long line of dictators and autocrats, who ruled with iron fists.

It seemed that democracy was the cry on everyone's lips, as they protested and fought their militaries in a bid for change. So was this a fight for

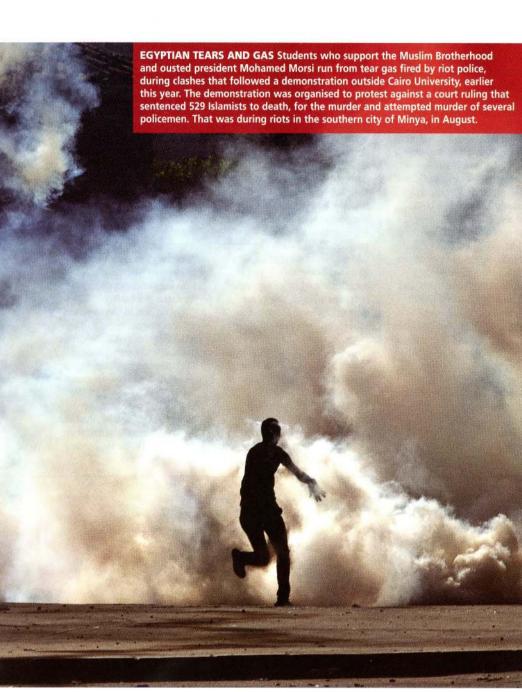
democracy or simply regime change, because people were sick and tired of incumbent dictators? And all that hype

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.

about democracy – was it just Western wishful thinking?

Regime change, other than in Syria, has been achieved. The Muslim Brotherhood that immediately followed ex-president Hosni Mubarak's

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ousting in Egypt, was more ruthless and autocratic than the preceding government. And by all accounts, President Abdel el-Sisi – who succeeded Egypt's first democratically elected president Mohamed Morsi – appears to be no better.

Libya, which rid itself of

Col. Muammar Gaddafi and his sons, has descended into anarchy. Tunisia managed to oust President Zine El Abidine Ben Ali, and recent elections (the second since the Arab Spring) have delivered yet another government into power – and only time will tell how it will fare. Yemen's. capital Sana'a is in the grip of the Shiite Houthi rebels. And Syria is not only engulfed in a civil war, but instability has spread as a result of the ISIS crisis.

Spring) have delivered yet another government into power – and only time will tell how it will fare. Yemen's Diofitzed DY Nolaham Fourieration

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East, so much so that the new dynamics in the region have put the age- old Israeli-Palestine conflict on the backburner – in the public domain, at the very least. There are several reasons for why the Arab Spring has

There are several reasons for why the Arab Spring has failed, other than regime change. They include the cultural and religious thinking of the people.

But more interesting are the results of a study by UCLA political scientist Barbara Geddes and her colleagues. The data consists of information gathered from 280 autocratic regimes in 110 countries with a population greater than one million, and were in existence from 1946 to 2010.

The study claims that more than half the time, one autocratic regime is followed by yet another dictatorship. The odds of transitioning from autocracy to democracy are smaller for countries with personalist dictatorships and one-party states. Personalist dictators are those who run their states as family businesses. And all the countries in which the Arab Spring took place were personalist dictatorships.

Geddes & co. say that four other social and political criteria contribute towards increasing the odds against democratic transformation in these Arab states – viz. youth, past democratic history, income and complexity.

Jack Goldstone, a political scientist at George Mason University, believes that the low median age of the populations of these countries reduces their nations' chances of successful transition to democracies. Hannes Weber, a researcher at Stuttgart University, claimed that democracies with proportionally large male youth cohorts are more likely to become

THE ARAB SPRING

dictatorships, rather than societies with a smaller population of young men.

And the London School of Economics' Tim Dyson contends: "As the structure of a society becomes increasingly composed of adult men and women, autocratic political structures are likely to be increasingly challenged and replaced by democratic ones."

It appears that the median ages of the populations of Tunisia, Libya, Egypt, Syria and Yemen are between 18 and 30. Meanwhile, the median age in the European Union is 41; and in the US, it is 37.

Regimes in many of the Arab countries have not had much past experience with democracy. The Polity IV Index measures levels of democracy in countries on a scale of -10 to +10, where the former indicates total autocracy and the latter full democracy. Macroeconomist Dr. Ibrahim Elbadawi, et al. at the Dubai Economic Council, note that Arab countries had entered the 1960s with an average polity index score of -5.3 which, 40 years later, had dropped to -5.5. This indicated that while many countries had embraced democracy, Arab nations had become more authoritarian.

A study in 2006 by political scientist David Epstein and his colleagues at Columbia University revealed that when per capita income increases,



We have watched in horror and awe, as the Arab Spring raged through five countries and razed to the ground, cities and towns in its path...

political regimes stand a greater chance to become and remain democracies. Political scientist Prof. Adam Przeworski and others identified an income threshold (about US\$ 8,100, in 2013) above which they claim no democratic country had ever reverted to autocracy. In 2013, the World Bank estimated the per capita GDPs of Yemen, Syria, Egypt and Tunisia to be between US\$ 1,500 and US\$ 4,200.

And researchers Alexander Gard-Murray and Yancer Bar-Yam analysed regime changes in the 10 years following revolutions between 1994 and 2000, in a 2012 study titled Complexity and Limits of Revolution: What Will Happen to the Arab Spring? They found that higher levels of disruptive violence resulted in more autocratic outcomes.

Compared to the other nations which experienced the Arab Spring, the Egyptian and Tunisian revolutions were relatively less violent. But the military ousting of Morsi and assassinations in Tunisia reduce their prospects for democratic consolidation in the near future. The researchers believe that "new governments are in danger of facing increasingly insurmountable challenges and reverting to autocracy," because revolutions leave little, in terms of state institutions, for the victors to govern through.

When social, political and economic stability are hard to establish, a fatigued populace will look for someone to rescue them and restore order.

Whatever the reasons expounded for the failure of the Arab Spring to deliver democracy, in the final tally, all of us who belong to democracies need to understand that the concept can only become a reality if we – the people – ensure that the representatives we elect are responsible for their electorates.

Most elections come down to a two-horse race (even if a multitude of other equines participate), and voters are thus asked to pick one or the other – either a democrat or a conservative.

Prior to the global recession, it was assumed that as countries grew wealthy, the middle class would grow. Samuel Huntington, a democracy theorist, believes that these middle classes would push for democratic freedoms. However, with the global downturn, these change agents are shrinking the world over; and according to Joshua Kurlantzick – a senior fellow for South-East Asia, at the Council on Foreign Relations, in an article titled The Great Democracy Meltdown – the existing middle class, rather than working through the ballot to defeat populist leaders who appear to be sliding into authoritarianism, tend to end up supporting military coups or other undemocratic measures.

People get the governments they deserve. And unless there is top-down accountability, a nation may as well be considered an autocracy that merely dons the hat of democracy only at an election.

Simply replacing the bullet with the ballot does not deliver democracy. It requires the concomitant rights and freedoms of speech and expression, an independent judiciary, an institution of property rights, and a strong and legitimate opposition, to make it a reality.

Therefore, in the absence of real commitment to the establishment of democratic principles of governance, regime change through revolutions is not necessarily in the best interests of the populace – because the 'ouster-saviour' that comes in the aftermath of the fray may actually be far worse than the ousted.



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INFOGRAPHICS BY CHAMIKARA JAYAWARDANA



Millions of Earth's citizens fall ill every year, and many even die from consuming unsafe food, making food safety a global health priority. Outbreaks of food-borne illness have been reported from every continent in the past 10 years, with rates of infection increasing in several countries. Unsafe food can lead to many diseases – from diarrhoeal diseases, to numerous forms of cancer. A safe food supply, on the other hand, supports the economy, trade and tourism, and promotes food and nutrition security, thereby stimulating sustainable development.

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GLOBAL HEALTH SUMMIT

A WORLD WAITING TO EXHALE

Yamini Sequeira debates the vulnerabilities of health care systems in poor nations

f, by 2050, two-thirds of all humans are living in cities, what will the impact be for health care? How can we ensure, today, that ases won't develop into

diseases won't develop into epidemics in the megacities of the future?' These were some of the pertinent questions raised at the sixth World Health Summit, held from 19 to 22 October, in Berlin.

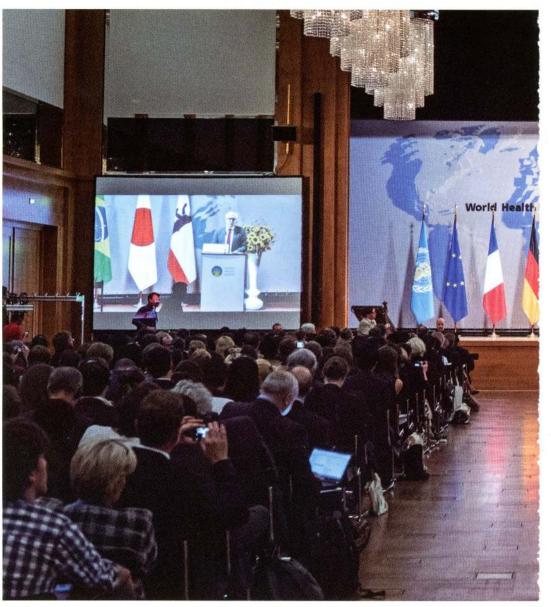
The World Health Summit (WHS) 2014 was backed by German Chancellor Angela Merkel, French President François Hollande and the President of the European Commission José Manuel Barroso.

Its mission is to bring together researchers, physicians, leading government officials and representatives from industry, as well as from NGOs and health care systems worldwide, to address the most pressing issues facing medicine and health care over the next decade and beyond.

One of the world's largest global health conferences, this year's summit predictably focussed on Ebola. The virus has had a severe impact on society in Liberia, Guinea and Sierra Leone - and anxiety across the world. A World Health Organization (WHO) report, in mid November, put the total death toll from the deadly virus at around 5,200. from some 14,000 cases. It said, however, that the figures given continued to be too low, because of under-reporting of cases.

In some good news a few days after the conclusion of the summit, the WHO confirmed





that the number of Ebola cases in Liberia had started to decline, with fewer burials and some empty hospital beds – although the disease was still spreading in Sierra Leone, and stable in Guinea.

It noted that the response to the outbreak depends on building up health care, and increasing the number of safe burials of Ebola patients, since bodies of those who have died from the disease are highly contagious.

Growing health risks demand that governments and experts collaborate, and share information quickly and efficiently, at a global level.

In a bid to keep the spotlight firmly turned on the Ebola crisis, the World Health Summit organised a special symposium – Ebola: A Wake-Up Call for Global Health – in association with the German Federal Ministry of Health and the German Federal Foreign Office.

The Ebola outbreak has been a wake-up call for medicine and global health. It has clearly shown that neglecting to build effective health systems in the poorest countries has a catastrophic effect in the face of an outbreak of a highly infectious disease. No specific effective treatment exists –

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

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a fact that draws attention to the neglect of research for drugs and vaccines for tropical diseases.

Further, Ebola has also drawn attention to major gaps in global health governance. The requirements of the International Health Regulations have not been met by the most vulnerable countries, and the response to the outbreak has been too slow at national and international levels.

The key lessons learned to control the outbreak include the importance of leadership, community engagement, bringing in more partners, paying staff on time and accountability. The WHO, UN partners and the international community have scaled up their support in the Ebola-affected countries.

In fact, all countries should strengthen education and communication efforts to combat stigma, dispropormeasures and reactions associated with Ebola. Possibly, such efforts may encourage self-reporting and early presentation for diagnosis and care.

The next steps, vis-à-vis medicine and global health, were also discussed and debated, "While Ebola can be controlled, the effects of climate change on health are irreversible. What is needed is a functioning health care tionate fear, and inappropriate on a system out this was the wakeup call delivered by a speaker at the event.

Alongside the Ebola crisis, climate change was one of the main topics on the agenda. Some 1.8 billion people are exposed to health threats due to contaminated water, and the exposure is expected to rise because of flooding and low rainfall.

Climate change is expected to cause 250,000 additional deaths a year between 2030 and 2050, affecting the poorest countries with weak health care systems - a global challenge that rivalled Ebola, as one of the hot button issues discussed at the World Health Summit.

Speakers pointed out that natural disasters will take more lives than ever. Diseases like malaria and dengue will spread further, because the mosquitoes that transmit them thrive in higher temperatures. And cases of diarrhoea will increase, if droughts and flooding bring on more shortages in clean drinking water.

The incidence of dengue has grown dramatically around the world in recent decades. Over 2.5 billion people (that's more than 40% of the world population) are now at risk from dengue. And the WHO currently estimates there may be 50-100 million annual dengue infections worldwide. An estimated 500 000 global citizens with severe dengue require hospitalisation each year, a large proportion of whom are children.

Apart from Ebola and climate change, the World Health Summit was structured along four main tracks: Education and Leadership, Research and Innovation, Evidence to Policy and Global Health for Development.

The factors that have changed are urgency from the developed world, which has scaled up its funding, resources and people, along with fast-tracked vaccine development.



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ELUSIVE ISRAELI PEACE Israel's former president and Nobel peace laureate Shimon Peres took a swipe at Prime Minister Benjamin Netanyahu's Government recently, for failing to make peace with the Arabs. "Those who have renounced making peace are... not patriots." Peres said, at a ceremony in Tel Aviv marking the 19th anniversary of the assassination of expremier Yitzhak Rabin. Rabin was Israel's fifth PM, serving two terms in high office (from 1974 to 77, and 1992), until his assassination in 1995. He signed peace agreements with the Palestinians, during his tenure in office.

"It's a shame that the only peace initiative was an Arab initiative. Where is the Israeli peace initiative?" Peres asked, warning that "time is against us." The anniversary of Rabin's death came with US-brokered peace talks between Israel and the Palestinians frozen, and tensions running high in Jerusalem, particularly around the revered Al-Aqsa Mosque, Islam's third-holiest site.

Al-Aqsa, in Jerusalem's Old City, and adjacent neighbourhoods have seen months of violence, and the mosque's compound has been a rallying point for Palestinian resistance to what they say are Jewish attempts to take control of it. Netanyahu, meanwhile, has urged Israeli parliamentarians to show restraint.

A statement from Netanyahu's office said he called on all MPs "to work to calm the situation on the issue of the Temple Mount, and to show responsibility and restraint." A controversial visit to Al-Aqsa, in 2000, by the late Ariel Sharon – before he became Prime Minister – sparked the second deadly Palestinian intifada, or uprising.

PAINFUL PAST FOR CHINESE Suspected of being spies or China sympathisers, nine-year-old Indianborn Monica Liu and her family lived in the north-east city of Shillong. They were loaded into railway cars headed for a detention camp in India's Rajasthan desert, back in 1962.

Liu was one of about 3,000 people of Chinese descent, most of them Indian citizens, rounded up and held at the fenced camp without trial. That was after India's month-long border war with China that year. During her five years in the Deoli camp – which was built in the 1800s, by the British – Liu remembers the heat, a lack of schooling and the incessant sound of her mother crying.

But her strongest memories are of her family's desperation, when they were finally freed (without

a charge) by the Indian government. "We didn't have a penny," Liu says, recalling sleeping in a bus shelter with her family. India's Chinese community, whose ancestors flocked to Kolkata (then Calcutta) and the north-east to do business, bore the brunt of the nation's humiliating war with China 52 years ago.

The two Asian giants have since taken steps to heal their festering distrust, a legacy of the war over their 3,225kilometre-long border. But tensions remain. For example, Chinese President Xi Jinping's visit to New Delhi, in September, was overshadowed by a troop stand-off along the border.

In the meantime, the dwindling Chinese community – which is strongest in Kolkata – remained quiet about the injustice that many have suffered, fearful of drawing attention. However, some want the government to admit that its treatment of them was a mistake.

Liu, who now runs a string of Chinese restaurants in Kolkata, maintains that she doesn't have time to dwell on the past. But her anger remains. She recalls: "It was a very difficult, very unbelievable, life. We were working hard..." Liu says, of her family, which was rounded up: "We were not politicians; we were not spics."

"We don't have any connection with the government of



China, so why should we suffer?" she asks, seated at a table in her restaurant – named Beijing. Past Indian governments have justified the camp on national security grounds, and journalist S. N. M. Abdi says that officials consider the case closed.

NEW WINGS FOR IS State (IS) has been attracting the attention of radicals in Pakistan and Afghanistan, the cradle of Islamist militancy, unnerving authorities who fear a potential violent contagion. Far from the militants' selfproclaimed 'caliphate,' in Iraq and Syria, the name of IS has cropped up several times in jihadi circles in Pakistan and Afghanistan, the historic homeland of the Taliban and Al-Qaeda.

Leaflets calling for support for IS have been seen in parts of north-west Pakistan, and at least five Pakistani Taliban commanders and three lowerranking cadres from the Afghan Taliban have pledged their support. Pro-IS slogans have appeared on walls in several cities in both countries, and in Kabul University, where a number of students have been arrested.

Militant, security and official sources questioned by AFP in recent weeks say these are local, individual initiatives – and that, at this stage, IS has not established a presence in the region. But the success of IS in the Middle East is unsettling many of those charged with keeping a lid on the myriad extremist groups in Afghanistan and Pakistan.

"ISIS is becoming the major

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inspiration force for both violent and non-violent religious groups in the region," Pakistani security analyst Amir Rana told AFP recently. Pakistan's National Counter Terrorism Agency has written to a dozen government agencies, warning them to be on their guard against the IS militants.

The Tchreck-e-Taliban Pakistan (TTP), a coalition of disparate militant groups and allied Al-Qaeda fighters, has fragmented into rival factions over recent weeks, following an army offensive. This, in turn, has fuelled rumours that the movement could be overtaken by IS. TTP says it broadly supports both IS and Al-Qaeda, and has sent 1,000 fighters (an estimate that has been confirmed by a Pakistani government source) in recent years, to help the jihadi struggle in Syria. It says it has plans to send 700 more.

But if IS militants envisage extending their influence in Afghanistan and Pakistan, the world's only Islamic state with nuclear weapons, they will have to either defy or find an accommodation with the two countries' Taliban movements.

In the short-term, the fear in Pakistan stems from the IS group's sectarian agenda, more extreme and more explicit than that of Al-Qaeda, and heightened by its fight against majority Shiite governments in Iraq and Syria. Violence against minority Shiite Muslims, who make up about 20 percent of Pakistan's population, has hit record levels in recent years. And there are concerns IS could energise sectarian groups even further.

THE DIVIDE IN BRAZIL Leftist

President Dilma Rousseff's recent re-election in Brazil has exposed a deeply divided country, reviving old wounds of the class struggle. The 26 October vote showed huge support for the incumbent (the 66-year-old Rousseff is now the 36th President of Brazil, and the first woman to hold the office in the South American nation) in the impoverished north-east, where millions receive benefits from huge welfare programmes rolled out by Rousseff's Workers Party (PT). The programmes have helped lift about 40 million people, who form the bedrock of Rousseff's support, out of extreme poverty.

In the south of the country, many of those who backed the 54-year-old Aécio Neves to end 12 years of PT rule are expressing anger at northern voters, for Rousseff's narrow win. "I do not think these elections have cut the country in two," Rousseff insisted, after her victory at the polls. But frustrated opponents disagree, and have set up a Facebook campaign suggesting a wall be built, to separate Rousseff's northern strongholds from the rest of the country that is home to 203 million people - the world's fifth-largest population.

Northern voters, around 70 percent of whom backed Rousseff, have responded in kind. "That's perfect; but we



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keep samba, because that was born in Bahia (a northern state). And we'll also keep (celebrated northern singers) Caetano Veloso and Gilberto Gil," a contributor to a 'North-eastern manifesto,' posted. "After such a tough campaign, it is natural such deep-rooted and historic prejudices should emerge," political analyst Andre Cesar says.

Anthropologist Roberto DaMatta – an Emeritus Professor of Anthropology of the University of Notre Dame, in the US – explains that "Brazil was a monarchy, an aristocracy with slavery. And the republic essentially came into being more in the north-cast than in Rio de Janeiro, where the monarchy was concentrated."

"The north-east has always been backward-looking, behind the government, bovine, the lackeys of the power brokers," journalist Diogo Mainardi opined, controversially, during an edition of broadcaster Globo's television news.

Brazil footballer Givanildo Vieira de Sousa (a. k. a. Hulk), who hails from the northeastern state of Paraiba, blasted Mainardi for being arrogant and ignorant. DaMatta concludes: "We always choose the path of indecision. This is a society which is capitalist; and yet not, at the same time. That may be a trend for the 21st century"

NATION BANKINGS **CROSS THE GLOBE** 2014 (PRIOR YEAR RANKINGS IN BRACKETS) **3** (1) **3** (10) 5 (6) (1) 1 (9) Mauritius Albania China Thailand Colombia 11 (15) 12 (13) 13 (11) 14 (14) 15 (16) **El Salvador** Gabon Guyana Dominican Vietnam Republic

FOOD QUEUES IN UKRAINE

Outside the iconic football stadium in Donetsk, an industrial city in eastern Ukraine, Yulia holds her fouryear-old son Maxim by the hand, as they wait for the food parcels to arrive. "I've never come to get humanitarian aid before. I was living off my stored supplies, but I don't have anything left," says the 30-yearold, who lost her job when the company she worked for closed down at the start of the conflict between pro-Russian rebels and Ukrainian troops.

UTS CALENDAS

In a sign of acute desperation for food in this rebel-held region, people begin queuing for the aid around 5 a.m., even though distribution was not until four hours later.

Around 600 people are gathered outside the ticket booths of the Donbass Arena, home stadium of Shakhtar Donetsk, winner of numerous Ukrainian championships. These days, the stadium is closed, and it has suffered some shelling damage. Instead of tickets, the booths now issue receipts that grant their holders a parcel of humanitarian aid. The parcels are organised by local oligarch Rinat Akhmetov, who owns the stadium and the football team, and controlled much of the region's economy before the conflict began in April. Akhmetov hesitated, before ultimately deciding to back the Kiev Government. In the crowd, several women lament that they do not qualify for food aid.

"We come from Makiivka (a town adjoining Donetsk, some 25 kilometres away). Our mayor refuses Akhmetov's



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aid, because he says he is our enemy," says Tatyana, a 35year-old mother of three, with tears in her eyes. She adds: "He doesn't care that my children have nothing to eat. And when I got here, they told me the aid is only for families from Donetsk."

A young couple pushing a baby in a stroller open their package. "Nappies for the baby, pots of pureed baby food, fruit juice, some porridge oats... This can last us a month!" says the baby's father Viktor, 28, joyfully. And he adds that the supplies they stocked up at the start of hostilities quickly ran out.

In another part of the city, outside the large building of the state circus, Akhmetov's foundation is handing out aid to pensioners, the disabled and those who have lost their homes in the shelling. "We give out food aid to around 1,400 people each day. We started on 29 August, and more than 1,000 volunteers are taking part in this operation at the moment," says 28-year-old Maria, helping to give out the parcels.

UNIQUE MUSEUM IN CANADA

A new museum in Canada's western prairies has amassed a unique collection of personal stories from genocide survivors, human rights defenders and others – and it wants to share them. The Canadian Museum for Human Rights – in Winnipeg, Manitoba – opened its doors to the public on 11 November.

Conceived by now-deceased mogul Izzy Asper, who once controlled CanWest Global Communications Corporation, the project has attracted both praise and protests over the past 15 years – mostly from groups disappointed that their stories would not be included.

"We're not a collectionsbased museum. Our main focus is to tell stories," spokeswoman Maureen Fitz remarks. She adds: "But there are more stories than we can tell. Most rights museums commemorate specific events ... Our focus is on human rights as an aspirational idea, using the stories of defenders, victims and others to illustrate it."

There are 181 oral histories of survivors of mass atrocities and people who fought rights violations. Displays cover the Holocaust, the Armenian

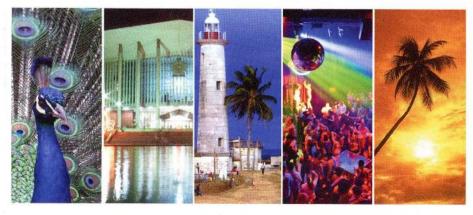
Genocide and other atrocities recognised by Ottawa, and identify patterns in them. Tales are told of the First World War internment of Ukrainians, of the Japanese immigrant steamship Komagata Maru being turned away from Canadian shores in 1914 and of the 1919 Winnipeg General Strike.

Along the path, visitors can probe a smattering of artefacts, including a ballot box from Nelson Mandela's 1994 presidential run, wedding photos of gay couples and the dress worn by Mareshia Rucker, to the first racially integrated prom at the Wilcox County High School, in the US state of Georgia last year.

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TOMORROW'S WORLD

Compiled by Edine Weerawardane

DECEMBER GLOBAL EVENTS CALENDAR



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Courtesy Centre for Poverty Analysis (CEPA)

he recent UN climate summit in New York refocussed the world's attention on climate change. Definitely a global phenomenon, it is predicted to disproportionately impact low and middle income countries, and the poorest communities within them. This situation challenges developing countries to adopt pathways to development that achieve a sustainable balance between human and environmental well-being. In Sri Lanka, too, efforts are being made to establish more sustainable practices to address climate change.

Climate-conscious development requires integration of environmental safeguards into development policy, programmes and practices. This entails building 'adaptive capacity,' which is the ability of a nation to offset the effects of climate change. While the uncertainties and technical aspects of Earth sciences increase, the difficulty to build adaptive capacity with the buy-in of stakeholders to take action further, heightens the complexity of this task.

A study conducted by the Centre for Poverty Analysis, on adapting to climate change in coastal areas of Sri Lanka, identified stakeholders at national, sectoral and civil society levels; and ground, community and practice levels.

At the policy level, climate change is given national importance, with the Ministry of Environment framing conditions for sustainable development and institutional greening – establishing the National Council for Sustainable Development and its Action Plan (Haritha Lanka), it formulated the National Climate Change Policy (2012) and the Adaptation Strategy (2011-2016), in addition to a mitigation strategy.

However, since adoption of the policy and strategies is not mandatory, the ministry can only lobby for implementation by other state actors.

At a sectoral level, priorities like food security, productivity, and incomes of ministries and departments sometimes override the incorporation of sustainable practices. Some sectors like agriculture and fisheries have incorporated principles of sustainable development into their policy and strategic orientation, and possess research and extension services that



ADAPTING TO CLIMATE CHANGE

Building adaptive capacity through a coordinated effort by actors

facilitate the flow of sector-specific knowledge to the communities. Civil society groups have more flexibility to prioritise environmental issues. Their greater access to knowledge, technology and sometimes funding, aids adaptation. They can work across different levels, from policy to practice, and provide good knowledge transfer mechanisms.

But few organisations work specifically on sustainability issues, so they are unable to generate a critical mass that enables scaling up climate change adaptation.

At the community level, adaptation to climate change is driven by economic benefits. Traditional and conventional knowledge is a plus factor in adaptation. Sustainable practices are generally supplementary activities that benefit from niche markets and premium prices. Communities adapt mainly due to environmental conditions or depleted resources.

Their inability to take economic risks, the lack of technical knowledge, institutional support, and information on climate change and adaptation measures, also hinder real involvement.

As Sri Lanka moves forward to build adaptive capacity, it is important that all stakeholders work with better coordination. Given the cross-cutting nature of climate change, building adaptive capacity needs to consider stakeholder responses to the proposed initiatives. It is important to understand the context, vested interests, competing agendas, capacities and resources that exist amongst them.

Likewise, it's necessary to consider the policy in question and what is practical, as well as balance the various needs at different levels and stakeholder groups – the sectoral mandates, the livelihood needs at community level and ecosystem requirements.

Adaptation at every level needs to be supported through funding, knowledge technology, capacity and experimentation, to come up with specific problem-solvers that will deliver options for the future.

Building adaptive capacity requires time. It is a gradual process that has to work down through the levels of policymakers, and across the stakeholders, to get individuals on board and build resilience to climate change impacts through trial, error and research, according to the specific climate threats and context. Understanding the interactions among the many stakeholders should be a key part of the process of building adaptive capacity.

> - Compiled by Roshni Alles and Amila Balasuriya

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 the lieves the poverty is an injustice that should be overcome. noolaham.org | aavanaham.org

BOOKRACK

ith the activities of ISIS in Iraq and Syria, and the US and its allies bombing areas that are being attacked or occupied by the militants, the focus has reverted to the Middle East once again. This time, it is no longer the involvement of Israel and Arab countries, but a more serious threat involving radical extremists.

In this context, Jonathan Powell's book is opportune. He has spent over two decades mediating between governments and terrorist organisations, and believes that no conflict – however bloody – is insoluble.

When presenting a copy of the book to Defence Secretary Gotabaya Rajapaksa, in October, the question that naturally arose was: "Are there any terrorists left to talk with in Sri Lanka?"

Rajapaksa noted that though Western governments may have views on the victory of the armed forces in Sri Lanka, back in May 2009, army commanders of those countries continue to discuss and analyse the triumph as a way in which terrorism can be eliminated. A recent US Army course on tackling terrorists featured a paper submitted by a Pakistani official, titled The Rajapaksa Way.

In his book, Powell says that the Rajapaksa approach does not provide a viable alternative that can be used elsewhere in the world. Quoting Eric Solheim, he notes that you can't always find a guerrilla army trying to fight a conventional war; and you can't always expect the international community to turn a blind eye to extreme measures; and you can't always count on an out-of-touch leader, who hasn't left his area for nearly 30 years, fighting to the death, in a hopeless war.

He warns that the conflict is not over here, in Sri Lanka, and that grievances that gave rise to the Tigers' campaign did not disappear at the Nandikadal Lagoon. In his view, the Rajapaksa solution would only stand a chance of succeeding, if it was matched with concessions, with an offer to the Tamils of a political way forward.

TALKING TO TERRORISTS How to end armed conflicts JONATHAN POWELL

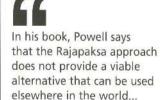


PUBLISHED BY Bodley Head (UK – 2014) PRICE Rs. 1,350 (Pages 408)

There are light moments in the book, and Powell speaks of President Chandrika Kumaratunga being more interested in corresponding with Velupillai Prabhakaran – Kumaratunga had once told Ram Manikkalingam that she has received another letter "from my boyfriend."

He admits that it is possible for an autocracy to defeat an armed group by extreme violation and suppression of all rights, at least temporarily. And he points out that neither Joseph Stalin nor President Suharto had any difficulty using violent means to crush armed groups. Warning that tough security measures are not enough, he points to the United States' COIN manual being revised under General David Petraeus, whereby the need to win over communities on which the armed group depends - and the need to talk to terrorists was added.





BY Vijitha Yapa

Powell emphasises that the book looks at how to talk to terrorists, not whether to talk to them. He quotes President John F. Kennedy, who said: "A willingness to resist force unaccompanied by a willingness to talk could provoke belligerence – while a willingness to talk unaccompanied by a willingness to resist force could invite disaster."

Anthropologist Scott Atran, in his book Talking to the Enemy, provides an interesting example of Abraham Lincoln making a speech, in which he refers sympathetically to the southern rebels. An elderly lady, a staunch unionist, found fault with him for speaking kindly of his enemies, when he should be thinking of destroying them. His response was: "Why Madam, do I destroy my enemies when I make them my friends?"

The book offers examples of discussions held with a number of terrorist organisations, including Colombia's FARC, the IRA, the ANC and Nelson Mandela.

He believes that diasporas are often the front door to the armed groups: "The trick for a negotiator is to get past the diasporas, and make contact with the real leaders of the armed group. Diasporas often become harder line than the terrorist groups they support, opposing compromise even when the people living through the conflict day to day want to reach a settlement."

In an interesting section, he quotes what makes it illegal to provide material support to terrorists (including offering assistance, training or services), even when the aim of such assistance is to make peace. Perhaps, this is an area the Sri Lankan Government should explore, in its battles with the diaspora in the US and elsewhere.

The author says that first meetings are, of course, more poignant if they are between people who have been engaged in direct conflict with each other. Talking to Terrorists: How to End Armed Conflicts is an extremely informative book, containing many insights and experiences that should be studied in detail.

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

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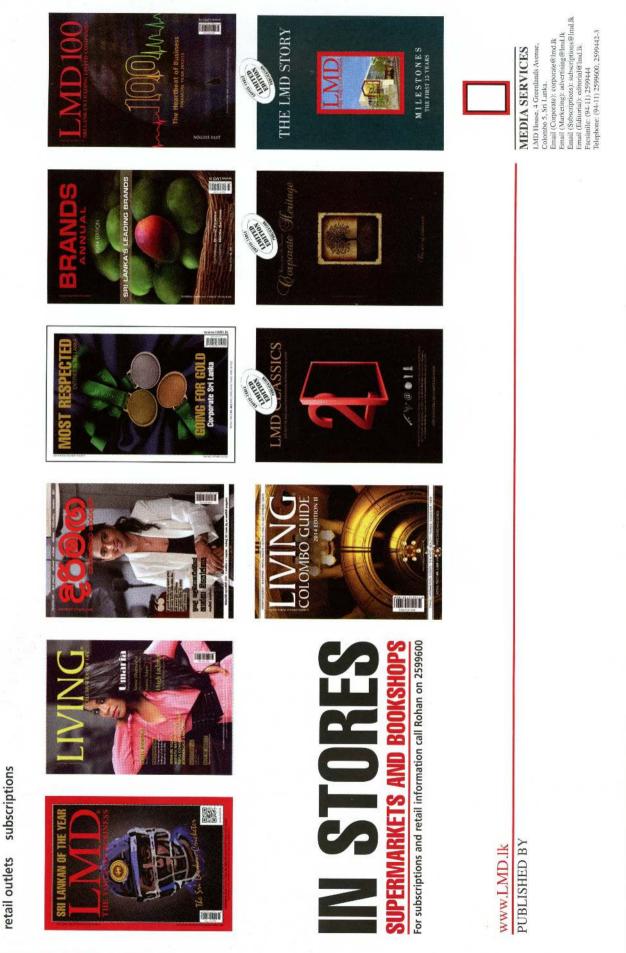


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BANKING EVOLUTION

> ri Lanka's crucial banking sector is poised at an interesting juncture. The Central Bank of Sri Lanka's (CBSL's) announcement that it intends to drive consolidation in the financial services industry has sent institutions scurrying back to the drawing board, to assess the implications of this move, for their sustainability.

> The intention, of course, is well-meaning. Currently, there are over 50 Non-Bank Financial Institutions (NBFIs), and the regulator hopes that through mergers and acquisitions, this number will dwindle and leave fewer, stronger institutions behind. Whatever said and done, these are uncertain times.

> Dimantha Seneviratne feels that it is important to understand the significance of the financial services industry.

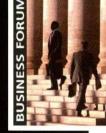
> A Director of Pan Asia Bank, and its Chief Executive Officer, he states: "The banking sector in Sri Lanka has contributed to the economy, by acting as a catalyst to mobilise deposits and fund the development of the country. Against this backdrop, it has a much bigger role to play in taking the economy to a higher level."

> **SECTOR REGULATION** More importantly, the sector remained resilient to the shocks of the global financial crisis. Seneviratne rejects the notion that the country's banking sector is overregulated, contending that "this level of regulation is important to build confidence amongst

investors. The global financial crisis of the recent past demonstrated what happens when regulation is lax."

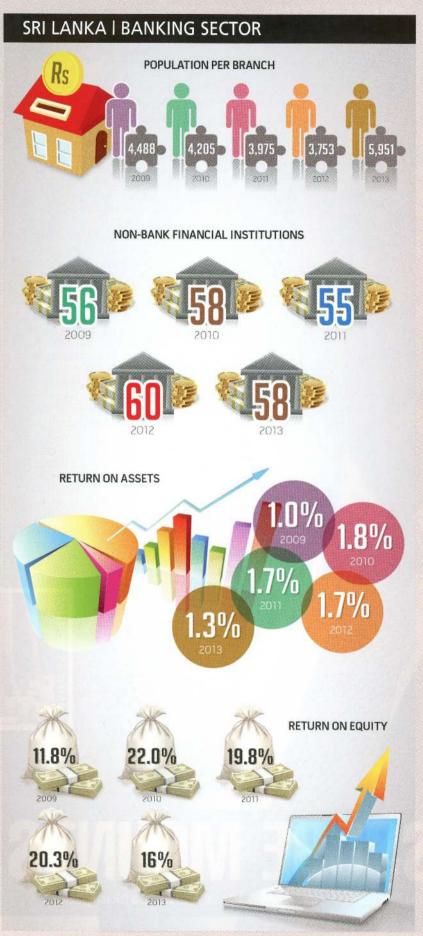
Pan Asia Bank's CEO believes that Sri Lanka's regulatory framework is highly compatible with that of the region. And he's confident about the economy, noting that it is "showing a good growth rate, and is posi-

tioned as one of Asia's stronger economics. The political stability in the country over the past few years – together with economic policies – has helped achieve



THE PRESSURE MOUNTS Dimantha Seneviratne expects challenging times for a leaner banking sector

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this, along with single-digit inflation for more than five years – from a high of 18 percent before that."

Seneviratne continues: "Moreover, the opening up of the north-east – the rice bowl of the country – has enabled the region to contribute significantly to the national economy. That the nation now has foreign reserves to cover almost six months' imports is a positive indicator of the health of the economy. The booming tourism industry and higher foreign remittances have played a key role in driving the economy. What is important is to maintain this equilibrium."

THE RURAL REACH Asked whether all citizens have adequate access to mainstream banking, he responds: "The country's unbanked population must be brought into mainstream banking; as otherwise, they fall prey to the black market, which is unregulated and marked by unscrupulous practices. The Western Province is perhaps overbanked in a sense, while the rest of the country needs a wider network of bank branches."

"Banks and financial institutions need to go down to the micro level, with what are known as 'barefoot bankers,' to reach the common man," Seneviratne urges. He cites CBSL's mandate that banks should have a mandatory exposure of 10 percent to the agriculture sector, as a positive step in this direction, and is confident that most banks fulfil this mandate quite readily.

And although he avers that banks should do more at the micro level, Seneviratne accepts that they are also driven by an internal riskreward appetite – and, indeed, the need to meet shareholder expectations.

Sri Lanka's infrastructure expansion is enhancing connectivity to rural markets, Seneviratne notes, adding that "the infrastructure development happening today should have taken place at least a decade ago; but unfortunately, the circumstances did not allow that to come to pass."

"This extent of development is absolutely essential for Sri Lanka to reach the next level. If we have to compete with [our] counterparts in the region, our infrastructure has to come up to acceptable standards. We will accrue the benefits of this development in time to come, and I am sure that the country's export sector is already feeling the positive impact of enhanced connectivity to ports and airports," he asserts.

BANKING OUTLOOK Looking to the future, Seneviratne expects the landscape to be "quite different" in banking and finance. "The regulator is envisioning many mergers and acquisitions in the financial services industry – with around 20 finance companies and a stronger banking sector. Also, the reduction in the number of NBFIs will make it effective for the regulator, as far as monitoring goes, whilst banks should brace themselves to compete with strong players."

Apart from this, he cautions: "The future will be challenging – because, as interest rates come down, banks have to learn to operate with smaller margins. The era of being compla-

BANKING EVOLUTION

FACT SHEET

SECTOR CONSOLIDATION THE STATUS QUO

- Consolidation plans submitted to the Central Bank include acquisitions with timelines and price indications, mergers between NBFIs, envisaged infusions of capital by present shareholders and infusions of capital by new investors.
- Hitherto, 41 NBFIs and nine banks have confirmed their consolidation plans. Of this, eight NBFIs and two banks have already completed their consolidation plans, whilst 33 NBFIs and seven banks are progressing – i.e. they are at different stages of their plans.
- A panel of audit firms continues to assist with transaction management, by advising banks and NBFIs on transactions as well as smooth transitioning post consolidation.
- The Central Bank provides price guidance for the proposed acquisitions and mergers, on the basis of valuations carried out by the audit firms.
- Three institutions have, so far, been given in-principle approval to conduct microfinance business with improved capital, widened asset bases, and satisfactory governance structures and practices.
- Certain banks and NBFIs have made public announcements of agreed consolidation arrangements.

cent with high margins is a thing of the past. Regulatory developments, Basel III requirements, investing in IT frameworks, Internet banking, fraud-risk systems and so on will chip away at the margins."

And Seneviratne anticipates that tomorrow's banks will have to manage their costincome ratios, be more efficient, and work with low margins and high volumes.

"There is no doubt that Returns On Investment (ROIs) and Returns On Equity (ROEs) are declining. Today, the risk-free rate is six percent; down from eight to 10 percent earlier. This will have an impact on shareholders, who also have to adapt to lower returns than in earlier years. Even in advanced economies, the ROI is low, in line with the risk-free rate. Banks must explore non-fund and fee-based income, and exceed customer expectations," he remarks.

GLOBAL REALITIES While the economic outlook for Sri Lanka is improving, Senevi-

ratne is concerned that global growth remains slow. Although the US has seen stable growth, it is important that we keep an eye on US Dollar interest rates, with the US Treasury expecting a rise in LIBOR rates, he says.

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"The low interest regime in Sri Lanka will have to be balanced with retaining the interest of investors and depositors in the banking sector. These factors will play a decisive role in how the growth story will play out in Sri Lanka, in the years ahead," he maintains.

Overall, the banker is satisfied with the manner in which the sector is moving ahead, and feels that these regulations will serve to make the financial services industry more responsible, accountable and streamlined.

The interviewee is a Director and the Chief Executive Officer of Pan Asia Bank

SRI LANKA I SWOT ANALYSIS

STRENGTHS

A high literacy rate and adaptability of people (Sri Lankans are trainable, intelligent, analytical and speak English)

Strategic geographical location in the Indian Ocean (Sri Lanka can be to India and the SAARC region, what Singapore is to Malaysia, and Hong Kong is to mainland China)

Maintaining mid single-digit inflation for the last five years and steady year-on-year growth in worker remittances

Modern infrastructure to spur economic growth (almost 100% electricity coverage, and improving contributions from all provinces to economic growth)

WEAKNESSES

Infrastructure development remains inadequate (this needs to be fast-tracked)

Debt capital markets need development (to enhance

project financing) Inadequate Foreign Direct Investment (compared with the

potential for post-conflict growth) Inadequate liquidity in the

stock market for large-scale foreign investors

Low sovereign rating (not considered investment grade) Low labour productivity

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OPPORTUNITIES

Becoming a regional hub Leveraging on resource base to attract outsourcing business Anticipated high GDP growth of over eight percent (hence, more regional growth opportunities)

Maintaining inflation at lower mid single-digit levels (an opportunity to retain positive real interest rates and growth)

A Sri Lankan Rupee that would gradually appreciate in the coming years (and an opportunity to tap more foreign investment)

Creating a vibrant corporate debt market

THREATS

Competition from other countries for FDI

Need to maintain political stability for long-term growth (as vested interests can disturb peace and stability)

Ageing labour force (deploy their resources and experience)

Increased wage pressure may present a challenge to maintain price stability (hence, purchasing power can deteriorate)

EXPORT ORIENTATION

Compiled by Savithri Rodrigo

PUTTING SRI LANKA ON THE MAP

Sarath De Silva identifies the urgent priorities for the nation's export sector

Q: Would you agree that the export sector is the engine of economic growth?

A: Since the open economy of 1977, exports have been a priority. After struggling through the closed economy, it was timely that exports were placed as a key foreign exchange earner and pushed into higher gear.

The agriculture, fisheries and plantation industries form the base, and with greater access to shipping and air routes, exports continue to play a major role.

Despite the Export Development Board (EDB) and Sri Lanka Export Credit Insurance Corporation (SLECIC) being in existence for decades – not to mention the incentives extended to exporters – Sri Lanka's exports currently hover around US\$ 10 billion. But with the Government setting a target of 20 billion dollars by 2020, exports could be the engine of growth.

Q: What are the bottlenecks faced by the export sector, then?

A: The major constraints lie in production, productivity and product availability, in the context of quality, quantity and consistency. For example, although Ceylon Tea exports have reached 1.5 billion dollars, imported tea constitutes nearly 35 percent of raw materials.

With the plantations industry changing hands three times in the past four decades, and depleted soil conditions adding to its woes, poor yields necessitate the import of tea for efficient value addition from Sri Lankan exporters.

Q: How do you view the current export climate? And what are the chief growth areas?

A: Traditional markets for spices and tea – including the Gulf, Syria, Jordan, Egypt, Iran and certain Russian republics – are facing political turmoil. Major markets in the European Union continue to struggle, with growth prospects being bleak. How-





ever, the US has stabilised, and our agri and apparel export targets are being met.

Apparel continues to be a growth area, while fisheries products are attracting greater demand. Free trade agreements have been established with India and Pakistan.

Meanwhile, the Chinese economy continues on a growth trajectory that could fuel demand for apparel, spices, valueadded tea, fresh fruit and vegetables, and processed food.

There's promise in gem and jewellery, and floriculture exports. They must be developed. Moreover, there is now a global emphasis on organic produce, natural cosmetics, and herbal and Ayurveda products. IT is another industry that could expand further.

Q: So does Sri Lanka focus too much on a handful of export industries?

A: While core exports are represented by a handful of industries, with the development of infrastructure, and investments in ports, airports and communications, Sri Lanka has become a large export zone.

The ability to harness the provinces into

this equation is evident, with exporters emerging from every district. Chambers of commerce and industry are promoting the launch of export industries in less-developed provinces.

Q: Is SME sector growth in need of impetus, in your view?

(INTERNATIO

GROUP

A: Regional development is emphasised in the state's vision. This prompts the linking of small producers with major exporters and building clusters of export-based SMEs. This has improved confidence among SMEs, as have awards and accolades.

The priority being given by the Ministry of Finance and Planning and banking sector to make funds available to SMEs, augmented by the advent of regional banks catering to this sector, has empowered these entities. The banks should aim at more industrial and SME growth, by utilising accumulated funds to boost exports.

Q: Should a more cohesive branding initiative be implemented for Sri Lankan products?

A: In the ceramics industry, Noritake Lanka and Dankotuwa Porcelain are among the top Sri Lankan exporters. Our lingerie remains among the best in the world. The cosmetics and food sectors offer products that are on a par with leading global brands. In terms of the quality of our products, we have an edge over SAARC and South-East Asian nations, warranting a premium price in global markets. So if we capitalise on a common branding platform, we could realise higher yields.

Q: Is enough being done by the state, to support exports?

A: The Board of Investment (BOI) has declared a target of US\$ 4 billion for inward investments.

In addition, the Central Bank ensures that the parity rate helps exporters, with single-digit inflation and consistent GDP growth indicating the state's commitment to boosting exports.

The interviewee is the Chairman of International Foodstuff Group of Companies

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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INSURANCE CHALLENGES

Compiled by Umeshka Ratnaweera

SAFEGUARD OR SURRENDER!

Harin Perera recommends a more hands-on approach to insurance

Q: How important is the role played by the insurance salesperson?

A: Insurance sales representatives play an undeniably crucial role. The sector is fiercely competitive, especially in general insurance business; and it is the sales force that drives business, ensuring that the company achieves profitable growth.

The sales rep is the link between the customer and the insurance company. He or she must, therefore, ensure that customers' requirements are comprehensively covered by the insurer, whilst restrictions denoted on insurance policies are communicated to the insured.

Honesty, transparency and utmost good faith in all dealings are character traits that should be ingrained in insurance representatives. Ultimately, they are the ambassadors of an insurance firm, and their words and actions will impact long-term business relationships with customers.

Q: In what ways can the insurance sector transform service delivery and efficiency?

A: The insurance sector is not generally perceived as a lucrative field to be employed in - it is at the lower end of the choice scale, when selecting a career path. This is especially so amongst schoolleavers. Against this backdrop, the HR function plays a pivotal role in highlighting career opportunities in the insurance sector.

Internship programmes enable insurance companies to attract potentially high-calibre employees. Such avenues should be pursued to attract talent. HR plays an important role in scrutinising, recruiting, training and developing competent staff. Regular evaluations, coupled with reward and recognition initiatives, help retain talented people.

Q: How has technology assisted sector growth and enhanced the customer experience, in your opinion?

A: Speed and flexibility are the key customer advantages due to advanced technology. The ability to respond to enquiries swiftly, advise customers and offer viable solutions in an accurate, efficient and effective manner has empowered cus-



insurance sector, technology has transformed the way things are done.

The sector depends on data gathered over a period of time, to accurately assess risk factors and pricing structures. This cumbersome process has become simpler, thanks to technology.

Moreover, sharing details pertaining to risks and claims experiences, and eliminating or minimising fraudulent claims, is now possible. This is due to the ease with which such data is freely shared amongst insurers.

Q: What are the key challenges, in terms of increasing insurance penetration in Sri Lanka?

A: Insurance companies will no longer be consolidated entities, with effect from 2015, when life and general insurance will be split. The impact of this decision, and the reactions of companies that are not strong or profitable in both segments, will be a hurdle that needs to be overcome in the near future.

Growing rural markets - by making insurance a necessity, rather than an indulgence - is the other challenge. However, the combination of infrastructure development and higher levels of disposable incomes offer a golden opportutomers to make better decisions. In the Digitized by provident insurance destudions that

noolaham.org | aavanaham.org 111 - DECEMBER 2014 - LMD will attract corporate as well as individual customers.

MEDIA

Q: How is the sector performing today - and do you think there is room for premium growth? A: The insurance sector is performing well. A good indication of this is the number of international corporate entities that are interested in investing in the sector.

With over 20 insurance companies operating in the local market, the sector has become extremely price-sensitive. As new insurers enter the market, premiums drop drastically, as their intention is to secure greater market share at any cost. However, this trend is expected to taper off, with the splitting of insurance companies.

The introduction of Risk-Based Capital (RBC) in 2016 will also ensure that realistic premiums are charged. Premium growth will stem from new initiatives that insurers take, to expand their brands and business operations.

Business generated from rural areas has customarily proved to be more profitable than in urban communities, enticing insurance firms to move into these areas to bolster premium growth.

Q: And last but not least, what does the future hold in the realm of alternative distribution channels, in your view?

A: Bancassurance has been in existence for quite some time. And it has proved to be a sound, alternative business channel. There is also an increased tendency to promote business through the Internet and mobile applications.

The rapid expansion of social media, and the rise of a tech-savvy generation, has resulted in insurance companies providing more touchpoints to the customer to offer convenience, and generate a feeling of being empowered.

These alternative sales channels will need to go hand in hand with existing agent distribution systems, as insurance is a promise that is best delivered in person. Furthermore, there are limitations on certain business classes, as well as regulatory requirements that must be met in promoting and selling insurance.

The interviewee is the Senior Manager **Operations - Motor Underwriting &** Claims of Asian Alliance Insurance

Deference to Diversity

Prasanna Samarawickrama feels that Sri Lanka's future depends on greater tolerance and equality

FAMILY

Wife (Anne) Two sons (Tyler and Kyle)

SCHOOLING Ananda College Roseburg Senior High School (Oregon)

HIGHER EDUCATION Southern Oregon University Oregon State University

QUALIFICATIONS BS in physics and computer science

PRESENT OCCUPATION Principal – Program Management

COMPANY Microsoft Corporation (USA)

COUNTRY OF RESIDENCE United States

CITY OF RESIDENCE Seattle **Q:** How do you perceive Sri Lanka today, particularly in the context of the progress it is making in the post-war era?

A: I have visited Sri Lanka almost every year during the three-plus decades I've lived overseas, and the progress in infrastructure has been quite visible during my past few visits. As far as economic, social and political progress is concerned, I have to base my comments on information I receive from friends, my limited observations and what I read occasionally in the press.

Sri Lanka has a long way to go, to respect and appreciate the differences in race and religion, for national unity and economic prosperity. The events in Aluthgama, some months back, brought about a renewed sense of uncertainty and lack of respect for diversity.

The Government has a tremendous opportunity to unite the country and focus its citizens on progressive objectives. A true sense of loyalty to all ethnic groups, coupled with a heightened desire to develop livelihoods and provide equal opportunities to everyone is an undertaking that the nation deserves.

This can be facilitated by enacting and enforcing laws, educating the public through mass media and school curriculums. More importantly, the Government must practise what it preaches.

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NEM CERTICIA PUPILIA

Q: So how do compatriots in the United States view Sri Lanka? A: Sri Lanka is not well known in the US. But those who know, are aware that Sri Lanka is an exotic destination. Some recognise the country for its 'ethnic war.' At times, I meet people who have visited the island; and without exception, they are in awe of its natural beauty, historical sites, friendly and helpful people, and exotic cuisine.

Q: What were your impressions of Sri Lanka on your last visit here? And how much has it changed? A: We visited Sri Lanka last December. And as we travelled around the country, the extent of infrastructure development was very evident. Colombo was cleaner, and the roads were better than I could remember from previous visits. At the same time, I observed a sense of dissatisfaction among the locals with the Government and perceived corruption by its officials. I also noted the high cost of living.

The country has incredible potential. It can do amazingly well, if it cracks down on corruption, takes strides to achieve national unity, focus on developing commerce and industry, and provides opportunities for all its people, while respecting freedom of speech. This is a tall order; but it is achievable, in my opinion.

Q: How do you view the brain



time, before yet another

drain - and why is there still no reversal of it, in your opinion? A: For an island-nation like Sri Lanka. brain drain is unavoidable. People migrate to more developed nations, in search of prosperity. That said, in the past years, countries such as India and China have seen their people returning from the West, as more and more opportunities open up in their native lands.

Until Sri Lanka is truly committed to the progress of all its citizens, there can be no real stability. And it will only be a matter of time, before yet another era of unrest erupts. This serves as the rationale for migration, and is a deterrent to those who want to return to their homeland.

Q: What must be done to entice Sri Lankans living overseas to contribute or return to their country of birth?

A: Many of us migrated decades ago, and some have taken citizenship in other countries. The reinstatement of the dual citizenship programme would be an initial step in the right direction. The professions and areas of expertise that are needed for the country's economic and social progress should be publicised.

The diaspora should be informed of such opportunities, and encouraged to apply. Such repatriation programmes must be designed carefully, so as not to be at the cost of local talent. Sri Lanka can provide incentives for its nationals to return temporarily or permanently.

Q: So what should Sri Lanka focus on most in the coming decade? A: Ethnic and religious unity among its citizens is number one. This will require a major effort by the Government - to enact anti-discriminatory laws and regulations, coupled with educating the public through the media.

Also create a curriculum that supports national objectives which include nondiscrimination and religious tolerance starting from pre-school, all the way up to institutions of higher education.

Q: Finally, what are your hopes for the country in the post-conflict era? A: This depends on how the government provides for all its citizens. There are many undertakings that this Government seems to be fulfilling. The infrastructure development of recent years is a much-needed ingredient for economic prosperity. At the same time, the national debt must be kept in check. And national security must not rely too heavily on a single foreign country.

I'm hopeful for, and bullish about, Sri Lanka. At the same time, I urge a higher level of attention by the Government, to thwart corruption and drive a focussed strategy for the nation to develop economically, socially and politically. I also urge the Government to free the media and facilitate a true democratic process.

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SRI LANKA | SWOT ANALYSIS

era of unrest erupts...

STRENGTHS

- Natural beauty and resources
- O High literacy rate
- O Racial and religious diversity
- O Defeat of terrorism
- O Strong diaspora base

WEAKNESSES

- O Corruption in the state sector
- O Lack of national unity
- Lack of a long-term focus on growth 0
- 0 Lack of freedom of speech
- Mistrust of the legal system

OPPORTUNITIES

- 0 National unity and peace among all races and religions
- Coalesce with other South Asian nations 0 to form a major economic bloc
- Tap Sri Lankans overseas for investment 0 and to develop strategic industries
- Capitalise on the credibility gained by 0 winning the war against terrorism to unite and govern

THREATS

- Ethnic and religious intolerance 0 by extremist organisations
- O High level of borrowing
- O Dependence on other nations
- Lack of national unity 0
- Increasing religious and racial intolerance



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QUALITY CONUNDRUM

Compiled by Savithri Rodrigo

TURNING TABLES ON IMPORTS

Bary Jaleel deems guality to be king in the household-ware sector

Q: How would you describe the household-ware trade today? A: It is burgeoning. Many areas are developing; and the younger generation is seeking new, convenient and innovative products. Developments seen in local household products are wide-ranging, with brooms, coconut scrapers, aluminium and plastic ware being manufactured locally.

There is also more choice for the rural customer, due to the emergence of modern trade and the development of social media.

However, what's disappointing is the lack of control over the quality of products entering the market.

Q: When do consumers prefer local versus imported goods, and vice versa?

A: A majority of goods are imported, as our market's size poses limitations to local manufacturers, compared with countries like India, which have a ready domestic market.

Consumers prefer locally manufactured goods in tableware and

other indigenous products. But in plastic ware, consumers tend to opt for imported products, due to their contemporary design. In electrical items, glassware, cutlery and table-top ware, the preference is for imports.

Q: And what are the emerging consumer patterns?

A: Design, convenience and quality play a crucial role in evolving consumer patterns. In glassware, the trend is for modern, coloured glasses. Larger and taller wine glasses are also preferred. With aluminium pots used for cooking being perceived as a health risk, consumers prefer stainless steel or non-stick cookware.

There's also a demand for energy-saving products, including non-stick and induction cooking options. Enamelware crockery has been eliminated, while good-quality melamine has gained popularity. People seem to like having BBQ equipment in their homes - hence, local BBQ equipment manufacturing has seen a boom.

Q: Could you describe the strengths and weaknesses of the sector?

A: Weaknesses include the varying quality and durability of products in the mar-



manufacturers; a surfeit of low-quality, imported household-ware from East Asia; unhealthy competition among suppliers with a focus on price, rather than quality and high import taxes.

There is also a lack of raw materials for domestic production. And Sri Lanka has the highest energy costs in the region, which deters competitive manufacturing.

However, logistics and transport development is bridging the gap between consumers and suppliers. Consumers are more discerning and educated, and instalment schemes have incentivised sector growth.

In addition, the Sri Lanka Standards Institution (SLSI) focusses on quality certification, and there are diverse and innovative consumer promotions. These are definite strengths.

Q: Where, in your opinion, do the opportunities lie?

A: The growth of mega sales outlets, new markets opening in the north and east, infrastructure development, incentives via land availability and the infusion of innovative technology enable the sector to harness emerging opportunities.

Today, the younger segment - in the 23-35 age group - dictates trends. They have ket; non-availability of credit for locaDigitizenebylisenskattlerinEoneslatidnare connoolaham.org | aavanaham.org

scious about the environment, with a greater focus on convenience.

Q: What solutions can you offer for the challenges facing the sector?

A: The primary challenge is the influx of inferior goods into the market and authorities turning a blind eye to it. Reducing the high duties and indirect taxes could bring prices down, and make quality imports more affordable.

A reasonable exchange rate for imports, more credit-friendly policies, and incentives to entice large international suppliers of household-ware would ensure highquality goods being produced in Sri Lanka, and discourage illegal imports. This will generate employment and reduce the strain on Sri Lanka's balance of trade.

Q: In your view, how has the growing middle class impacted consumer aspirations?

A: The FMCG market has been successful in tapping this segment. and the household-ware trade

should follow suit. Middle class individuals purchase most high-end goods through promotional schemes, and instalment and hire purchase plans, while lower-price categories are bought to balance needs with aspirations.

However, they face the dilemma of having to maintain a reasonable quality of life, due to shrinking disposable incomes. Credit cards have gained in popularity among middle class families, as they create more leeway in the household budget.

Q: How does Sri Lanka compare with other destinations in the region?

A: A quality mindset prevails in Singapore, amidst higher disposable incomes, brand perceptions and awareness, coupled with low customs duty. Even India manufactures quality household-ware for the domestic market with foreign collaboration, while the purchase of international brands has risen among the middle and upper middle classes.

Customs tariffs are much lower in other destinations. Many top-end global brands find themselves challenged when entering the Sri Lankan market, and in maintaining similar prices to those in the region.

The interviewee is the Managing Director of AR HORECA Expert

TECH IMPERATIVES

Compiled by Ayesha Reza Rafiq

STAYING AHEAD OF THE CURVE

Nayana Dehigama reiterates the nexus between IT and innovation

he quality of Sri Lanka's IT workforce, and the numbers, is improving rapidly. A National ICT Workforce Survey found that the IT workforce in Sri Lanka surpassed 75,000 last year – that's a 50 percent increase since 2010. In the meantime, the Government has outlined plans to increase the overall IT workforce to 100,000 by 2016, and set up several IT parks across the island.

This growth initiative is in response to several factors, the most significant being the attention our IT industry is garnering internationally. The global tech market is increasingly recognising Sri Lanka as a valuable player, with a growing number of international corporations vying to establish a presence in the country. Among the industry players driving this burgeoning profile is Nayana Dehigama, Chairman and Managing Director of Epic Lanka Group.

"ICT is now within the five largest export-earning industries in Sri Lanka. With the Government's

plan to make Sri Lanka a knowledge hub, under the Mahinda Chinthana programme, the ICT industry should play a pivotal role in this transformation... It is dynamic and vibrant; and we, as a country, can do much more than we've collectively achieved thus far," he avers.

If the industry is to maintain its relevance and sustainability, it is important to pay attention to global trends. Staying abreast of the rapid changes inherent in the industry is a challenge, but it is one that needs to be taken on enthusiastically.

Dehigama points out that in an industry that's continuously challenged by disruptive technologies, where traditional rules no longer apply, "firms have to be innovative. Therefore, a relentless effort in knowledge assimilation and promoting creativity is mandatory. Fast-changing technologies and low entry barriers demand smart firms to be conscious about agility, operational efficiency and exit strategies."





While keeping pace with market realities in the West, staying abreast of the competition – by providing differentiated, innovative services – will mould the new generation of IT companies. The likes of Dehigama stress that "new business innovations for customer experience will be key for ICT companies."

The potential for great things exists. And it is in exploiting this potential that there is a lacuna. Dehigama echoes a common industry sentiment, bemoaning the fact that "the intellectual capabilities of talented ICT professionals are yet to be harnessed, recognised and rewarded." He also urges corporates to invest in fostering young talent and encouraging entrepreneurship.

Dehigama adds that links between academia, industry and the research community must be strengthened: "Collaborative R&D requires greater attention. We should commit larger budgets and offer adequate flexibility within our organisations, for young talent to engage in more R&D, creative thinking and collaborative research – so that we will see new ideas and business models that can be commercialised." He also highlights the lack of impetus and incentives locally as a concern, noting that "when we do our best to sell solutions in international markets to bring foreign exchange into Sri Lanka, handing national-level projects to foreign solution providers is something no patriotic Sri Lankan can tolerate."

"We need good governance and more transparency. We must protect and promote local industries, while welcoming open economic policies. This is what other developed nations have done. We need more and more incubators, to foster and nurture start-up firms and new generation entrepreneurs," he insists.

Dehigama decries offering unnecessary subsidies to non-start-up firms operating in the domestic market, at the expense of public welfare.

He believes that the ability to survive under local conditions is an effective test of readiness to enter and survive in more competitive international markets. And he cautions against "firms using subsidised infrastructure and utilities,"

to be a threat to those who stand on their own feet.

Stressing the need for an impact assessment to evaluate the effectiveness of industry and government strategies thus far, he reiterates that "what matters is how aggressively we promote Sri Lanka collectively. Therefore, the role of associations, large corporates and the state should be aligned and converged, to achieve common objectives."

Mobilising young talent is imperative, in this regard. While commending the work done by the state and private sectors in ICT education, Dehigama is among the first to acknowledge that it is inadequate – especially in view of the aggressive economic development plans for the future.

"The numbers we produce are not sufficient to facilitate the industry growth we've planned. What is also lacking in the local system is a reasonable input in R&D, commercialisation of inventions and protecting IP rights," he maintains, identifying vital measures for the industry to grow to its full potential.

The interviewee is the Chairman and Managing Director of Epic Lanka Group

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

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YOUTH OUTLOOK

Compiled by Savithri Rodrigo

ERADICATING RACISM

Michelle Handy believes racism must be overcome for Sri Lanka to unite

Q: What changes do you see, in the context of nationbuilding and reconciliation? A: Construction and development are burgeoning in the north and cast, and there have been great efforts to rebuild these destroyed communities. But while physical infrastructure is developing, injustice continues, along with anger and resentment. The anti-Muslim riots in Aluthgama, in June, were a case in point – they opened up an age-old wound.

Q: How can Sri Lanka retain the talent that it has? **A:** Providing incentives to those who have migrated to return, as well as introducing desperately needed new skills and diversifying job opportunities similar to those available overseas, will help facilitate the retention of talent in Sri Lanka.

Perhaps, offering new subjects and courses at university might help too, as the brain drain is greater due to better tertiary education opportunities abroad. All of which, unfortunately, is easier said than done.

Q: Do we have young leaders who can take the country forward? A: Definitely, and there's new talent emerging daily with fresh ideas and ideals for the future, despite youth being given little recognition. This must change. Given the opportunity, the youth can take the country forward.

They have originality and mettle to try something new, and the determination to progress. I'd like to see transparency, and a willingness

MICHELLE HANDY

SCHOOL Methodist College

DATE OF BIRTH 27 January 1996

ACHIEVEMENTS School Prefect Best All Round Student Participated in 'Write to Reconcile'

HOBBIES Reading Writing

AMBITION To progress – never to remain static

NEXT GENERATION LEADERS Those with originality and vision

ADMIRES

Malala Yousafzai – For her courage in standing up for her beliefs in the face of adversity

Karen (her mother) – For never giving up and smiling through it all

Hiranya Fernando (her Vice Principal) – For being an amazing woman

RESPECTS

Google – For becoming an imperative for everyday life

02 – For its recycling campaign and innovative methods to improve productivity to share work and gains for the benefit of others, prioritising equality and fairness.

Q: Will Sri Lanka be united one day, in your opinion? A: Sri Lanka will be united, but not anytime soon. Racism is taught; it is not something we are born with. As long as we identify ourselves as purely Tamils, Sinhalese, etc. – and not Sri Lankans – we will never be truly united.

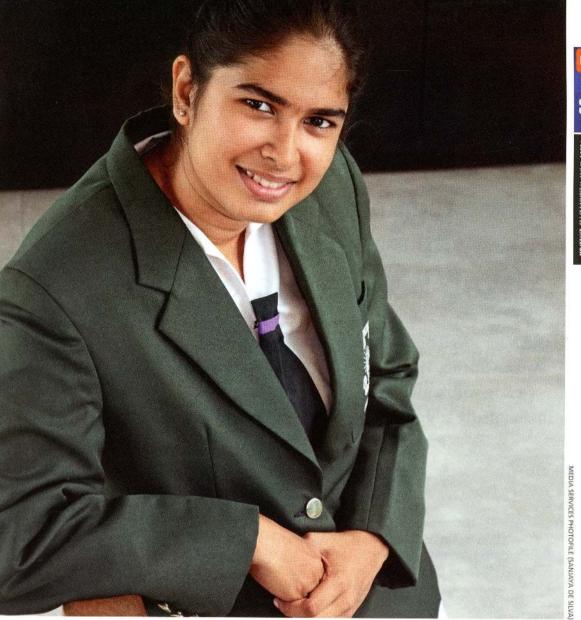
The issue is tough, given that we have failed so far. It will be a long and slow process of learning to respect and appreciate other cultures, religions and races... and understand that we are Sri Lankans first, and all else thereafter.

Q: What challenges does the nation face today? A: One of the main challenges the country continues to face is racism – our inability to overcome it, and the lack of communal harmony. There are issues of great political concern too, including corruption and the lack of transparency in government.

Despite massive development projects, many live in harsh conditions – and with larger populations outside urban cities gaining little benefit from this development, thus creating regional disparities.

Added pressure is being placed on the nation by the international community, on the issue of human rights. Thus, circumventing all these obstacles, to take the country forward, will prove to be Sri Lanka's biggest challenge yet.

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Q: How do you view nuclear weapons and gender equality?

A: We live in a world intent on self-destruction. No good comes from nuclear weapons, as we have seen with Hiroshima and Nagasaki. I'd love to see the complete elimination of nuclear weapons. Regrettably, this won't happen, as each country is selfish and intent on holding its bargaining chips as a means of power and security.

On the issue of gender equality, men and women are definitely equal. It has become a subtle battle for respect more than rights in some countries. And with over 62 million girls being uneducated, complete gender equality has yet to be achieved. However, this will never be truly achieved... not until we change the way we view women.

Q: Who is responsible for climate change and global warming?

"

As long as we identify ourselves as purely Tamils, Sinhalese, etc. – and not Sri Lankans – we will never be truly united... A: Each and every one of us is responsible. Measures are required on a global scale, as it's pointless for one nation to reduce carbon emissions, only for another to negate it.

A first step would be to ensure that all major corporations reduce their carbon emissions, and then endorse it through their products, making them ecofriendly. But as long as we remain ignorant and indifferent, no sustainable change will ever be truly effected.

Q: And how do you view the growing importance of social media today? **A:** We are increasingly addicted to it, although I think social media is merely a tool for betterment. It's a platform for thought-sharing, opening channels of discussion and discourse. It is regrettable that people misuse social media – it should be used within limits,

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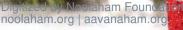
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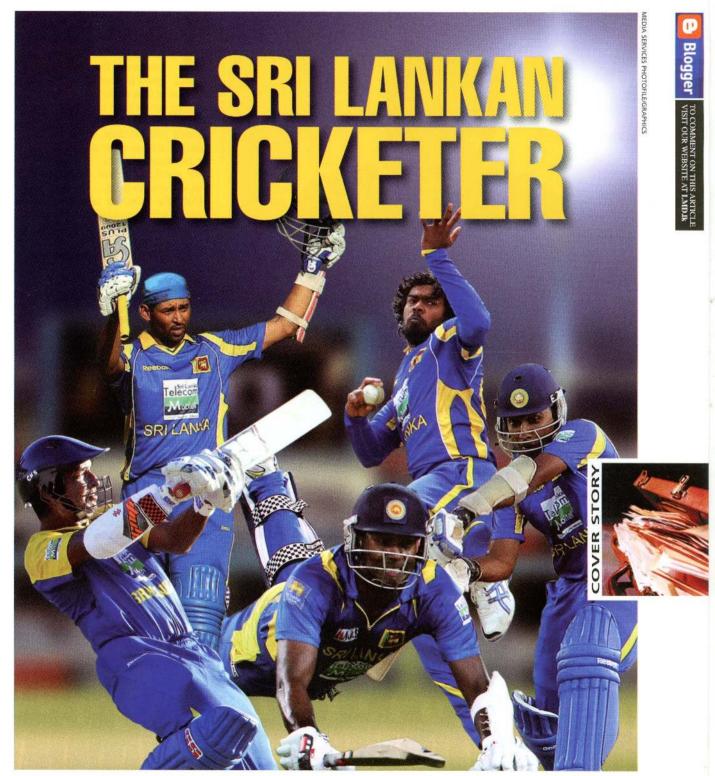
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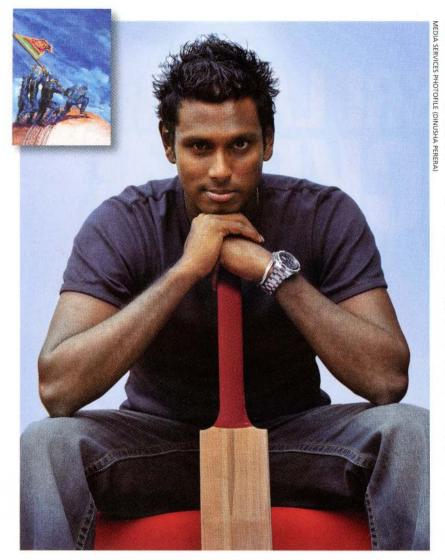
SRI LANKAN OF THE YEAR



The Sri Lankan Cricketer has been an inspiration to a nation that is still coming to terms with the aftermath of war and striving to carve out a national identity

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SRI LANKAN OF THE YEAR



he value of hard work and determination is, at times, set aside in these contemporary times. Instead, success is often attributed to sheer luck and good fortune. But it has taken much more than dumb luck to propel our sporting heroes to prominence. They've had to endure long hours of rigorous training and practice, on their way to fame, as a force to be reckoned with in the international arena.

We speak, of course, of Sri Lanka's national cricket team.

Not only have our cricketers had to contend with the vagaries of the weather, both here and abroad, they've also had to withstand the blistering climate off the pitch – mainly in the form of an antagonistic executive body that has gone so far as to deny the players their dues – only a month ahead of a major international tournament, no less.

So, yes, our men in blue continued to do what they (like the rest of us) are paid to do – except that they did so without having been paid! At stake was the nation's pride, after all.

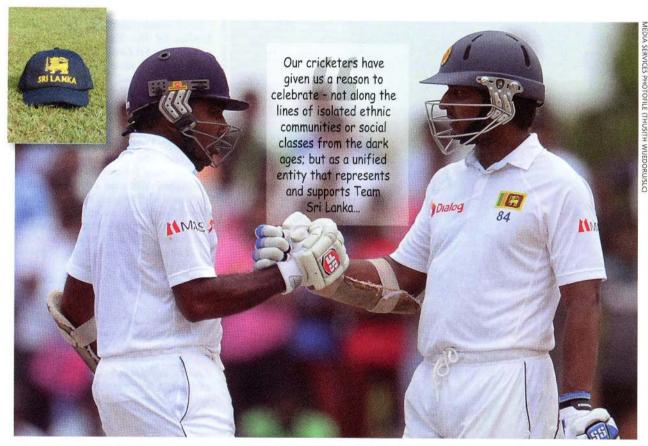
That's the stuff of true champions.

Most recently, the team was informed that it would have to abandon its scheduled training for next year's ICC Cricket World Cup, in favour of the somewhat spontaneous decision to tour India – this, on account of the West Indies' much publicised withdrawal from the Indian series, in October.

This decision, taken by the local governing body, prompted cricketing superstar Kumar Sangakkara to tweet: "Our



THE SRI LANKAN CRICKETER



six weeks of pure fitness work ends abruptly. Have a week to do a month's requirement of skill work before India. Planning ahead, anyone?"

What transpired on Indian soil proved his point. But despite the many glaring shortcomings on the part of cricket's administration, the cricketers themselves have enthralled followers of the game with dazzling performances on the pitch – and, on many occasions, off it too.

Certainly, they have carried on the proud traditions of bygone cricketing greats, emboldened by the nation's maiden World Cup success, back in 1996. And that was in an era characterised by war and civil strife, so much so that the Aussies and Windies refused to play their World Cup games here, in 1996.

SRI LANKA'S ONLY HOPE Whenever it seemed like citizens of this island had little to be hopeful about in the last three or so decades, our cricketers have given us a reason to celebrate – not along the lines of isolated ethnic communities or social classes from the dark ages; but as a unified entity that represents and supports Team Sri Lanka.

Sri Lanka's national cricketers have been the one and only unifying force for years on end.

And to cap it all, in April this year, the national team finally broke a habit – since 1996 – of faltering at title-deciding encounters, by going on to win the ICC T20 World Cup, in Bangladesh. The long-awaited championship victory sparked a string of celebrations among Sri Lankan cricket lovers – both at home and away.

Moreover, it also proved to be an especially poignant moment, given that it marked the farewell for two of Sri Lanka's most celebrated cricketing personalities, from the international T20 arena.

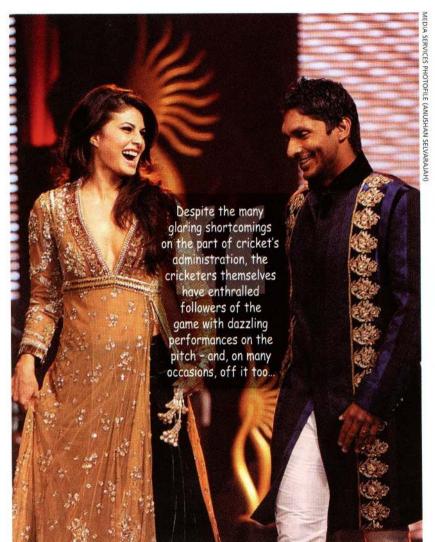
Since that momentous occasion, the Sri Lankans have retained their No. 1 slot in the ICC Twenty20 rankings.

Sri Lanka also celebrated a special moment in its Test cricket history earlier this year, by securing an away-series win against England, in June – the Lankans also won the tour's ODI series and the one-off T20 international, in unfamiliar, spring-like conditions.

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SRI LANKAN OF THE YEAR





Those in seats of power, in particular, would do well to take a cue from how our cricketers have won the hearts and minds of the public... Small wonder, then, that the 2014 Sri Lankan Of The Year (SLOTY) award goes to **The Sri Lankan Cricketer**.

The national squad's team spirit and cooperation, as well as the bucketfuls of talent on display, are among the most notable reasons for LMD's annual award being bestowed on a team that has put the spirit of cricket above all else.

SALUTARY LESSON As Jayantha Dhanapala said, when he nominated the Sri Lankan team for this award, recently: "Individual brilliance and performance isn't enough. The team has been selected on merit, with no ethnic, religious, class or political bias, which is an unforgettable and salutary lesson to be learned in all aspects of our country's governance."

Indeed, our cricketing heroes serve as an example for fellow countrymen and women.

They have demonstrated that team work, coordination and working towards a common goal can deliver awe-inspiring results.

A case in point is how the three former captains in the squad (Mahela Jayawardene, Kumar Sangakkara and Tillakaratne Dilshan) have guided the two new men in charge, while the incumbents (Angelo Mathews and Lasith Malinga) have readily welcomed their guidance.

And then, there was a gesture like no other, when Sri Lanka's T20 captain Dinesh Chandimal dropped himself because of poor form, at the business end of the championships that Sri Lanka won earlier this year. He put his team and country first.

Those in seats of power, in particular, would do well to take a cue from how our cricketers have won the hearts and minds of the public.

A THIRD ICC WORLD CUP? The New Year holds even greater promise for Sri Lanka, with the 2015 ICC Cricket World Cup scheduled to be played out in February, in Australasia.

Legendary Indian all-rounder Kapil Dev (who led India to its first World Cup triumph, back in 1983) has reportedly hinted at Sri Lanka and hosts Australia being the favourites to win the coveted title.

And we're inclined to bet on the former – as we did, back in 1996, when the Sri Lankans were dark horses!

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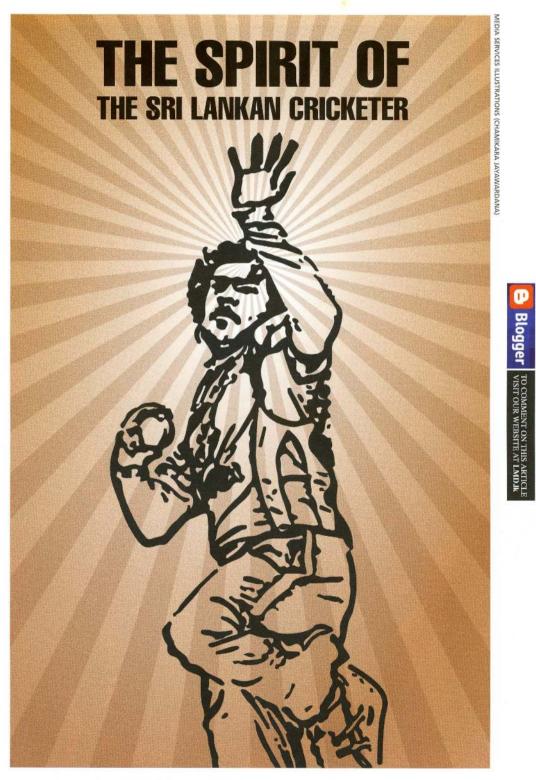


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SRI LANKAN OF THE YEAR



Jayantha Dhanapala – a one-time Sri Lankan Of The Year – pays tribute to the men who have done a nation of 20-odd million proud

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SRI LANKAN OF THE YEAR



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THE SRI LANKAN CRICKETER



any nations are associated with sports archetypes. Over the years, Brazil conjures up the image of a soccer player, especially the immortal Pele mesmerising opponents with his magical dribbling. Likewise, rugby football is inseparable from New Zealand's All Blacks, and the mention of the Marathon recalls Ethiopia.

FLASHBACK TO 1996 Sri Lanka, amidst all the vicissitudes, remains firmly associated with cricket, especially after we won the 1996 Cricket World Cup, thanks to Arjuna Ranatunga and his glorious team. That won that national squad the Sri Lankan Of The Year (SLOTY) award, from LMD, among many other plaudits.

SPIRIT OF CRICKET The most eloquent telling of the story of Sri Lankan cricket is unquestionably contained in Kumar Sangakkara's finely crafted MCC Spirit of Cricket Cowdrey Lecture of 4 July 2011 (for which he won LMD's SLOTY accolade that year).

Apart from his own brilliance as a player, Sangakkara is our C. L. R. James and Neville Cardus rolled into one.

Tracing the history of the game, and interlacing it with the history of the country, Sangakkara said: "It is remarkable that in a very short period, an alien game has become our national obsession, played and followed with almost-fanatical passion and love. A game that brings the nation to a standstill; a sport so powerful, it is capable of transcending war and politics."

Grudgingly granted official Test status in 1981, after skillful negotiations conducted by the late Gamini Dissanayake with the ICC, the national team struggled against great odds within the country and abroad, until they found their métier in the 50-over form of the game.

Dramatically, the reservoir of pure, unvarnished talent grew, drawing on the entire countryside – well beyond the limited circle of elite schools – to include the "sarong johnnics" that Kumar Sangakkara mentioned in his memorable MCC lecture, producing a nation of wily spin bowlers and unorthodox stroke-playing batsmen playing an innovative and bold brand of the game.

SAGA OF HEROISM From the World Cup of 1996 to the T20 championships of 2014, it has been a saga of heroism surmounting obstacles created by the incompetent and corrupt governance of the game by politically aligned officials who have, at times, even lured players away from the spirit of the game.

That heroism shone through in the team's united response to the December 2004 tsuna-

SRI LANKAN OF THE YEAR

mi that devastated Sri Lanka, while the team was on tour abroad. It earned the united support of terrorists, insurgents and peacefully patriotic Sri Lankans alike, throughout the conflicts that tore our island-nation apart. Ironically, it was in a foreign land - Pakistan - that the team bravely survived an attack by terrorists. The chucking controversy over spin wizard Muttiah Muralitharan was another challenge that united the team, with the country - led by Ranatunga, on the field solidly behind them. In a hapless nation that was hungry for inspirational leaders, the Sri Lankan cricket team filled an emotional void

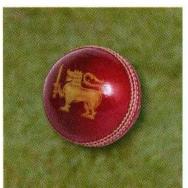
LEVEL PLAYING FIELD Surviving the tempestuous turmoils of a conflict-ridden nation; remunerated erratically, even after protracted negotiations; subjected to frequent changes of coaching staff; victims of interference by a politically manipulated Cricket Board; and Sports Ministry officials riding on the coat-tails of the team's success – the team has melded together a merit-based professional side irrespective of ethnic, religious and class differences.

A 27-year-old Tamil-Catholic from Colombo now skippers the Test and ODI squads, and a 31-year-old Sinhala-Buddhist from Rathgama – in the deep south – leads the T20 team through sheer undeniable talent.

CRICKETING CULTURE Spectators the world over saw the touching spectacle of past captains join in, helping the current captains in collective decision-making on the field. The relationship between the senior and younger members of the team is the warm intimacy of a traditional 'Aiya-Malli' family bond that is so deeply embedded in Sri Lanka's culture, blended with the professionalism of the experienced transferring their knowledge of the game to the newcomers.

Sangakkara has said it in his own words, during the Cowdrey Lecture: "In the new team culture forged since 1999, individuals are accepted. The only thing that matters is commitment and discipline to the team. Individuality and internal debate are welcome. Respect is not demanded, but earned. There was a new commitment towards keeping the team from board turmoil..."

BUNGLING AUTHORITIES "We have to aspire to better administration. The administration needs to adopt the same values enshrined by the team over the years: integrity, transparency, commitment and



Sri Lanka, amidst all the vicissitudes, remains associated with cricket, especially after we won the 1996 Cricket World Cup, thanks to Arjuna Ranatunga and his glorious team...

From the World Cup of 1996 to the T20 championships of 2014, it has been a saga of heroism surmounting obstacles created by the incompetent and corrupt governance of the game...

In a hapless nation that was hungry for inspirational leaders, the Sri Lankan cricket team filled an emotional void...

The relationship between the senior and younger members of the team is the warm intimacy of a traditional 'Aiya-Malli' family bond...

We now have a mature team of cricketers, playing an elegant game of cricket and conducting themselves in a manner that brings pride to our country and its culture. This is in contrast to others who have recently represented us on foreign soil. discipline. Unless the administration is capable of becoming more professional, forward thinking and transparent, then we risk alienating the common man. Indeed, this is already happening," he added.

That note of optimism may not be borne out by the Cricket Board politics of today, let alone the politics in the country at large. We now have a mature team of cricketers, playing an elegant game of cricket and conducting themselves in a manner that brings pride to our country and its culture. This is in contrast to others who have recently represented us on foreign soil.

THE COMMON BOND What sustains the team is, without doubt, their bond with the people of Sri Lanka. Sangakkara said as much, in his 18 May 2014 interview with Donald MacRae of the Guardian newspaper: "But no one expected the reception we got back home. There was a 40-kilometre unbroken chain of people, and it was very moving – because we saw every single Sri Lankan of whatever religion or creed."

Sangakkara continued: "It was one big family, welcoming home 15 of their children who had achieved something they really valued. It touched me deeply, because cricket has always been more than a sport; and that continues – even more so today, in the context of post-war society and building inter-community relationships."

At a time when the cash nexus is sullying personal relationships, and when advertising and sponsorships are soiling sportsmanship, it will be a challenge for The Sri Lankan Cricketer to maintain his principles... when the rest of international cricket has seemingly compromised itself. The game of cricket – which had its early origins in Britain, and flourished in the old British Empire – has developed a unique set of values around it, so much so that we all know, in behavioural terms and instinctively, what is done and what is simply not done.

The Sri Lankan Cricketer has successfully fused that set of values with our own indigenous values of gentility, consideration, tolerance, a sense of community, and loyalty to the team, to the spectators and to Sri Lanka.

As the embodiment of the spirit of Sri Lankan cricket, I am confident that the Sri Lankan Cricketer – LMD's 2014 Sri Lankan Of The Year – will triumph at the forthcoming 2015 ICC Cricket World Cup!

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LANKANS OF THE YEAR



LAKSHMAN KADIRGAMAR

CATEGORY	Politics
AGE	63
BIRTHDAY	12 April
ALMA MATER	Trinity

By representing Sri Lanka as Foreign Minister, Lakshman Kadirgamar laid to rest the myth that the LTTE fully represents the Tamil people. In doing so, however, he took on immense personal risk. But Kadirgamar believes that this risk is worth taking, in the interest of the nation. The fact that world opinion has shifted to the side of the Government is due in no small measure to him. And it is his success in rejuvenating the image of Sri Lanka in the eyes of the world that must be used as a springboard to catapult the nation's ambitions and aspirations.

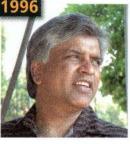
Editorial



SRI LANKARHIMANYA LAKSHMAN KADIRGAMAR

CATEGORY	Politics
AGE	73
BIRTHDAY	12 April
ALMA MATER	Trinity

Besides his scholarship, intellect and communication skills, Lakshman Kadirgamar's ethnicity played a crucial role, in his prominence in the peace process with the LTTE, and his brutal murder - allegedly by the LTTE. But how can anyone claim ethnicity by the accident of birth? To belong, one must truly have that ethnic ethos. He transcended the constricting bonds of tribalism and race. Whence all before him had failed, it was he - the Christian who succeeded in persuading the UN to proclaim the birthday of the Buddha as a world holiday.



ARJUNA AND THE BOYS

CATEGOR	YS	Sports
AGE		33
BIRTHDA	Y	1 December
ALMA MA	ATER	Ananda

Remember the build-up to, and aftermath of, 17 March 1996? Terrorism, the 'ethnic conflict,' a looming power crisis, political squabbling and economic turmoil; they all took a backseat. Sri Lankans the world over were united. They were spellbound by the grit and determination of Arjuna and the Boys. No single event in our recent history has had the power or capacity to bring paradise isle together. For a while, bitterness and hatred were forgotten. It was a fairy-tale script. Our cricketers raced from being merely dark horses, to becoming thoroughbreds.

Editorial



JAYANTHA DHANAPALA

CATEGORY	Civil society
AGE	68
BIRTHDAY	30 December
ALMA MATER	Trinity

The fact that Jayantha Dhanapala ran a dignified campaign with the least possible assistance from his state is widely accepted. That his state happened to be a war-torn island being run to the ground by corrupt and inept politicians was also common knowledge. But not only did he put the nation back on the world stage, at a time when its image was taking a beating in the eyes of the international community, Dhanapala taught us that one can accept defeat with dignity. We've also come to realise that one doesn't necessarily have to win, to become a role model.

Editor-in-Chief

SANATH JAYASURIYA

CATEGORY	Sports
AGE	28
BIRTHDAY	30 June
LMA MATER	St. Servatius

The Editor of Wisden Cricket Monthly Tim de Lisle said, in May 1996: "In March, Sanath Jayasuriya lit up an initially dim World Cup with the electric simplicity of his batting. In April, he could have been forgiven for putting his feet up, and juggling offers from agents." Instead, he joined his team-mates in Singapore, where he broke the record for the fastest 100 in a One-Day International with ease. If the ground was modest, the attack was not; it was led by Wagar Younis. He is, without doubt, Sri Lanka's leading image-builder.

Editorial



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CATEGORY AGE	Politics
BIRTHDAY ALMA MATERS	24 July Horewala, Kanmuldeniya

What is, to many, Sri Lanka's No. 1 priority (winning the ongoing war) may never become a reality, even if it is possible - because of corruption. In fact, COPE's Chairman Wijeyadasa Rajapakshe believes that "the main cause of the protracted 'ethnic conflict' is corruption"! Which must surely put the war against corruption at the top of the national agenda. But there's one problem with this proposition: it is that a large majority of the officials who are charged with putting a stop to this costly menace are corrupt themselves!



DESHAMANYA **KEN BALENDRA**

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CATEGORY	Business
AGE	58
BIRTHDAY	28 November
ALMA MATER	Royal

Deshamanya Ken Balendra has led John Keells Holdings to the top of the listed company rankings (i.e. The LMD 50) in three of the five years since it was first published. And Balendra's leadership qualities extend to the macro landscape as well. He has shown a willingness to address critical national issues. particularly those impacting business. The icing on the cake is his role in initiating a forum through which the business community can play a role in bridging the political divide and achieve a lasting solution to the ongoing conflict.

DR. HANS

WIJAYASURIYA

He is arguably one of the best-

known business countenances in this

country. And he was only recently

appointed Group Chief Operating

International, a recognition of the

calibre of savvy business-oriented

professionals that our nation can

produce. Dr. Hans Wijayasuriya's

other accomplishments are legion.

nominating this unassuming, media-

shy young business leader as LMD's

2008 Sri Lankan Of The Year is the

fact that he has placed our troubled

island-nation on the corporate map

of the Asian region.

Chief among the reasons for

Officer of Malaysia Telekom

40

Business

2 April S. Thomas

Editorial

2008

CATEGORY

BIRTHDAY

ALMA MATER

AGE



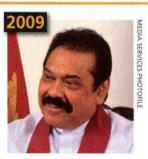
MEDIA SERVICES PHOTOFILI

DESHAMANYA DR. LALITH KOTELAWALA

same a sense is priced a which is	where a state is sense in larger in large
CATEGORY	Business
AGE	61
BIRTHDAY	29 October
ALMA MATER	Royal

Deshamanya Dr. Lalith Kotelawala has worked tirelessly to forge a consensus between the PA Government and Opposition UNP, on the 'ethnic conflict.' He has been both praised and insulted at the same time, and at different times; but he has persevered. Kotelawala has demonstrated a truly religious commitment to peace-making. But his goal is larger, for he asserts his vision of universal love, in a world that he knows can also be cruel. He has risked the anger of hard-line nationalists in pushing forward the business leaders' initiative for peace.

Sumadhu Weerawarne



PRESIDENT MAHINDA RAJAPAKSA

CATEGORY	Politics
AGE	64
BIRTHDAY	18 November
ALMA MATERS	Richmond, Nalanda, Thurstan

Two thousand and nine will go down in the annals of history as the year a tiny island-nation succeeded in defeating one of the most ruthless terrorist organisations the world has seen. It's been a year fraught with many hardships for the people and, indeed, the Executive: viz. security issues, political drama and unprecedented economic strife. Terrorism did, after all, hold us all to ransom for almost three decades. This honour is bestowed on the President in the context of him being Commander-in-Chief of the armed forces, who annihilated an enemy at great personal cost.



TEGORY	Politics
Е	48
RTHDAY	24 July
MA MATERS	Horewala,
	Kanmuldeniya

Editor-in-Chief Digitized by Noolaham Foundation. noolahamperentervarahamporg

CHRONOLOGY 1995-2



SUSANTHIKA JAYASINGHE

CATEGORY	Sports
AGE	25
BIRTHDAY	17 Decembe:
ALMA MATER	Athnawala

She came out of nowhere in Athens, in 1997, beating Marlene Ottey into third place. More experience and better planning, we felt, and she could even have won. For her finish was electric. As electric and thrilling for Sri Lankan watchers, creating an image that is still etched in my mind. This, then, was raw talent And, indeed, this was confirmed in Sydney, in September this year. Here was a lass from a working class family in the rural backwoods of Uduwaka, in the Kegalle District - and she knew the hardships of poverty discrimination.

MUTTIAH

MURALITHARAN

Sports

17 April

St. Anthony's

38

He's had more than his share of

controversy ... The only cricketer in

the sport's history who had an entire

national cricket team walk off the

grounds because an injustice was

pointed at him. And wasn't it Shane

Warne and he, whose 'Battle of the

master the doosra - another 'Murali

wonder' which continues to baffle

the best batsmen in the world. But

besides the awards and honours,

trials and tribulations have also

been a part of Murali's character-

Balls' had the cricketing world

riveted as to who would be

mightier? He then went on to

Dr. Michael Roberts

2010

CATEGORY

BIRTHDAY

ALMA MATER

AGE



CHANDRA JAYARATNE

CATEGORY		Bus	siness
AGE		54	
BIRTHDAY		26	April
ALMA	MATER	Ana	anda

Chandra Jayaratne is the Managing Director of Eagle Insurance, an LMD 50 company. However, he does not earn this honour because he runs a company well ... but for his role as Chairman of the Ceylon Chamber of Commerce - because he is willing to think out of the box. Shortly after the general elections of 1999, Jayaratne initiated a movement in the chamber, to try and set an agenda for the new Government. He aggressively set out points for the country's leaders and civil society to follow which, he believes, will make Sri Lanka a better place to live in.

Arjuna Ranawana



KUMAR SANGAKKARA

	Sports
AGE	34
BIRTHDAY	27 October
ALMA MATER	Trinity

Enough encomiums have been paid to Kumar Sangakkara, on his finely chiselled speech [MCC Spirit of Cricket Cowdrey Lecture, earlier in the year] ... His speech not only captured the spirit of Sri Lankan cricket through a perceptive recounting of its history, but it also encapsulated the ethos of Sri Lanka. His impact on Sri Lanka when his cricketing career finally ends will be as wide as it will be deep. And whether he will continue in cricket as an administrator or move to other pastures as a lawyer, he will continue to be a leader.

Jayantha Dhanapala



PRIME MINISTER **RANIL WICKREMESINGHE**

CATEGORY	Politics
AGE	54
BIRTHDAY	24 March
ALMA MATER	R Royal

In taking charge of the Government in his first year as Prime Minister, Ranil Wickremesinghe has transformed the face of the country. The war that had seemingly taken on a life of its own is no more. The pitched battles that saw a thousand men perish in a single day have ended. The security barriers, and personnel manning them, are much less. Sri Lanka is still in the phase of negative peace. While taking massive risks for peace, he has shown an icy calm and a supreme detachment from the apprehensions and prejudices of his fellow citizens.

Dr. Jehan Perera



PRADEEP SANJAYA

CATEGORY AGE	Sports
BIRTHDAY	29 April
ALMA MATER	Delwala Olcott Maha Vidyalaya

The term 'role model' is used often: at times, by taking liberties with its meaning; and on occasion, being looked down on as a mere cliché But this year, Sri Lankans found a bona fide role model, in its latest sporting sensation Pradeep Sanjaya the athlete who shone on the world stage, despite the odds being stacked heavily against him. His heroics at the 2012 Paralympic Games, in London, opened a new chapter in our land's history books. For this enlightenment, Pradeep Sanjaya receives LMD's 2012 Sri Lankan Of The Year award.

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noolaham.org | aavanaham.org 133 - DECEMBER 2014 - LMD



K. N. CHOKSY

CATEGORY	Politics
AGE	70
BIRTHDAY	7 February
ALMA MATER	S. Thomas'
ALMA MATER	S. Thomas'

The chief reason for honouring this soft-spoken President's Counselturned-politician is his adroit management of the economy. Following Choksy's assumption of the national fiscal mantle, the Finance Minister began introducing imaginative measures to address, meet and bridge fiscal deficits. He is also responsible, in the main, for boosting investor confidence and improving investment prospects, by maintaining consistency in fiscal policies. Perhaps his greatest contribution was the introduction of a modicum of transparency and accountability.

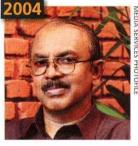
Wijith DeChickera



SUSANTHA RATNAYAKE

CATEGORY	Business
AGE	54
BIRTHDAY	15 July
ALMA MATER	Trinity,
	Royal

1 January 2006 marked a milestone in the history of Sri Lanka's leading listed conglomerate. More than a century since the diversified group established a presence in the island, it was on this day that John Keells Holdings appointed its youngest chairman yet, as the then 47-yearold Susantha Ratnayake was charged with helming the group In addition, he has led the nation's premier chamber - the Ceylon Chamber of Commerce - with panache. Ratnayake is no stranger to the ebb and flow of business he heads a gigantic corporate that has done Sri Lanka proud



DAYANANDA DISSANAYAKE

CATEGORY Civil society 28 January Uduwara, St. Bede's, Minuwangoda BIRTHDAY ALMA MATERS

AGE

He's not an actor, he's not a star. He's certainly not the type of man that tabloid journalism will take the slightest interest in. On the few occasions on which the media took any interest in him, it was almost by default - because of his office - than by design or because of who he was. Even on those rare occasions, he was threatened by more powerful players who strutted and fretted their petty hour on the stage of polls. We reserve our sympathy for more mere mortals of weaker flesh. This Titan has more than proved his spiritual mettle.

Wijith DeChickera



THE SRI LANKAN CRICKETER

CATEGORY	Sports	
AGE	N/A	
BIRTHDAY	N/A	
ALMA MATER	N/A	

From the World Cup of 1996 to the T20 championships of 2014, it has been a saga of heroism surmounting obstacles created by the incompetent and corrupt governance of the game by politically aligned officials who have, at times, even lured players away from the spirit of the game. That heroism shone through in the team's united response to the December 2004 tsunami... It earned the united support of terrorists, insurgents and peacefully patriotic Sri Lankans alike, throughout the conflicts that tore our island-nation apart.

building.



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Philipp

THE ROVING DIPLOMAT



TRANSITIONS IN DIPLOMACY

The challenges of 'diplomatics' in the early days of independence

eveloping countries began with a handicap, in regard to 'diplomatics.' This was because their administration was in the hands of colonial regimes at the time. But there were glorious exceptions, the most notable being Britain, which associated local personnel in the administration of its colonial territories especially in India and Ceylon (now Sri Lanka), thereby providing them with invaluable experience and training.

Britain led the way, producing outstanding and dedicated proconsuls. The transition to freedom thus found these countries equipped to undertake administrative responsibilities. Of course, the corollary to independence was sovereignty in the external sphere, which gave rise to the problem of capacity for diplomatics.

Sri Lanka is a noteworthy example of how this transition was effected.

Under its colonial rule, Britain had developed the civil service as the highest rung of the administration – an administration to which the intellectual elite of the country



BY The late Deshamanya Dr. Vernon L. B. Mendis



Diplomatics is integral to the well-being of a nation: the smaller and weaker it is, the more important it is...

were appointed through open, competitive examinations.

To belong to it was a status symbol – the be all and end all for young graduates. With independence, however, there arose the further need for a system which could handle the diplomatic responsibilities that go with such positions.

It is this context that diplomatics was born here, in Sri Lanka. Of course, historically, Sri Lanka was an old hand at it, with a record of foreign relations dating back to the first millennium BC, when it played a premier role in the region – especially in the religious and maritime spheres.

In 1949, a year after independence, the Government of Prime Minister D. S. Senanayake – ably assisted by his dynamic Permanent Secretary Sir Kanthiah Vaithianathan – took the first step, by announcing the establishment of an overseas service to handle responsibilities in the external sphere. Thus began the saga of diplomatics in Sri Lanka.

The adoption of the civil service model for recruitment was both appropriate and logical, because it ensured the appointment of high-calibre diplomats. The key factor in the selection process – much like in the British system – was the viva, which subjected the personality of the candidate to scrutiny.

Allowing for human error and misjudgements, which the best systems cannot exclude, the early decades saw the emergence of a service with

TRIBUTE SERIES

persons of a calibre which compared well with their counterparts elsewhere. The only gap was in professional training, in the absence of facilities, which obliged them to learn on the job.

It could be argued – and justifiably so, one feels – that recruitment by open, competitive examination would not guarantee the identified attributes required for the purpose of diplomatics in the international sphere. A glimpse at a viva will scarcely suffice for the purpose; and, therefore, a more searching and protracted examination would be needed.

However, the circumstances of modern examinations – with thousands competing at the same time – preclude such detailed observation. Therefore, the alternative is for commitment and dedication, on the part of those chosen, to the exacting demands of the profession. Also necessary, is a clear understanding, on their part, of what is expected of them.

This self-knowledge and self-awareness is the real key to diplomatics.

It thus became only a matter of fine-tuning and perfecting them into operational skills, through incessant practise and concentration. As important as such self-cultivation is, the crucial role of the Foreign Ministry in monitoring, guiding and studying performance, and enforcing discipline (which is particularly necessary, in a profession which is vulnerable to human failings) is vital.

The geographical circumstances of the enforcement of authority, over those working at the far ends of the globe, is a daunting task. But there is no choice, as the honour and dignity of the country are at stake.

To that extent, diplomatics is integral to the well-being of a nation: the smaller and weaker it is, the more important it is. And this behoves it, therefore, to ensure that those responsible for its external relations and international image are nothing but the best.

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 Haming Matitude for many years, as its Director-General.

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DIPLOMATIC MISSION

Compiled by Savithri Rodrigo

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W

ith one of the strongest economies in the world, Canada is also among the wealthiest – it boasts the eighth-highest per capita income globally, has an abundance of natural resources

and highly developed trade networks. This is but one of the key elements that the High Commissioner for Canada in Sri Lanka has highlighted, as she furthers the North American nation's bilateral relationship with Sri Lanka, during her tenure here.

Shelley Whiting says that "as a High Commissioner, I wear many hats, spanning programmes that are constant and traditional. I'm the chief integrator, infusing coherency across Canada's bilateral programmes and relationships. I'm also the chief advocate and spokesperson in advancing Canada's diverse interests and promoting Canadian values here, while seeking and facilitating trade and investment opportunities in Sri Lanka." A significant trade portfolio of 388 million Canadian Dollars exists between Canada and Sri Lanka. Whiting explains that "although the trade balance is in favour of Canada – primarily in agricultural produce, including wheat and lentils – we maintain traditional Sri Lankan exports including apparel, tea and rubber to Canada, with strong potential for more business opportunities."

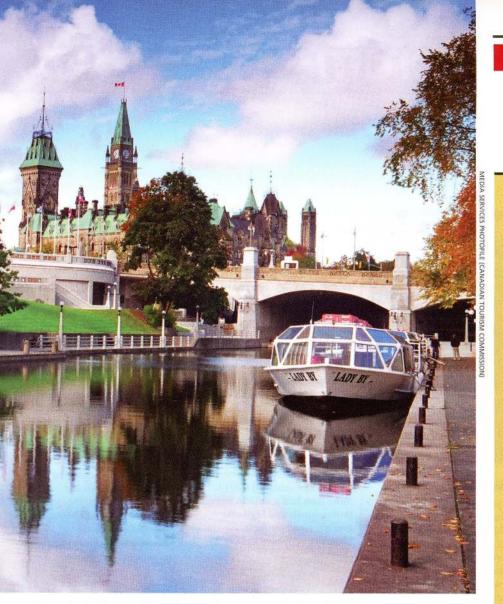
"But my focus is to seek and build opportunitics for Canada here as well, focussing on areas of specialisation. We see promise in agriculture, food and beverage, clean green technology, infrastructure, aviation, education services and IT," she reveals.

And Whiting continues: "I'm truly inspired by the long standing historical relationship between our two countries. Shortly after arrival, I began to see the regard extended to members of the Royal Canadian Air Force who served in WWII, and are buried in Commonwealth graveyards here – pioneering Canadians like Prof. Evan Alan Hardy, who was synonymous with the agricultural institute in Ampara, and women's rights activist Dr. Mary Ratnam."

Hailing from a country of diverse ethnicities (it has two official languages), she identifies positively with the multiplicity of races, religions and ethnicities in Sri Lanka, considering it to be a tangible resource pool that must be optimised. In addition to the historical linkages going back to pre-independence, she also alludes to the diverse geography, natural attractions and beauty of Sri Lanka – and the remoteness of communities – as similarities linking the two countries.

Enjoying Colombo, Whiting loves the greenness of the city: "It's very manageable to live in and doesn't overwhelm a visitor. It's a city with great opportunity." Naming human potential as our biggest resource, she adds that Sri Lanka's legendary hospitality and the warmth of the smile are absolutely genuine.





Not quite in favour of the phrase 'brain drain,' due to its negative connotations, she focusses instead on the positive contributions that Sri Lankan visitors and migrants have made in both Canada and Sri Lanka.

"The large diaspora in Canada comprising all communities has made substantial contributions to the nation, which continues to attract skilled and qualified Sri Lankans who have made it their home. There are also those who travel for leisure, business and education – all of which tells me that the people-topeople connection is very strong. There are those who come back, richer for the experience and exposure, to contribute positively to Sri Lanka. I see these connections working for our mutual benefit," the Canadian High Commissioner maintains.

Referring to the decades-long conflict in Sri Lanka, and efforts at reconstruction and infrastructure initiatives, Whiting remarks: "These are commendable, and set the pathway to reconstruction and reconciliation. There's more to be done, in terms of social architecture and infrastructure... The underlying sources of conflict are not being addressed, despite the recommendations of the LLRC. Canada believes that a healthy, vibrant and diverse civil society is critical to the functioning of a healthy democracy."

"Canada urges respect for the right to free-

dom of expression, assembly and association, and to participate in public affairs. Restoring and rebuilding harmony between communitics – while reassuring and instilling confidence that, regardless of ethnicity, religion or language, people can live together with respect and dignity – remains a priority," Whiting stresses.

She also predicts that Colombo in 10 years will be unrecognisable: "It would have developed into a regional hub, taking advantage of its strategic location. My Colombo of the future will be a city to be enjoyed – a city that embraces and respects the diversity of its inhabitants."

Whiting analyses the trends and issues plaguing the world at present, naming challenges that move instantaneously across borders, such as health pandemics like Ebola and the disconcerting rise of extremism which permeates broader implications: "Countries with shared values must work together, to create conditions where modern voices can speak out and shape events positively."

And she feels that in a decade, there will be a greater coming together of the world: "I'm encouraged that we're mindful of the past, aware of the present and want to build a new future. The world could use those people-topeople ties, for the betterment of people globally."





SHELLEY WHITING

DATE OF BIRTH "A Capricorn of a certain age."

BIRTHPLACE Edmonton (Canada)

QUALIFICATIONS

BSc in Food and Nutrition (University of Alberta) LLB (University of British Columbia)

HOBBIES

Golf (albeit an amateur) Yoga (an enthusiast) Reading (avidly so) Cross-country travel

ROLE MODEL Aung San Suu Kyi

Her immigrant grandparents – "They were determined to start new lives and seek new opportunities, despite knowing they would never see their families again."

Leaders of local civil society organisations in Sri Lanka – "Their depth of knowledge, experience and dedication is laudable."

CAREER ASPIRATIONS

"To continue growing Canada's bilateral relationships, and promote greater understanding of my nation's nuanced position."

DIPLOMATIC SERVICE

Former Yugoslavia, Thailand, Bosnia and Herzegovina, the North American Aerospace Defense Command (NORAD), Afghanistan and Sri Lanka.

CAN'T DO WITHOUT

An iPad A Twitter account Tim Horton's Coffee Sri Lanka's spicy cashew

FAVOURITE CITIES IN THE WORLD

New York - Needs no explanation

Hong Kong - Dynamic and bustling city

Bangkok – Great shopping, great food, great people

Edmonton – Her hometown and host of the world's best Heritage Day celebrations

FAVOURITE CHILL-OUTS IN COLOMBO

Independence Square (and park) The Good Market Galle Face Green Slave Island The Pettah Market

AdvertiserForum



S-LON LANKA

S-LON DIYASARA PROJECT IMPLEMENTATION

In 2012, S-Lon Lanka launched a unique project with a view to educate and create awareness amongst schoolchildren about water conservation and environmental issues. The Diyasara Student Circle Programme generated many project proposals for water conservation from participating schools, with Visakha Vidyalaya Bandarawela taking the honours for the most innovative proposal. The Rainwater Harvesting Project put forward by Visakha Vidyalaya won the challenge trophy and received financial assistance for implementation of the project. In October, the project was inaugurated at the school, addressing a dire need for a constant supply of water for the students and faculty at Visakha.

PENSIONERS' DAY



PAN ASIA BANK

Pan Asia Bank attended the National Pensioners' Day celebrations, which was organised by the Department of Pensions recently. The event, which was held at the department's holiday resort for pensioners in Wedamulla, in Kelaniya, was graced by President Mahinda Rajapaksa, Pan Asia Bank donated IT equipment to the Department of Pensions, and its staff were on hand to create awareness about the bank's Sammana loan scheme. Sammana was designed exclusively for retired state sector pensioners - it includes a special life insurance policy and does not require medical check-ups.

NEW AIRCRAFT

SriLankan Airlines took delivery of an Airbus A330-300, which was the first such aircraft to be equipped with global technology leader Thales' Android-based AVANT in-flight entertainment system. AVANT provides tabletlike experience with intuitive interaction, and the system's open architecture enables easy tailoring of content. "Our new A330 aircraft is aligned in every way to suit the needs of the modern-day traveller. We have carefully designed this full-feature aircraft for a greater customer experience," says Kapila Chandrasena, Chief Executive Officer of the national carrier.

WTA HONOURS

At the World Travel Awards (WTA) in New Delhi, in October, Jetwing Hotels picked up three awards - the seventh consecutive year that the hospitality group has been recognised at the WTA. Jetwing Lagoon was honoured as Sri Lanka's Leading Spa Resort, Jetwing Vil Uyana secured the award for the country's Leading Boutique Hotel and Jetwing Blue was named the island's Leading Wedding Venue. Since 1993, the World Travel Awards have celebrated excellence in all sectors of the tourism industry, and the WTA brand is now recognised as the ultimate hallmark of quality. In 2013, more than half a million travel professionals and high-end tourists voted for their favourite venues.

BRAND EXCELLENCE

At the SLIM Brand Excellence Awards, Huawei won the Bronze Award for Brand of the Year. Huawei's cost-effective smartphones now reach a wide segment of the population, thanks to its strategic partnership with Singer (Sri Lanka), notes Thomas Liu, Managing Director of Huawei in South-East Asia. "Singer's position as the country's No. 1 brand and best in after-sales service. together with the widest network, helps Huawei to penetrate all corners of the island, while offering the consumer fast, reliable and easy access to the complete range of Huawei smartphones," Liu says.



DELFT ISLAND CONNECTION

As part of its major post-war ICT development in the Northern Province, Sri Lanka Telecom (SLT) connected Delft Island – located west of the Jaffna Peninsula – with the country's national ICT backbone. SLT's network expansion programme, carried out under its i-Sri Lanka Project, provides Delft Island with access to the telecom provider's communication services, including high-speed broadband with access to e-education, e-health, distance learning, cloud computing, business networking and much more. Sri Lanka Telecom says it is presently making substantial investments to future-proof infrastructure development.



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NATIONAL DEVELOPMENT BANK

PALMYRA PROJECT IN THE KURUNEGALA DISTRICT

The first phase of the Palmyra Bio Fencing Project in Palugolla village, in the Kurunegala District, was initiated recently. The population of around 300 families in Palugolla is affected by the ongoing human-elephant conflict, and the fencing project was proposed by nonprofit organisation Janathakshan, as a long-term solution. The project involves planting four rows of Palmyra palms, parallel to the inner edge of the existing electric fence on the border of the village. The long-term objective is to remove the electric fence once the palms are fully grown. Staff members of National Development Bank joined residents and schoolchildren in the area, in planting the first batch.

DESIGNER WEDDING SHOW



specialist Hameedia was the principal sponsor of the Designer Wedding Show 2014, which was held in October for the sixth consecutive year. On show was Hameedia's range of wedding and going-away collection for the modern groom. Ten elegant wedding and ceremonial looks, along with striking

Menswear

ARC WORLDWIDE

going-away outfits crafted from high-quality fabrics were showcased by Hameedia. Managing Director Fouzul Hameed says Hameedia participates in many local and international shows, in an effort to showcase its work and uplift Sri Lanka's fashion industry. "The Designer Wedding Show has become the most highly anticipated wedding show in Sri Lanka," he adds.

GOLD MEDALS

Vogue Jewellers announced a unique initiative to celebrate educational achievements, by rewarding topperforming students at the GCE A-Level examination. Vogue Sisu Nena Ran Pradana will recognise and reward nationwide achievers in the science, maths, commerce and arts streams, with 22-carat gold medals and Vogue gift vouchers that can be redeemed on their wedding day. The schools of the top performers will be awarded Rs. 100,000, while certificates and plaques will also be presented. "We firmly believe that pursuing excellence in one's personal or professional journey is paramount," remarks Anura Hemachandra, Managing Director of Vogue Jewellers.

FLEET EXPANSION

With the acquisition of 24 Hino 300 Series Hybrids in the months ahead, TNT Australia is set to expand its fleet of hybrid trucks - currently the largest in Australia. The new consignment will add to the existing fleet of 30 hybrid trucks, phasing out diesel-powered vehicles, which will help reduce the company's carbon footprint. A study conducted by TNT revealed that the company's existing hybrid fleet emitted 112 tonnes fewer CO2 into the atmosphere than the diesel-powered trucks over a four-year period. Ace International Express, a member of the Aitken Spence Group, represents TNT Digitized 50 Nosianath Foundation. noolaham.org | aavanaham.org

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HAPAN SCHOLARSHIPS

National Savings Bank (NSB) awarded Hapan Scholarships at a gala ceremony which was graced by the First Lady Shiranthi Rajapaksa. Also in attendance was Chairperson W. A. Nalani, members of NSB's Board of Directors and government officials. The scholarships are awarded to students (they must be Hapan account holders, to be eligible) scoring the highest marks in the Grade 5 scholarship exam from every district. The bank also rewards all its Hapan account holders who pass the scholarship exam with gifts, according to a media release. The Hapan Scholarships initiative is part of NSB's corporate social responsibility programme.



HNB SATHKARA LAUNCH

Combining the features of a debit card and an ID card, Hatton National Bank (HNB) launched Sathkara - a unique product with exclusive benefits and privileges for pensioners. The card is linked to a bank account and is NFCenabled, which allows the Department of Pensions to store the cardholder's details electronically, for speedy and convenient transactions. HNB Sathkara also includes additional interest (1%) for savings accounts and fixed deposit accounts, over and above the prevailing rate. Priority treatment at HNB's customer centres, special loans and gift vouchers are some of the other benefits attached to Sathkara.



AdvertiserForum

FERRARI BY HUBLOT



Luxury watchmaker Hublot's collaboration with Ferrari brings three new watches in the Big Bang 45 mm collection, which were unveiled by Ricardo Guadalupe, CEO of Hublot. Big Bang Ferrari Ceramic Carbon, Big Bang Ferrari King Gold,

and Big Bang Ferrari Titanium Carbon are equipped with the UNICO movement, which is designed, developed and produced by Hublot. Machined and assembled by micro-mechanical engineers and watchmakers at Hublot, the UNICO movement has a practical flyback chronograph which can be reset at any time - a unique feature in the watchmaking industry. Hublot watches are available at Colombo Jewellery Stores, on Alfred House Gardens, in Colpetty.

VIP FRAGRANCE

The Parfumerie launched Carolina Herrera's newest fragrance for women, 212 VIP Rosé, at the Colombo Courtyard. The face of the perfume, supermodel Gisele Bündchen, adds a seductive, glamorous aura to the 212 line of fragrances. With top notes of champagne rosé, peach blossom middle notes and base notes of Oueenwood, 212 VIP Rosé is a fresh, feminine and sensual fragrance designed for "the interesting, talented young woman who is cool, relaxed and shines in any situation," a media release from The Parfumerie informs. Presented in a matt-pink glass bottle with a magnetic top, 212 VIP Rosé is available in 80 ml, 50 ml and 30 ml.



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THE PARFUMERIE
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COLOMBO CITY PACKAGE TOUR

OZO Colombo's destination guide maps out 24, 48 and 72-hour itineraries for travellers visiting Sri Lanka. Guests who select the Glimpse of Colombo package will enjoy a city tour on a doubledecker bus, taking in the stunning views from Galle Face Green, a promenade around the tree-lined Beira Lake and a visit to the Racecourse shopping complex. A complimentary sunset cocktail in the hotel's rooftop bar and lounge ON14, and a 15 percent reduction on dining at EAT restaurant, is included in the Glimpse of Colombo package. Prices start from US\$ 250. More information can be found on the hotel's website (www.ozohotels.com/colombo-srilanka).



DIGITAL ID CARD

Sampath Bank partnered the Department of Pensions, to introduce a digital identity card for pensioners. The card was officially launched by President Mahinda Rajapaksa, on Pensioners' Day, in October. Saman Herath, Senior DGM of Sampath Bank, presented a replica of the card to the President at the event. Over 600,000 pensioners are expected to benefit from the digital identity card which simplifies their banking transactions. Sampath Bank says it will provide 25 computers to the Department of Pensions, and these will be distributed among Government Agents' offices, facilitating direct coordination with the department in disbursing pension payments.

year. A wide choice of gift ideas and seasonal promotions on furniture, fashion, dining, lodging, supermarket shopping and many more are on offer for HSBC customers. The bank's Head of Cards, Products and Service James Rebert says the idea is to "spread the sentiments of the season well ahead of time, and get customers into the festive mood with a line-up of events leading up to Christmas. We anticipate this to be an enjoyable season for all."

FESTIVE SPIRIT

Unbeatable value with an

unrivalled array of holiday

deals and discounts - that's the

promise from HSBC's Season

of Big Celebrations promotion,

which runs up to the end of the

mCASH BENEFITS

Mobitel, in collaboration with the Department of Pensions, announced the launch of a new facility for retired government employees, which enables them to receive their pension funds directly into their mCash accounts. Licensed by the Central Bank of Sri Lanka, mCash allows Mobitel customers to maintain an account which simplifies financial transactions. They can deposit, withdraw and transfer their funds, settle utility bills and insurance premiums, and pay for various goods and services. Pensioners may select either an mCash Account or Enhanced mCash Account. depending on the extent of funds they will receive.

NEW BRANCHES

Expanding its countrywide network to 86 outlets, Nations Trust Bank opened two new branches - on the Negombo Road, in Minuwangoda; and on Main Street, in Kegalle. Many innovative products and services are offered at the new branches, as well as 365-day banking and extended banking hours. Nations Trust Bank offers an attractive rewards scheme for its Platinum and Gold business customers. Points are awarded according to transactions effected through their business accounts over a period of time. The programme offers oneto-one redemption on points - which means that every rewards point is equal to a rupee.

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THE DIGEST

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AVIATION INDUSTRY Airport & Aviation Services (Sri Lanka) CONSTRUCTION INDUSTRY N. Vaitilingam Group FINANCIAL SERVICES Credit Information Bureau of Sri Lanka IT INDUSTRY

230 Interactive

REAL ESTATE SECTOR

Prime Lands Group

SECURITY SURVEILLANCE

Safrex International

COMPILED BY

Umeshka Ratnaweera Zulfath Saheed Yamini Sequeira

COORDINATION

Harshini Amarasinghe Sharon Thiele

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AVIATION INDUSTRY AIRPORT & AVIATION SERVICES (SRI LANKA)

eople engage in shopping on a regular basis, but during the Christmas season and in the lead-up to the New Year, the retail trade truly comes alive, given the prospect of exchanging gifts with loved ones. In a bid to add glamour and colour to the festive season, Airport & Aviation Services (Sri Lanka) - or AASL, as it is also known - will host a mega seasonal promotion at the island's main airports, offering an exciting shopping experience to passengers.

In the last four years, this promotion has been held under the 'BIA Christmas Shopping Festival' banner. This year, AASL has come up with a fresh title for the seasonal promotion – i.e. Airport Christmas Shopping Festival.

This mega campaign aims to offer a live shopping experience for passengers departing and arriving through the main gateway at the Bandaranaike International Airport (BIA). This experience will be extended to passengers who embark or disembark from the second gateway at the Mattala Rajapaksa International Airport (MRIA).

The Airport Christmas Shopping Festival is organised as a collective endeavour of concessionaires at the two airports. While the inaugural Christmas Shopping Festival was held in 2010, since then, the BIA Christmas Shopping Festival has developed into



an annual event – one that both passengers and concessionaires at the airport look forward to.

AASL says it is determined to transform Sri Lanka into one of the best destinations for shopping, for all concerned. The prime objective of the shopping festival, therefore, is to promote Sri Lanka from that perspective. Other objectives of organising the festival are to reward passengers passing through BIA and MRIA, whilst increasing sales at duty-free shops at the two airports.

The Airport Christmas Shopping Festival 2014/2015 was launched on 1 December, and will run until 31 January 2015. Any passenger making purchases of US\$ 10 or more, at any of the outlets in the Departure/Transit area or the Duty Free Shopping Complex in the Arrivals Terminal, will be eligible to participate in a raffle draw. In addition, a purchase of 50 dollars or more will entitle passengers to win instant prizes.

AASL has lined up a series of live musical performances to entertain airport passengers during the festive period. The shopping and entertainment extravaganza at BIA and MRIA aims to offer attractive benefits to incoming and outgoing passengers, with special discounts on offer for a range of items at the airports' dutyfree shops. AASL claims that irrespective of one's age, the young and old alike can tune themselves into the festive mood, given the numerous events that are taking place at the two international airports.

Adding value and colour to the event, a brand new Chery J3 car will be up for grabs as the grand prize of this year's raffle draw. It will be sponsored by Ideal Motors, with Nations Trust Bank and Dialog Axiata also coming on board as sponsors of the event. And the list of prizes includes cash rewards of

between 150,000 and 500,000 rupees, as well as refrigerators, washing machines, LED TVs and laptops.

AASL expects that this extravaganza will paint the airports in a joyful, festive hue through an exclusive blend of shopping, raffle draws and entertainment, thus creating a cheerful atmosphere within the premises. AASL invites all air travellers to be a part of the mega event. Simply making a sales transaction of US\$ 10 or more will see passengers standing a chance to become a lucky winner at the Airport Christmas Shopping Festival 2014/2015.

A government-owned company, with statutory powers to manage and develop civil airports in Sri Lanka, AASL says it strives to provide competitive aviation services, while taking an interest in improving recreational facilities for airline passengers. It plans to spread the festive cheer, and reward passengers as they travel during the holiday season.

Telephone 2264444 | Email head.mkt@airport.lk | Websites www.airport.lk and www.mria.lk

Get onboard to Mattala.





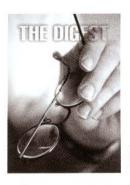
In an increasingly crowded world, it's refreshing to find a space yet undiscovered. Mattala Rajapaksa International Airport is the gateway to one of Asia's best kept secrets - Hambantota, the fastest growing region in Sri Lanka. It is the country's newest international airport and is strategically situated in the south of the island, which offers a plethora of tourist attractions such as stunning beaches, exotic wildlife, majestic mountains, amazing historic sites and more.

State-of-the-art terminal with 1 million passenger capacity.
Easy access to more than half of the island.
Fly to over 60 percent of the world within 4 to 8 hours.
Airbus A380 runway/handling capabilities.
Cargo facilities with deep water port access within 10 kms.
Duty Free Shopping Area.



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N. VAITILINGAM GROUP

ince its establishment in 1922, N. Vaitilingam Group has sought to be at the forefront of the roofing, building materials and hardware sectors, and has garnered a reputation for its unwavering commitment to quality, reliability and excellence. In its latest venture, the pioneer organisation enters the realm of luxury roofing products, with the launch of its RIVER BRAND Stone Coated Steel Roofing tiles range.

"The new luxury RIVER BRAND range combines the best characteristics of zinc, aluminium, steel and clay tile roofing, and is built to stand the test of time. It is classy and elegant, extremely durable, provides superior protection against severe weather and can be easily installed," asserts Jerome Fernando, General Manager – Sales and Marketing.

He explains that the product is "water, humidity, heat and fire-resistant, and comes with anti-algae coating; and its multilayer, stone granular surface softens the noise of rain," while "the secure interlocking panel system can withstand very high winds."

RIVER BRAND Stone Coated Steel Roofing tiles are manufactured to ISO standards – using aluminium-zinc-alloycoated steel from Union Steel, South Korea, and covered with Italian ceramic-coated stone granules – and have already



gained popularity in Japan, South Korea, the Asia-Pacific and North America.

"There is strong interest in the new RIVER BRAND range, as it is distinctive and well suited to Sri Lankan conditions, while its durability results in lower lifecycle costs. At N. Vaitilingam Group, we focus on continuous innovation and endeavour to make top-quality products more accessible and affordable to customers," says Executive Director Bahirathan Kanesu.

The stone-coated steel roofing tiles are multiple times lighter than conventional tiles, reducing structural costs due to lower requirements for the foundation, reinforcements, columns, timber and labour costs. RIVER BRAND is also being touted



Bahirathan Kanesu Executive Director



Jerome Fernando General Manager Sales and Marketing

as eco-friendly, with embodied energy consumption during production being relatively low, while the tiles are recyclable.

Despite having the appearance of a conventional tile, the new RIVER BRAND range is a more durable alternative. This is due to the multilayers of file materials pressed into different profiles, which are then sealed with polymer coating. The ceramic-coated stone chips also resist fading and UV penetration.

RIVER BRAND Stone Coated Steel Roofing tiles come in five profiles (Classic, Roman, Shake, Shingle and Tile) and eight colours (Brick Red, Capri Blue, Charcoal, Coffee Brown, Dark Grey, Jade Green, Teak and Terracotta). And thanks to this variety, the roofing product is deemed ideal for homes, boutique hotels, villas, bungalows, offices, verandas, pool bars and a variety of other structures.

N. Vaitilingam Group lays claim to being a leader in galvanised steel roofing, coloured zinc aluminium roofing, barbed wire and builders' hardware – and it is supported by a 1,200-strong dealership network across the island.

The group includes TinPak – a manufacturer of printed metal and composite cans mainly for food products, supplying both local and export markets. Vpaint, another subsidiary, manufactures premium-quality decorative paints and primers.

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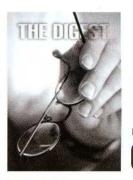
A stone coated steel roof... classy, elegant and very exclusive.

Introducing, the latest innovation of high end roofing solutions, only for the discerning who prefer the finer things in life. These specially developed stone coated steel tiles that are strong yet light will add subtle opulence, class and that elusive perfect finish to the most creatively designed residence, upmarket workplace or luxurious beachside hideaway... completing the dream.

Rs 245/= per square foot upwards.



N. Vaitilingam Group 70, K Cyril C Perera Mawatha, Colombo 13, Sri Lanka. Hotline: +94 (0) 11 432 3100



CREDIT INFORMATION BUREAU OF SRI LANKA

credit information report is an important compilation of information about an individual or a corporate, which discloses past and present financial liabilities. In the bygone era, credit information was only used by financial services institutes, to assist in their decisions to grant credit.

"However, this is gradually changing, with credit information now being used for other decisions as well," explains Gamini Karunaratne, the Director and General Manager of Credit Information Bureau of Sri Lanka (CRIB).

He elaborates: "Employers are increasingly requesting the report provided by CRIB, from their employees, as it offers an indication of the level of indebtedness, dependability and trustworthiness of the person concerned."

CRIB was formed by an Act of Parliament, according to which authorised lending institutions should send relevant information to the bureau within 30 days of granting a credit facility. Thereafter, such information is updated monthly, throughout the lifespan of a credit facility.

"Previously, only financial institutes could request a CRIB report; and that, too, for specified purposes only. This created some issues, as borrowers wouldn't know what to expect from the financial



institutions when they requested a credit facility," notes Karunaratne.

He emphasises: "Hence, the Act was amended, whereby one could obtain his or her own report. If a CRIB report is reviewed regularly, one will be able to systematically understand where he or she has erred, in terms of managing financial liabilities and – most importantly – rectify them."

When in need of a CRIB report, people can visit the bureau's office, where the service is completed in about 20 minutes. Alternatively, an individual can visit a bank, and the report will be sent directly to the person concerned, within 10 days or thereabouts. Meanwhile, the Help Desk



Gamini Karunaratne Director General Manager will assist in resolving any disputes that may arise, regarding the information contained in a report.

"We have also made the service available online, since November last year. Following a one-time visit to CRIB, we will release a password to access the credit information at anytime, anywhere," Karunaratne affirms, noting that registration is free for this service, while the first CRIB report each year is also free.

Plans are also underway to link individuals who have Internet banking facilities with CRIB, providing them with a one-time password. Through this service, individuals will be able to access their credit information through their bank's online Web portal.

Karunaratne notes that "from January to October, there has been a 51 percent year-on-year increase in reports obtained from CRIB – a clear testament that the people have realised the report's true worth."

In summing up, he discloses: "We also have plans to introduce kiosks, where people could key in their passwords and view their credit information or obtain related reports. All these initiatives are being taken to promote the habit of frequently reviewing credit information, so that lending institutions will have disciplined borrowers in their portfolios, and a disciplined society for the country as a whole will emerge."

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Be a disciplined borrower and help build a prosperous country.

Frequent verification of your credit report will ensure that your **Report** carries correct information while also serving as a road map for the future as it helps you plan your financial transactions.



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230 INTERACTIVE

30 Interactive commenced operations back in 2007, to provide comprehensive digital solutions to corporates. thereby satisfying a long-felt need for a digital agency here, in Sri Lanka. Realising the huge potential for online branding and digital marketing, at a time when others were engaged in Search Engine Optimisation (SEO), the company set out to expand solutions that were there for the taking in the digital territory.

"Our whole idea is to take a client through a complete journey of digital. For example, companies start off with one vendor; and when their website becomes obsolete, services are sought from another operator. We look at continuous support for clients, in their journey along the digital pathway," Co-Founder Sanjay Mendis assures.

"Unlike in the bygone era, technology changes swiftly, which makes digital solutions obsolete more rapidly. Clients may require mobile apps, responsive websites, mobile websites or Facebook games. Satisfying their needs though the provision of continuous solutions is our forte," adds Co-Founder Mugunthan Balakrishnan.

230 Interactive's client portfolio spans FMCGs, hotels, investment banks and insurance companies – including National Develop-



ment Bank (NDB), Hutch, Union Assurance, Manhattan Fish Market, Perera and Sons, Harpo's, amanté and Spa Ceylon. The company was also chosen to perform a complete upgrade of systems for International Water Management Institute (IWMI), as well as to provide digital solutions for Lanka Financial Services Bureau.

"We also provide solutions for virtual tours, with a client base comprising Aitken Spence, Amaya, Jetwing and John Keells. For virtual tours, we are the pioneers in the local market," Mendis states.

He continues: "We've been able to achieve corporate success due to the strategic view we take on brands...



Sanjay Mendis Co-Founder



Mugunthan Balakrishnan Co-Founder

Clients aren't focussed on what technology we use, nor are customers keen on that aspect. We cross over technology and design, in offering the ideal digital solution to satisfy our clients' needs."

230 Interactive has won the global W3 Award - conferred to honour creative excellence on the Web - in 2010, 2011 and 2013, which is a testament to the company's excellence in this area. As the social media marketing partner for NDB, 230 Interactive was also able to steer its client to win two awards - for the Best Use of Facebook and the Best Use of Social Networks, at the fifth CMO Asia Awards for Excellence in Branding and Marketing.

Commenting on the team at 230 Interactive, Balakrishnan says that it is the most important part of the equation: "We always provide an opportunity to those who have a passion for this field. And we take pride in providing them with training, to mould them to become true professionals."

"With the vision of making 230 Interactive a global company, we are planning on expanding our physical presence to Australia and Malaysia," Mendis reveals, disclosing the future plans of a firm that strives to be a onestop shop that has the potential to position itself amongst the strongest brands on the World Wide Web.

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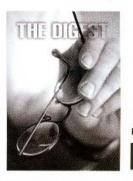
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360[°] VIRTUAL TOURS Creation of over 260 interactive Virtual Tour clips for leading hospitality clients

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PRIME LANDS GROUP

rime Homes considers itself a leader in luxury and semi-luxury home construction. As part of Prime Lands Group, the company says it distinguishes itself from its peers via a strict focus on quality, thereby ensuring customer satisfaction. Prime Lands foresaw the boom in the luxury housing segment, and thus expanded to include it in the group's wide range of real estate pursuits.

Notably, Prime Homes was recently awarded the International Gold Star for Quality by Business Initiative Directions (BID) – a private quality standards organisation – at the 15th International Star for Quality convention, held in Geneva. It also lays claim to being the first Sri Lankan company in the sector to receive this award.

"Prime Homes has always been concerned with maintaining stringent quality standards in all aspects of its processes. In this pursuit, we have unfailingly followed the QC100 Total Quality Management Model, which recognises seven principles to uphold in a business process – to induce improvement in all the individual parts of the company, from clients to employees," says Chairman B. Premalal.

"We would like to thank our loyal customers, both new and those who have been with us, and our parent company since inception," says the Chairman, appreciating the support



rendered by his company's client base.

Amongst the many housing projects undertaken, the most recently completed venture was Prime Residencies Battaramulla, which was declared open at a grand ceremony held at the premises.

"It is a well-rounded complex, complete with a gymnasium, rooftop garden, 24-hour security and many other services. The owners have acknowledged that they are very satisfied with our services, and we are pleased that our commitment reaps benefits to our clientele." Premalal informs.

Prime Homes also recently completed the first stage of its Athurugiriya complex, and has handed over 78 apartments. Additionally, the firm has a



B. Premalal Chairman

host of other projects currently awaiting completion. These include the Kottawa complex, housing 57 apartments; a complex in Rajagiriya, housing 29 apartments; and another on Siebel Avenue (in Colombo 6), comprising 36 apartments, where construction remains on schedule.

Commenting on how his company differentiates itself from its competitors, Premalal says: "Our whole outlook is based on trust. We believe that in an industry such as ours, trust is the most important variable that defines us. From our practical designs to stringent quality standards, we have worked to sustain the trust that has been placed in us by our customers."

"Prime Homes has remained one step ahead in anticipating customer needs, and we have always delivered on our promises. Our projects are completed according to the initial design accepted by the customer, and they are delivered on time, with no construction work to be completed after occupation. Our designs are liveable, and the prices affordable. No other housing construction company in the country can say the same," he asserts.

With the trust inherited by its parent company, Prime Homes says it continually strives to fulfil customer expectations. It welcomes prospective home owners to realise their dreams for high-quality, affordable housing.

Telephone 2699822 | Email info@primelands.lk | Website www.primelands.lk

Prime Homes Rewarded for Quality Standards

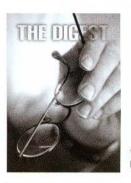
Prime Homes receives the International Star for Quality in Geneva



Prime Homes has always been a corporation concerned with maintaining stringent quality standards in all aspects of our processes. In this pursuit, we have unfailingly followed the QC100 Total Quality Management Model. In recognition of this, BID, the most important private organization that presents quality awards on a global level and the organization which introduced the QC100 TQM model, has presented Prime Homes International (Pvt) Ltd. with the prestigious 'International Gold Star for Quality Award' at the International Star Quality Convention held in Geneva for the year 2014.

This is the first time that a company in this industry in Sri Lanka has been presented with such an honour. At this moment we would like to remember all of our loyal customers, for it is for them that we uphold our quality standards. Thank you from the bottom of our hearts!





SAFREX INTERNATIONAL

afrex International has been at the forefront of the professional security market in Sri Lanka since 1989, and it lays claim to having pioneered the evolution of hitech electronic security systems for industrial and residential use. Although the company launched operations in an era when the demand for its products was nascent, it has since raised awareness of the need for electronic security systems.

Director – Marketing Udith Mahapatuna says that "the company's success can be attributed to our world-class products and services, sourced from electronic experts in Europe, and backed by unrivalled after-sales service from our professional team of engineers and technicians. Safrex now provides electronic security systems to 80 percent of financial institutions in the country and a majority of leading corporates."

He continues: "Safrex remains agile and pre-empts the market's technology needs, thereby being first off the starting blocks in introducing the latest electronic security systems to the Sri Lankan market. The success behind the company is a professional team that has the capability to evaluate, design and install any type of security or surveillance system."

Safrex has carried out some of the largest installations of CCTV, security alarm, access



control and other securityrelated systems. It is the only company in Sri Lanka to provide real-time monitoring via multi-stream TeleEye technology – the world's most advanced video surveillance technology, with SMAC-M multi-streaming that offers quality viewing.

TeleEye Lanka – a subsidiary of Safrex International – offers a fully fledged remote video surveillance solution, which enables individuals or businesses to remotely monitor assets in real time via their smartphones or the Internet. The company has also introduced fingerprint scanning technology to the market.

Its clientele ranges from the private sector to public



Udith Mahapatuna Director - Marketing institutions, including the Presidential Secretariat, Ministry of Defence and Urban Development, Sri Lanka Police, Sri Lanka Army, Special Task Force, People's Bank, HSBC, Standard Chartered Bank, DFCC, Nations Trust Bank, Pan Asia Bank, Union Bank, Brandix, MAS, the World Trade Center, embassies (Norway, Japan, Qatar and Kuwait), the Indian High Commission and European Commission.

"Our customer retention rates are high because of the personalised customer care and after-sales service we offer. Safrex technical staff are on call 24 hours a day, to respond swiftly to emergency calls. We invest resources to educate customers about evolving technology, and are currently helping them make the transition from analogue to digital systems," Mahapatuna informs.

"As a pioneer in the field, I would urge better regulation, so that the grey market is discouraged. Further, enhancing broadband speed will greatly drive this industry, as technology is now moving towards IP-based systems," he stresses.

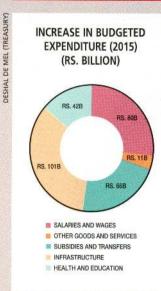
With a vision to become a top-notch security solutions provider, by offering highquality services to its valued customers, Safrex is establishing a presence in the Maldives and Bangladesh – and is optimistic about branching out to other overseas locations in the future.

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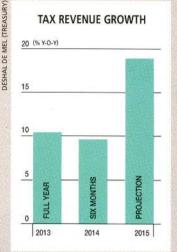


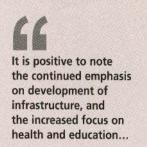
ECONOMIC OUTLOOK

MEDIA SERVICES PHOTOFILE (SANJAYA DE SILVA)



TAX REVENUE GROWTH





he Government of Sri Lanka presented its budget proposals for 2015, on 24 October. With presidential

elections anticipated, it was not surprising that there was an expenditure increase of 15 percent in Budget 2015, compared to the provisional outlay for 2014.

In 2015, there is a budgeted increase in expenditure of Rs. 288 billion, of which Rs. 146 billion (51%) is allocated for increases in salaries, subsidies and transfers - this also represents a budgeted 16.7 percent increase in salaries, and a 21 percent hike

in subsidies and transfers. Given the relatively slack demand that has been prevalent in the Sri Lankan economy through much of 2013 and

2014, a degree of fiscal stimulus of this nature can be accommodated without a substantial impact on inflation. interest rates and the current account deficit, in the short term.

However, it should be kept in mind that salary increases, and some subsidies and transfers, act as a permanent addition to recurring government expenditure, which cannot be easily reversed, in case of a necessity to cut back in the future.

EDUCATION EXPENDITURE

It is positive to note the continued emphasis on development of infrastructure. and the increased focus on health and education. With regard to education, it is encouraging to note the planned expenditure on developing school laboratories.

One constraint in Sri Lanka's state education system has been the fact that only around 10 percent of schools offering A-Levels have facilities to teach science, due to a lack of laboratories. Thus, more students were compelled to enter the arts stream, resulting in the availability of fewer science graduates, who are an important component of a knowledge economy.

The move towards expanding capacity for science education is warranted, therefore. It is necessary that this shift is complemented by increased training of science teachers for these schools. A number of other expenditure proposals - including the expansion of faculties and degree programmes in science, technology and engineering are also welcome.

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.

Fiscal Consolidation is Key to Development Agenda

Deshal de Mel highlights the key features of Budget 2015 and their potential implications for the future of the local economy

QUALITY CONTROL Going

forward, it is important to ensure that, in addition to expanding access to education, steps are taken to improve the quality and relevance of education – particularly in terms of curricular development.

Sri Lankan schools maintain an examination-centric system of education, where knowledge transfer and retention remains the focus. But in the modern economy, where the development of an innovative and adaptable labour force is required, skills such as creativity, the ability to challenge norms and think independently need to be developed.

This requires a complete overhaul of existing educational structures, across all levels of education.

It also warrants increased competition and marketorientation in the delivery of education.

REVENUE STREAMS Going

back to the macroeconomic considerations of the budget proposals, a key challenge has been the steady decline in government revenue, as a percentage of GDP. Given the proposed expenditure increases, financing these through adequate revenue growth will be a crucial determinant of the feasibility of the budget.

For 2015, the Government projects revenue growth of 18.7 percent. This figure could be somewhat ambitious, given that total revenue grew by 10.5 percent in 2013 and 9.9 percent in the first six months of 2014; and particularly considering the proposed reductions in taxes.

Furthermore, 61 percent of the expected tax increases from new revenue proposals (amounting to Rs. 65.5 billion) arise from the refinance proposal for tax arrears (Rs. 40 billion), which could be challenging for realiseby Noolah arpmd the country.

FISCAL CONSOLIDATION

With a 15 percent increase in expenditure and an 18.7 percent rise in revenue, the Government has projected a budget deficit of 4.6 percent of GDP – a positive continuation of the commitment to fiscal consolidation seen in the last five years.

Even if the envisaged 18.7 percent revenue growth is not met, and a more conservative 10 percent increase in revenue is achieved, it would result in a budget deficit of 5.7 percent which, ceteris paribus, is not a complete reversal of the gains made in fiscal consolidation.

It is likely that in the event of a revenue shortfall, the Government would delay or reduce planned expenditure, to achieve the deficit target. And it is hoped that such expenditure reductions would not be at the expense of continued development of key social and physical infrastructure around the country.

ECONOMICS

Budget 2015 introduced proposals for export development, such as steps to improve trade facilitation – these include the automation and synchro-



nisation of Customs, the Inland Revenue Department and others. Accelerated depreciation on new machinery investments and the reduction of energy costs are also supportive measures.

However, it was surprising to see limited reference to some of the Government's own longterm plans such as the five-hub strategy. It could, therefore, be argued that the Government could have done more in its budget proposals, to contribute to the transformation of the economy into a hub for exports.

see your next move, clearly.

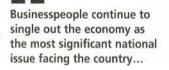
Nielsen knows people. In fact, no one knows more about what they watch and buy - or what they're looking for. Our Growth and Demand Strategy practice deploys innovative insights that enable businesses to focus on where to grow. Helping to identify vital developments like the next wave of demand and the most profitable consumer leading our clients to new markets, new opportunities, new customers. Affording them a clearer view of the strategic picture.

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TAXES TAKE CENTRE STA

Biz folk remain apprehensive over high taxes and economic conditions



usinesspeople appear to hold a long-standing grudge against the country's tax regime, despite the largely populist proposals introduced recently, in Budget 2015. Indeed, the issue of high taxes continues to be the most pressing concern for business in Sri Lanka, with a whopping 91 percent (versus 67%, in October) of those consulted in the latest LMD-Nielsen BCI survey saying so.

The island's corporate community also highlights inflation as an issue impacting business interests. Here, too, the reaction is more vocal than in the prior month - six-in-10 respondents claim that inflation is a cause for concern, compared to just 38 percent in October. This outcome is particularly disconcerting, given that official statistics indicate a deceleration in inflation for most of the recent past.

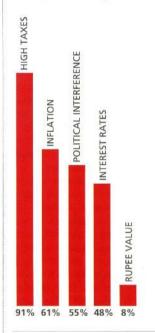
In addition, political interference warrants a mention among the key business priorities, according to 55 percent of those polled.

Businesspeople continue to single out the economy as the most significant national issue facing the country, with 72 percent of the sample pointing in that direction. Poverty comes a close second in this line-up - although the official poverty line at the national level dropped to Rs. 3,896, for September.

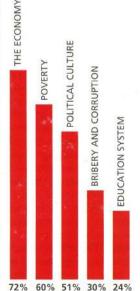
A national concern that is also being stressed is that of the prevailing political culture, as stated by just over half of those guizzed by the pollsters. And with the prospect of yet another election campaign on the cards, it will undoubtedly remain firmly on the biz radar.

What are the five most pressing issues for business in Sri Lanka today?

PRESS LOFT/MAIDEN



What are the five most pressing national issues facing Sri Lanka today?



What are the three most pressing issues for business in Sri Lanka today? JUN JUL AUG SEP OCT NOV **HIGH TAXES** 72% 95% 74% 60% 67% 91% INFLATION 74% 88% 58% 46% 38% 61% POLITICAL INTERFERENCE

49%

THE TOP THREE BURNING ISSUES IN THE LAST SIX MONTHS

What are the three most pressing national issues facing Sri Lanka today?

48%

	JUN	JUL	AUG	SEP	OCT	NOV	
THE ECONOMY	57%	82%	74%	54%	51%	72%	
POVERTY	5%		8%	10%	38%	60%	
POLITICAL CULTURE	Digitized	b %7 %00 n.org	aavana	Fgunda ham.or	atigg%	51%	
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59%

34%

- LMD

63%

55%

ADDING SPICE TO OUR EXPORTS

Zulfath Saheed reviews Sri Lanka's growth opportunities in the global spice trade

he global spice trade is believed to have been in operation for thousands of years, developing throughout South Asia and the Middle East in 2,000 BC or so, with cinnamon and pepper leading the way. The trade blossomed in East Asia as well, thanks to the herbs and pepper trade. Early uses for these valuable commodities ranged from 'magic' and medicine, to religion, tradition and preservation.

Merchants sailed the high seas, to reach nations that were famed for their spices. And Sri Lanka garnered particular attention, given an abundance of spices such as cinnamon, pepper, cloves and cardamoms on the island.

To this day, the island-nation is ranked among the top producers of these precious supplies – in fact, Sri Lanka remains the largest producer of 'true cinnamon' (*cinnamomum verum*), with a near-90 percent share of global production.

The fertile and diverse soil of our 'spice island' render themselves suitable for cultivating agricultural produce. And the many varieties of condiments produced in Sri Lanka are used locally and internationally, to add flavour and aromatise various forms of cuisine. However, even with its solid reputation for possessing such spice riches, the island remains well short of being among the top five branded and value-added spices and allied product marketers in the world – a vision espoused by The Spice Council (TSC) of Sri Lanka.

So much so that at a recently held briefing, a high-ranking official of TSC emphasised that Sri Lanka's spice trade faces major challenges in the areas of production, quality, value addition and branding.

BETTER PRODUCTION Approximately 70 percent of the local spice trade is made up of smallholders, who typically cultivate less than one hectare each. In order to achieve satisfactory gains in spice production, these smallholders must be supported, so that they can move from mere subsistence farming, to engaging in commercial agriculture.

Assistance can include the provision of land to farmers, maintaining consistent government policies and curbing unnecessary interference in production processes. According to the TSC, better agricultural practices could double the production of spices. At present, the national average for cinnamon and pepper production stands at approximately 450 kilogrammes a hectare.

REGIONAL DYNAMICS According to Spices Board India, our neighbouring nation's spice exports have recorded "strident gains, in

both volume and value." In the last five years, India's spice exports have registered a compound annual growth rate of 21 percent in value and 12 percent in volume, granting the country a formidable position in the global spice trade.

Sri Lanka's spice trade

faces major challenges in

the areas of production,

quality, value addition

and branding ...

Reports indicate that Indian exports of spices could reach US\$ 3 billion by 2016/17, riding on the positive performance of mint, chilli and seed spices. During 2013/14, India exported a total of 817,250 tons of spices and related products, valued at 2.3 billion dollars – up from 726,613 tons, valued at 2.2 billion dollars, in 2012/13. India's spice exports in 2013/14 also exceeded targets, in terms of both quantity and value.

Digitized by Noolaham Foundation. noolaham5819062200828281902000 **CINNAMON MARKET** Given that it accounts for such a significant share of global production, Sri Lanka's export trump card must surely lie in the cinnamon trade. But a severe shortage of cinnamon peelers and peeling under Good Manufacturing Practices (GMP) and Hazard Analysis and Critical Control Points (HACCP) standards has hampered production capacity in this country.

To this end, the Ministry of Finance and Planning has allocated Rs. 28.5 million for work conducted by the Cinnamon Training Academy (CTA) – a TSC initiative to train cinnamon peelers on GMP and HACCP food safety standards.

The CTA's aim is to train an adequate num-



ber of peelers, increase cinnamon exports by as much as 50 percent within a period of two to three years, and thereby gain greater access to the European, US and Japanese markets.

Meanwhile, the United Nations Industrial Development Organization (UNIDO), World Trade Organization (WTO), TSC and the Ministry of Industry and Commerce have jointly developed a National Competency Standards and Curriculum specifically targeting cinnamon production.

The US and Mexico are the chief markets for Ceylon Cinnamon, while Colombia, Ecuador, Peru, Spain, Guatemala, Chile and Bolivia also consume a considerable amount of the commodity. In addition, Sri Lanka has the potential to penetrate niche market segments in the global market.

QUALITY CONTROL Cinnamon, pepper, cloves, essential oils and other spice products performed well last year, despite the downturn in the West – the Sri Lankan spice sector increased its exports by 39 percent, in dollar terms.

But given the stringent hygiene and quality standards that must be adhered to, even a handful who exports inferior spices could ruin the prospects for Sri Lanka in the international arena. And we have witnessed a large number of cinnamon containers being returned to the island, on account of not mostings could by Noorfangin Foundation.

noolaham.org | aavanaham.org 159 – DECEMBER 2014 – LMD Lax implementation of Sri Lanka Standards (SLS) - 81 of which have been specifically introduced in regard to cinnamon exports – appears to have aggravated the situation.

VALUE ADDITION As experts have rightly pointed out, value addition remains the way forward for the spice trade. While it is encouraging to note that export firms in the island are now adding value to spices, many more must follow suit.

Chairman of the Export Development Board (EDB) Bandula Egodage has reportedly stated that "the key factor is how to market our spices. The first impression from packaging tells a lot to the consumer. Our spices are traditionally exported in bulk form. Sri Lanka now encourages valueadded exports and discourages raw exports."

Creating awareness among exporters on the packaging quality of spice exports remains a primary concern. Exporters must also be able to identify global market trends and offer easy identification of Sri Lankan produce. Moreover, a fresh exterior could enhance brand value and generate additional sales.

For Sri Lankan spice exports to receive the required boost, the country must also maintain an open dialogue between exporters, the spice trade and the EDB.

BRANDING GOALS The Pure Ceylon Cinnamon Global Certification logo is a step towards promoting Sri Lankan spices in the international marketplace. Ownership of this certification is vested in the EDB, with international permission obtained under the Geographical Indication (GI) framework.

According to the EDB, this certification aims to "give maximum value to true cinnamon, which has competition from cheap cinnamon called cassia." Over a dozen selected Sri Lankan cinnamon exporter firms have been successful in fulfilling the required criteria to use the internationally accredited logo.

THE LAST RESORT Sri Lanka has yet to make the most of the true potential of the spice trade, given its traditional process of marketing produce in bulk form, whereas it should be adding value to the end products of valuable spice crops.

Scientific agronomic practices and highyielding techniques will also enable production of a larger volume of crops – and at a lower cost. At the same time, the increased emphasis on safety and hygiene in the worldwide food sector means that Sri Lanka's spice sector will need to invest in ensuring quality standards.

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THE OIL MARKET

Blogger COMMENT ON THIS

il prices caused SRI LANKA) the last recession, and oil CENTRE 5 prices will cause the next one as SERVICES PHOTOFILE (EUROCARS/PORSCHE well," says Canadian economist Jeff Rubin.

According to him, "higher oil prices started four of the last five world recessions; we shouldn't be too surprised, if they started this one also."

We have long maintained that global oil prices are determined by the laws of supply and demand, and also as much as by geopolitics - the price of oil rises or falls in response to war or comparative stability in the Middle East. Oil fields do not have to go up in flames; the mere fear that this will happen was sufficient to drive prices up.

MEDIA

However, after an initial price shock, when ISIS seized northern Iraq, the price of oil has stabilised on a rather downward note. That decline has happened even as conflicts have flared in or near oilproducing regions.

But normally, the price of oil is expected to spike higher, amid turmoil. So why has it been trending lower? Is this the lull before a storm?

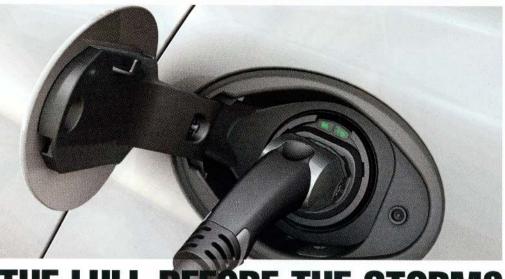
Global oil prices did rise when ISIS first swept into northern Iraq, but the price of crude has trended downward since then. Despite the US decision to enter that fight. the conflict in Ukraine and sanctions imposed against Russia, the price of oil has tumbled. So why, then, are petroleum prices falling?

The International Energy Agency (IEA) has said that "a weaker economic outlook in China and Europe is causing a remarkable slowdown in global demand growth," and attributed this as a reason for the downtrend in crude oil prices.

Meanwhile, the International Monetary Fund (IMF) predicts that a worldwide recession may be encroaching upon us. The GDP of the EU is contracting, while consumer spending in the US has been flat since August.

So what is happening to cause a retreat in the price of oil?

Possible reasons could be many. However, economists suggest the possibility of a retreat by speculators from investments in the oil market



THE LULL BEFORE THE STORM?

Praveen Jaiswal attempts to explain the slippery slide of the price of oil

as the prime reason, apart from falling demand, due to signs of recession beginning to take hold.

The withdrawal of banks from commodities has had a major effect on volatility, according to hedge fund experts. Bank withdrawals have not only squeezed liquidity, but resulted in the winding up of trading books, which included structured products like paper crude transactions. Economists also feel that low volatility does not mean that the problems are solved.

This is akin to the calm before the storm, as in 2008. where most people did not foresee a crisis looming.

Every market is a process of relationships. In every market, there are price-makers and price-takers. The oil market. however, is no ordinary place. The struggle to control it, therefore, is no ordinary struggle.

With oil being elementary to global monetary systems, the degree of control over the market translates into some level of enhanced power in all other markets. In recent history, however, the amplitude of oil price variations has been more systematically attributed to growing Iran-related geopolitical risks and abundant liquidity.

The oil bubble has actually siphoned excess liquidity, and strengthened the dollar in the process.



The price of oil is much more about the state of the global economy, than simply the cost of petrol at the pump...

But the price of oil is too important to be left to market forces. With the oil-dollar standard holding, rising prices dampen the performance of all importing economies, to a higher degree than they do the US economy. Oil price variations, therefore, engender a shift in the degree of power enjoyed by the American economy, compared to others. Hence, the price of oil is much more about the state of the global economy, than simply the cost of petrol at the pump.

Financial speculation, mainly the purchase of crude oil futures, was behind the 2008

price surge. The present hike is driven by speculation around a very geopolitically charged future. Problems in the Gulf, past and present, have gained a semblance of permanence.

On the consumption side, the demand for oil continues to stagnate. The fear factor of a fully-fledged war in Iraq, in particular, is of unusual significance to feeding sharp oil price movements.

Like Iraq, Iran's power is being exaggerated to justify aggression. Talk of sanctions on Iran aren't new, and have always seeped into the oil market in one form or another. The market has operated with these grim analyses in the background, and cohabitated with such conditions for many years.

The price of oil is increasingly driven by the futures market. It rests on an assemblage of futures, and spot, physical forward and derivative markets, where - with expanding liquidity - the futures market leads. A large number of hedge funds and individual clients participate in this market. Hedgers are speculators, due to their fear that the actual price is liable to be less favourable than the price they are willing to pay now.

In today's oil market, therefore, the major players are speculators - and their withdrawal, for the time being, is sliding oil to its actual levels.

The writer is a senior professional in the oil and gas industry. He is based in India. Digitized by Noolaham Foundation. noolaham.org | aavanaham.org

IRAN SHOWCASES TOURIST SITES An Iranian tour guide shows figures carved on the wall of the eastern stairway of the Apadana palace, to European tourists, at the ruins of Persepolis – in southern Iran. At the foot of Persepolis, the giant sun-dried brick ceremonial capital of the Achaemenid and first Persian Empire, foreign tourists pour out of buses and gaze in amazement and wonder.



BUSAFP JESS NEW SWIRE

IRAN SEEKS TOURISM REVIVAL At the foot of Persepolis, busloads of foreign tourists gaze in awe, at the ancient mud-brick ceremonial capital that Iran hopes will be part of a rebirth of its tourism industry. Although decades of sanctions mean the hotels and infrastructure are not fivestar, a tentative political thaw with the West is drawing visitors to Iranian attractions steeped in myth and rumour.

Persepolis, a jewel of the first Persian Empire (whose palace and terraces took more than 100 years to build, starting under Darius the Great, in 518 BC) is one of the highlights. "Before coming to Iran, I knew the vision of this country from the outside was very dark," says Piotr Chwalba, from Poland. "A place like Iran has two sides: the one created by the media; and the other version, the truth, where everyone helps you when you travel... and everyone smiles at you. It's great."

Sincere, as such testimony is, a rise in visitors has more to do with politics than praise. The prospects for tour operators were bleak, until recently. The election last year, of President Hassan Rouhani – and his decision to restart negotiations with the US and other leading nations, about Iran's nuclear programme – has been a catalyst.

Thomas, an engineer from Stuttgart, says the nuclear issue is the only thing he hears about Iran, in the news back home. "What we see is totally different from what we hear from the outside," he says. "The Iranians are very hospitable, and very curious."

Shiite pilgrims from Iraq, Kuwait, Lebanon and Pakistan currently make up 60 percent of Iran's visitors. But the Government's main push is to recapture the spending power of Europe, Asia and America. Iran's currency, the rial, has been severely depressed by rampant inflation, so tourism offers a foreign exchange windfall.

Tourist numbers were up 35 percent year-onyear, to 4.5 million, bringing in US\$ 6 billion. With 17 UNESCO-listed World Heritage sites, Iran wants 20 million visitors within a decade. The Jewels of Persia – a luxury train – arrived in Tehran on 27 October, on an all-inclusive 15-day trip, with tickets costing between 9,000 and 14,000 US Dollars.

Such trips may start to breed unease, however. Some conservative MPs are demanding that tourists be given guidance on how to behave, as soon as they arrive in the Islamic republic. It is a sensitive issue that visitors must embrace; the dress code for women is loose clothing (known as hijab) that covers the head and neck. Men should avoid shorts.

But to those travelling to Iran, the warm welcome is outweighing concerns about dress or security, or the need for highclass hotels and slick service.

SAMSUNG HOLDS ITS GROUND

Buffeted by sliding profits and emboldened competitors, mighty Samsung Electronics is looking unusually vulnerable these days. But analysts say its financial muscle and product diversity make 'crisis' talk more than a little premature. The South Korean behemoth, which is also facing a once-in-a-generation leadership change, reported a near-50-percent plunge in thirdquarter net profits, following a 20 percent drop in the previous three months.

The nosedive was all the more dramatic because it came after several years of stellar growth and a seemingly endless succession of record quarterly profits for the world's largest smartphone maker. Just as it had driven the rapid profit expansion, it was the performance of the company's mobile unit that accounted for the sudden reversal in fortunes.

While its flagship Galaxy S smartphone suffers in the highend market from the popularity of arch-rival Apple's new iPhone 6, its dominance of the middle and low-end handset segment is challenged by



MEDIA SERVICES PHOTOFILE (SANJAYA DE SILVA)

Chinese handset makers such as Huawei, Xiaomi and Lenovo. "Suddenly, Samsung finds itself sandwiched between Apple and the Chinese makers," observes Lee Min-Hee, an analyst at IM Investment and Securities.

For the moment, Samsung is still the comfortable leader by sales volume. But its share of the global smartphone market has fallen from 35 percent a year ago, to just below 25 percent, according to Strategy Analytics. Lee notes that "Samsung is a giant that makes a million smartphones a day. So, naturally, it takes quite a bit of time to steer the ship in a different direction, and make it sail smoothly again."

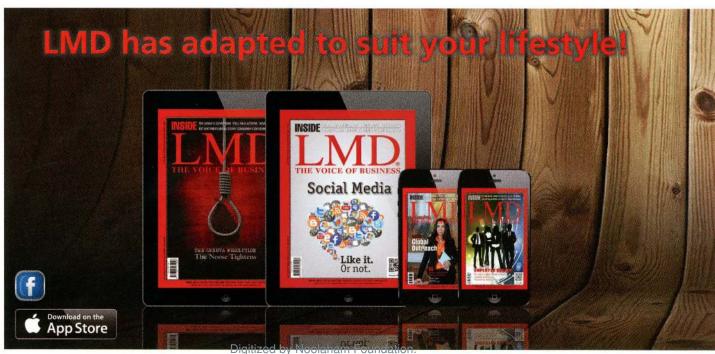
Peter Lee, an analyst at Woori Investment and Securities, believes that the semiconductor market could do more than just tide Samsung over the smartphone hiccup. "I think, beginning [in] 2015, Samsung will become more a memory chip-making company than a smartphone company," he predicts.

And if the stunning growth rates of the past few years

are unlikely to be replicated anytime soon, Samsung is still a long way from going into any sort of terminal decline. "The stellar years of 2012 and 2013 were highly abnormal," states Greg Roh, analyst of HMC Investment and Securities. "What we're really seeing now is things getting back to normal."

US SPACESHIP CRASH PROBE

Authorities who are carrying out the investigation into a US spacecraft crash that killed a pilot and seriously injured



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Image: Description of the image: Descri

another say that probing the incident could take a year. National Transportation Safety Board Acting Chairman Christopher Hart told reporters that debris from the Space-ShipTwo (SS2) rocket crash was strewn over an area of eight kilometres, indicating a likely in-flight break up. The full probe, to piece together the facts and analysis, "will be probably take 12 months or so," he revealed. British tycoon and Virgin

British tycoon and Virgin chief Sir Richard Branson, meanwhile, has insisted that he is undeterred – and that his dream of commercial space travel is alive. The doomed Virgin flight, the 35th by SS2 – which is meant to carry tourists on short but expensive trips to space – marked the first time the spaceship had flown on a new type of plastic-based rocket fuel mixture.

Hart notes that investigators are entering unknown territory, since this was "the first time we have been in the lead of a space launch that involved persons on board."

This accident dealt a devasta-

ting setback for commercial space tourism. It was the second disaster to rock the private space industry, a few days after an Antares rocket carrying supplies to the International Space Station exploded after take-off, in Virginia. Speaking to reporters after arriving in the California facility that had served as the hub of Virgin Galactic's space programme, Branson said that safety remained his paramount concern.

"We owe it to our test pilots, to find out exactly what went wrong. And once we've found out what went wrong, if we can overcome it, we'll make absolutely certain that the dream lives on. We do understand the risks involved, and we're not going to push on blindly," he said, before meeting with grieving Virgin Galactic staff.

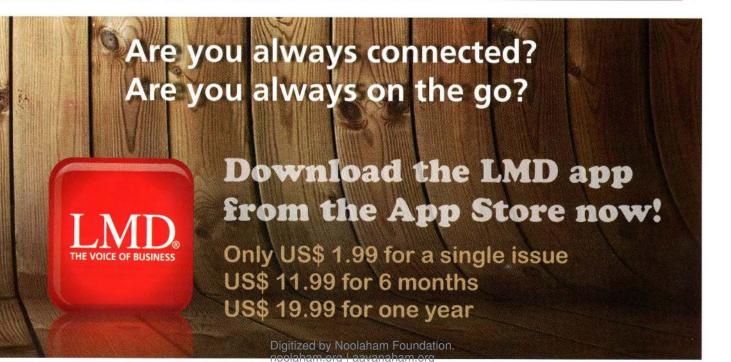
SS2 crashed and hurtled to the ground, shortly after it had detached from a mother-ship at an altitude of around 13,700 metres, during a test flight. Experts say the accident will

delay the advent of commercial space tourism by several years. Virgin Galactic had hoped to start ferrying wealthy customers to the edge of space in 2015, charging US\$ 250,000 per person, for a ticket on the company's six-seater vehicle.

APPLE FAILS TO CALM NERVES

Though it was meant to inject momentum into a fragmented market for the emerging mobile payments sector, Apple Pay has highlighted the squabbles between retailers and the banking and payments industry, instead.

Since Apple Pay made its debut on 20 October, for US customers with the iPhone 6, several major retailers have said they would not use it. That includes the No. 1 retail group Wal-Mart and the large pharmacy-retail group CVS, which has disabled payment terminals that could accept Apple Pay.



"You're never going to come up with anything as smooth [and] as easy as Apple Pay. But if you can't use it, you're going to use something else," notes Avivah Litan, an analyst at Gartner.

Litan says that a few retailers, such as McDonald's and Disney, like the system because it speeds up transactions and "every fraction of a second goes to the bottom line." But she observes that for most retailers, credit card fees are simply too high.

Apple Pay has aligned itself with major banks and payment processors Visa and Master-Card, which take a cut from every transaction, typically two to three percent. Retailers, which often operate on razorthin profit margins, would like to cut or eliminate these fees. and Apple Pay does nothing to change that system. Although Apple has signed on most major US banks, Visa and MasterCard, and retailers like Macy's and Staples, many others are balking.

Apple Pay "really falls short when it comes to merchant value proposition ... and it can't compete with Apple on convenience, but can on price. It's going to boil down to price versus convenience, and price usually wins," Litan sums up.

HUNGARY SHELVES NET TAX Hungary's Prime Minister recently shelved plans to

FACTS AND FIGURES GLOBAL POWER CITIES



MEDIA SERVICES PHOTOFILE (ANUSH WIJESINHA)

introduce an Internet tax that sparked major demonstrations and new concerns about civil liberties. The new levy on online data transfers "cannot be introduced in its current form," the right-wing Viktor Orbán said, in a morning radio interview. He added that a "national consultation" on the Internet and taxes would start in January.

In a recent statement, the Economy Ministry said it had initiated the withdrawal of the proposed levy. The proposed Internet tax was seen by Orbán's critics as the latest step to silence dissent, particularly since Hungarians have to go mostly online to find news that doesn't toe the Government line.

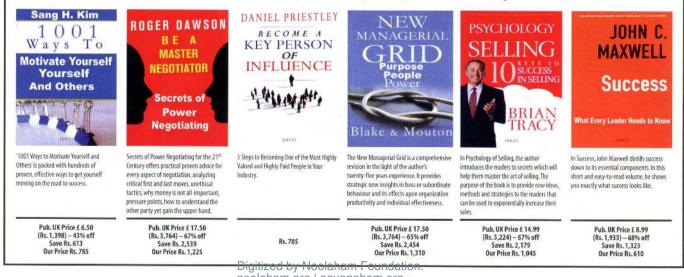
The EU has criticised the proposed legislation, with a spokesman for Digital Commissioner Neelie Kroes calling it a "particularly bad idea" and "part of that pattern of actions which have limited freedoms" in Hungary. Kroes later noted that she was "very pleased" that it had been withdrawn.

Since Orbán swept to power

in 2010, the PM has been accused of eroding democratic norms in the former communist Central European country. Opponents at home and abroad say he has weakened the judiciary, muzzled the media and tweaked the electoral system in his favour, and put pressure on foreign-funded NGOs. "We feel that the consultation is not the end of this tax," an organiser of the demonstrations told AFP, adding that they wanted Parliament to declare that the tax was dead.

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The Economy Ministry's statement on the withdrawal of the legislation was met with cheers by the crowd. However, protestors still cited wider concerns. "The Internet tax might be withdrawn, but protestors have more general problems with this system," Tamas Farkas, a manager who came to the demonstration with his young son, told AFP. He added: "We are sliding towards an authoritarian system, and that will not be resolved by scrapping the Internet tax."

"The retreat means Orbán's

Fidesz (party) realised that it can face bigger losses, if it continues to walk down the path of introducing the tax," Kornéli Magyar, of the Hungarian Progressive Institute, told AFP. "The fact that Orbán called for national consultations seems to suggest that this is not a definitive retreat," she added.

SONY STRUGGLES Sony

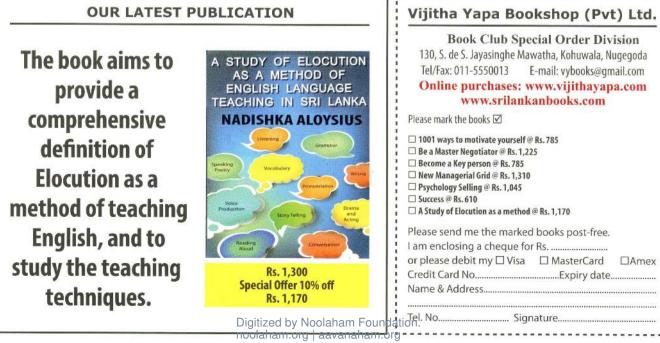
recently announced a whopping US\$ 1 billion six-month loss, underlining the Japanese electronics giant's struggle to drag itself out of the red, while it falls further behind arch rivals Panasonic and Sharp. As the trio published their half-year earnings, Sony said the challenges of a fiercely competitive smartphone business had weighed on its bottom line.

While Japan's electronics giants have benefited from a sharply weaker yen in recent years, analysts have warned that the impact is fading, saying the industry giants have more work to do to reinvent themselves. Sony's net loss for the six months ended 30 September came in at 109 billion yen, way up from a loss of 16.5 billion yen for the corresponding period last year. It also reported an operating loss of 15.8 billion yen, reversing a profit of 49.4 billion yen a year earlier, although sales ticked up by 6.5 percent, to 3.7 trillion yen.

The latest earnings announcement comes after Sony downgraded its annual earnings forecasts, in October, revealing that it would lose a whopping 230 billion yen in the fiscal year to 31 March – that's more than four times its earlier forecast.

The smartphone business, Sony says, has been hit by weaker-than-expected results in emerging markets, as it battles global rivals – including Samsung and Apple. Despite Chief Executive Kazuo Hirai's bid to turn the massive corporation around, Sony has struggled to clearly define how it will look in the future or roll out innovative products, analysts have said.

"Unlike Sony, Panasonic and other electronics firms have already changed course to business-to-business operations, which have started showing some good results," Hiroshi Sakai, an analyst at SMBC Friend Securities, avers. Sakai adds: "So they've been recovering, compared with Sony."



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BIOLOGICAL ASSETS

etlands – more commonly known as marshes and mangroves – are an intrinsic element of Sri Lanka's natural assets. In ecotourism, wetlands

play a critical role by way of enriching ecological diversity, with many diverse ecosystems providing a sanctuary for flora and fauna. The richer the 'bioassets,' the greater the interest in a destination such as Sri Lanka, as the travel experience becomes more authentic.

The biodiversity of our wetlands is clearly characterised by the rich array of wetland ecosystem-habitat types, and the larger number of animal and plant species that they harbour.

For example, the International Union for Conservation of Nature (IUCN) and Central Environment Authority's joint publication, National Wetland Directory of Sri Lanka, states that amongst the inland vertebrate species in Sri Lanka, about 30 percent are ecologically dependent on wetlands.

Among the migratory birds that visit Sri Lanka annually, more than 50 percent are directly dependent on wetlands for shelter. Furthermore, the future survival of approximately 32 percent of the nationally threatened vertebrate faunal species in Sri Lanka is dependent on wetland ecosystems in the island.

Aside from being a hotbed of ecological activity, wetlands also play a critical role in flood prevention and surface water filtration. Urban wetlands such as the Bellanwila-Attidiya and Sri Jayewardenepura Kotte marshes, Madiwela mangroves and Battaramulla wetlands have been disturbed and reclaimed.

Flood prevention has been the rationale for the disruption of these natural habitats. However, wetlands, in their own right, are natural flood-prevention mechanisms – i.e. by holding water, much like a sponge. Wetlands also release vegetative matter into rivers, which help feed fish and other water-based fauna. They play a critical role in countering and balancing the human effect on rivers, by rejuvenating them and surrounding ecosystems.



A TIMELY WETLAND WARNING

Roshini Galappatti heeds the gradual degradation of wetland habitats

Many animals that live in other habitats use wetlands for migration or reproduction. For example, herons nest in large, old trees, but need shallow areas to wade for fish and aquatic life. Amphibians often forage in upland areas, but return to the water to mate and reproduce. Moreover, wetlands are not

isolated or independent habitats. They are essentially symbiotic to other biomes, and to wildlife and humans, because wetlands directly improve other ecosystems. Development of urban areas in the interest of tourism has, unfortunately, become one of the most significant intrusions to Sri Lanka's wetlands.

Although protected under the Ramsar Convention, and despite falling under the Fauna and Flora Protection Ordinance of 1937, many urban wetlands in and around the nation's commercial capital have been gravely intruded. Intense digging, removal of mangroves, and physical and biological transformation of wetlands – though adding to the physical beauty of the locations – have placed many eco-habitats in imminent danger.

The freshwater marshes of Bellanwila-Attidiya, Muthurajawela and Sri Jayewardenepura Kotte are protected wetlands under the supervision of the Department of Wildlife Conservation.



"

Development of urban areas in the interest of tourism has, unfortunately, become one of the most significant intrusions to Sri Lanka's wetlands ...

Most of the area surrounding the Parliament complex in Sri Jayewardenepura Kotte consists of low-lying freshwater marshlands, a key feature of local topography. The Beddagana urban wetland, a part of the flood plains of the Diyawanna Oya, has been a birds' paradise for decades. Habitats as diverse as ponds studded with water lilies, wet shrub lands, seasonally flooded grasslands and mud flats are found in this vicinity.

The Beddagana wetland is a scenic bird-watcher's paradise – 18 migrant bird species and 34

resident species can be identified in the area. Yet, the destruction of these natural assets has been grave, and the effects of the man-made changes to an ancient ecosystem will be far-reaching.

Likewise, between 1998 and 2006, the Bellanwila-Attidiya sanctuary has lost most of its diversity, with as much as a 40 percent reduction in the faunal assemblage.

However, the reduction in bio-assets since 2006 has not been gauged.

Rapid destruction of the marsh and mangrove in the Bellanwila-Attidiya sanctuary over the past year, due to development work and aesthetic beautification of the urban surroundings, means that the faunal assemblage would have drastically reduced since the last audit.

The future sustenance of inland wetlands and their biological resources, in the context of increasing allocation of wetland and water resources for a growing human population, is a challenge that needs to be addressed speedily, yet wisely.

Conservation biologists and environmentalists need to work in close collaboration with development planners and policymakers, to find viable solutions to the these challenges that would play a decisive role in the future conservation of inland freshwater wetlands in Sri Lanka.

Roshini holds a BSc (Hons) degree in Business from the Manchester Metropolitan University, an MBA from the University of Wales and a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing (UK). She is a freelance corporate writer, and an advertising and PR professional. Digitized by Noolaham Foundation.

ENTERTAINMENT INDUSTRY

ri Lanka's entertainment industry dates back to the heyday of the Tower Hall, in Maradana, in the early 20th century. This historical institution was the pioneer in inculcating a theatre culture that has had a major impact on present-day literary and drama activities.

Although cinema was introduced to the island around the same period, it was only in the post-independence years that it developed into an industry, starting with the screening of the Sinhala film Kadawunu Poronduwa (Broken Promise), in 1947. Today, the country's primary sources of entertainment are cinema and television, while stage dramas continue to attract large audiences, especially in the commercial capital.

Our – mainly Sinhala – cinema reached its peak in the 1970s, following the establishment of the State (now National) Film Corporation of Sri Lanka. However, miscalculated government policies and social upheavals during the 1980s led to a rapid decline of the industry. The number of cinema halls and admissions also reduced drastically.

The removal of restrictions imposed in respect of film productions after 1977, resulted in a flood of shoddily-made films, under unrestricted credit granted to anyone for filmmaking.

Although Sri Lankan films were winning international awards, yearly admissions had dwindled to a mere trickle by 2009. The number of cinemas, which was 365 in 1979, had fallen to a mere 147. By end 2010, yearly cinema attendances had reportedly plummeted to 5.5 million, the lowest in cinema's history.

A hapless National Film Corporation (NFC) was frozen in inaction, while four private sector distributors (who had taken over the reins, to run the film industry) were waiting for audiences to fall onto their laps.

Although a commission headed by Prof. Senaka Bandaranayake made recommendations on how to revive the cinema industry, they have yet to be fully implemented. The local film industry lost its mass market



OVERPOWERING OBSTACLES

Janaka Perera targets creations that enrich our viewing experience

appeal, and the few remaining quality halls were invaded by Hollywood and Bollywood blockbusters, discouraging local filmmakers.

It took over 40 years for Sri Lanka to get a National Film, Television and Soundtrack Archive, although veteran filmmaker Sri Lankabhimanya Sir Lester James Peries made the proposal as far back as in the late 1960s – that was even before TV was introduced to the island. The latest decision was taken on the occasion of his 95th birthday, in April.

One of the disadvantages facing Sri Lanka, in the context of developing the cinema industry, is the limited local market for quality films made here – in contrast to our giant neighbour India, or any other large country.

Even though the audience that is attracted to quality movies may be much smaller than those who are drawn to other films, that minority is far more than the total number of filmgoers in our land, who are attracted to films that resemble soap operas.

Small wonder, then, that many local producers are reluctant to invest in movies that are based on complex themes.

The only way to overcome this hurdle is to expose quality Sri Lankan films to the international market. Both marketing and tech development need to happen in parallel, for this purpose. It will



One of the disadvantages facing Sri Lanka, in the context of developing the cinema industry, is the limited local market for quality films made here...

not only boost the local production of quality films, but help promote the island as a destination for film locations too.

Since international cinema has reached its peak in technological standards, Sri Lankan filmgoers should also be given the opportunity of enjoying the same experience.

One of the problems affecting the local film industry is the conflict between the National Film Corporation and film producers, over the number of copies of films to be released. The latter allege there is favouritism – by the NFC – towards certain producers, who are allowed to print more than the specified number of copies.

As for television, teledrama production has evolved into a fully-fledged industry. And with proper management, it can become a profit-earning business. However, the quality of some teledramas being shown on almost every channel leaves much to be desired.

Unlike cinema, TV is first and foremost meant for the entire family, and to be viewed for the better part of the day. Although in the beginning, in the 1980s, good TV dramas were serialised, some that are being shown today are not only of poor quality but also set bad examples (e.g. those that revolve around extramarital affairs, indirectly giving the impression that they are 'normal').

Embracing the latest technologies and adapting to current international trends, though undoubtedly important to both TV and cinema filmmakers, must cater to the needs of local viewers.

There are controversies over mega serials and certain other forms of TV entertainment, but all these are necessary for the industry to survive. However, the film and entertainment companies should strive to churn out higher-quality productions, as this will take our cinema industry to the next level.

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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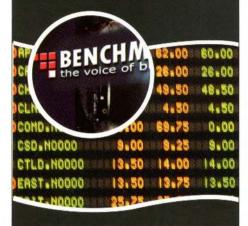
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ICBT CAMPUS



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, its 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 March 2015.

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.

- Umeshka Ratnaweera

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SAEGIS CAMPUS



elcoming students to a productive and rich learning environment, Saegis Campus opens up educational pathways to students under the flag of Sakya Group of Education. Leveraging on the group's established reputation of over 15 years, Chairman and Managing Director Bandara Dissanayake is steering Saegis Campus towards empowering students, to expand their capabilities in education.

Saegis Campus offers foundation courses in Business and IT, and a diploma course in English. It also provides students an opportunity to pursue undergraduate degrees in Sri Lanka, with qualifications awarded by Heriot-Watt University and Birmingham City University, in the UK.

"According to QS World University Rankings® 2014/15, Heriot-Watt University is placed in the top four percent of universities globally; and it is ranked 13th in the UK, according to the Guardian University Guide 2015, whilst Birmingham City University is part of the SAP University Alliances programme," says Academic Dean Chandima de Silva.

He continues: "Students can also complete their studies partly in Sri Lanka and transfer their credits to no less than 24 universities."

Its 10-storey building located in the heart of Nugegoda is a Wi-Fi-enabled, air-conditioned premises with a modern computer laboratory, language lab, student lounge and spacious cafeteria. A special MSc computer laboratory will also be set up in the near term. All programmes are delivered by qualified academics from state universities and industry experts.

Saegis Campus' newest addition to the courses on offer is the MSc in Enterprise Systems Management, awarded by Birmingham City University. The Academic Dean notes that this postgraduate qualification is to be launched in January.

The course is designed primarily for graduates who have prior knowledge of information systems and/or technologies, logistics and distribution; and who wish to specialise in enterprise resource planning, business intelligence and customer relationship management.

An induction programme also caters to experienced individuals, such as project managers and those with a manufacturing background, who wish to update their skills.

Professionals with experience in other sectors will also benefit from this postgraduate course. The study programme has a strong professional emphasis, and students can work towards an industry-recognised SAP qualification alongside their MSc.

In addition to presenting further academic research opportunities, there is an increasing demand for competent, versatile postgraduates who can design and implement innovative solutions for business, thus making successful postgraduates a resource that is in demand.

Umeshka Ratnaweera

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Colombo Stock Exchange

Changes to Directorates

NAME	DESIGNATION
Lalit Wijeyeratne	Independent Director
Rajan Brito	Chairman
Rajiv Dvivedi	Non-Executive Director
Takashi Igarashi	Non-Executive Director
Ananda Atukorala	Non-Executive Director
Anil Tittawella	Non-Executive Director
Dr. Dayanath Jayasuriya	Non-Executive Director
Lakshmi Gunatilake (Ms.)	Non-Executive Director
Palitha Wikramanayake	Non-Executive Director
Yigang He	Non-Executive Director
Mohamed Adamaly	Non-Executive Director
Tissa Bandaranayake	Independent Director
Mahinda Nanayakkara	Non-Executive Director
Mootatamby Swaminathan	Independent Director
Kenneth Allen	Non-Executive Director
Chandula Abeywickrema	Non-Executive Director
Krishantha Hiswella	Non-Executive Director
Cedric Jansz	Chairman
Dinesh Schaffter	Managing Director
Manjula Mathews (Ms.)	Chairperson
Dinesh Schaffter	Managing Director
Manjula Mathews (Ms.)	Chairperson
Uditha Palihakkara	Independent Director
Manjula Mathews (Ms.)	Chairperson
Dr. Nimal Sanderatne	Independent Director
Jonathan Alles	Chairman
Prof. Roshan Perera	Director
Piyasiri Amarakoon	Alternate Director
Imran Zahir	Independent Director
Asoka Abeynaike	Non-Executive Director
Kelum Kospelawatta	Director
Kelum Kospelawatta	Director
Harris Premaratne	Non-Executive Director
Himalee Kularathna (Ms.)	Independent Director
Dr. Jayendra Nayak	Non-Executive Director
Gaurav Trehan	Non-Executive Director
Michael O'Hanlon	Non-Executive Director
Puneet Bhatia	Non-Executive Director
Ranvir Dewan	Non-Executive Director
Ranjith De Silva	Chairman
	Lalit Wijeyeratne Rajan Brito Rajiv Dvivedi Takashi Igarashi Ananda Atukorala Anil Tittawella Dr. Dayanath Jayasuriya Lakshmi Gunatilake (Ms.) Palitha Wikramanayake Yigang He Mohamed Adamaly Tissa Bandaranayake Mahinda Nanayakkara Mootatamby Swaminathan Kenneth Allen Chandula Abeywickrema Krishantha Hiswella Cedric Jansz Dinesh Schaffter Manjula Mathews (Ms.) Dinesh Schaffter Manjula Mathews (Ms.) Dinesh Schaffter Manjula Mathews (Ms.) Uditha Palihakkara Manjula Mathews (Ms.) Dir. Nimal Sanderatne Jonathan Alles Prof. Roshan Perera Piyasiri Amarakoon Imran Zahir Asoka Abeynaike Kelum Kospelawatta Kelum Kospelawatta Harris Premaratne Himalee Kularathna (Ms.) Dr. Jayendra Nayak Gaurav Trehan Michael O'Hanlon Puneet Bhatia Ranvir Dewan

Corporate News

Cargills (Ceylon) disposed its trademarks and shareholding in Millers Brewery to Lion Brewery and its subsidiary Pearl Springs respectively, for Rs. 5.2 billion.

Bimputh Finance received a loan of US\$ 750.000 from Incofin IM's Rural Impulse, Luxembourg, to expand its microfinance operations.

Bansei Royal Resorts entered into a management agreement with Jetwing Hotels, to take over the management of its hotels.

Colombo City Holdings sold its property in Colombo 4, for Rs. 206.6 million.

Highest Weekly Gains

WEEK ENDING	COMPANY	
3 October	Pan Asia Bank	
10	Singer Industries (Ceylon)	
17	Alufab	
24	SMB Leasing (Non-voting)	
31	Serendib Engineering Group	

Highest Weekly Losses

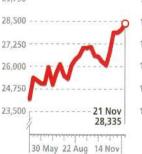
WEEK ENDING	COMPANY
3 October	Lanka Century Investments (Warrant)
10	Lanka Century Investments (Warrant)
17	Blue Diamonds Jewellery
24	Lanka Century Investments (Warrant)
31	Lanka Century Investments (Warrant)

* VWA - Volume Weighted Average

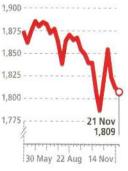


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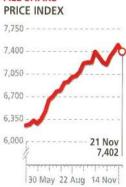


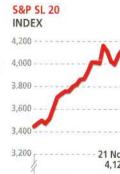


KUALA LUMPUR COMPOSITE



GLOBAL TRENDS ALL SHARE







Compiled by Sujith Widanagamage

ACL Cables, together with NDB Capital Holdings and Trydan Partners, entered into a share sale and purchase agreement with Hemas Holdings for 93.9 million shares of Hemas Power (held by Hemas Holdings), for Rs. 1.7 billion.

Hatton National Bank acquired a 51 percent stake in Prime Grameen Micro Finance.

TVS Lanka, a joint venture between United Motors and TVS & Sons (India), sold its shareholding (1.3 million shares) in its subsidiary TVS Autoparts to Douglas & Sons, for Rs. 65,000.

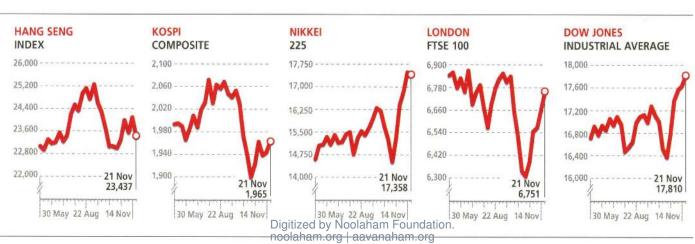
VWA*	CHAI	NGE
Close (Rs.)	(Rs.)	(%)
25.90	4.50	21
207.00	32.80	19
31.00	12.00	63
0.60	0.10	20
114.60	29.60	35
	Close (Rs.) 25.90 207.00 31.00 0.60	Close (Rs.) (Rs.) 25.90 4.50 207.00 32.80 31.00 12.00 0.60 0.10

IGE
(%)
17
40
31
33
50

Changes to Directorates

COMPANY	NAME	DESIGNATION
Aitken Spence Plantation	Malik Fernando	Chairman
the out with the	Thomas Stillmann	Director
Bartleet Finance	Anil Wijesinghe	Director
The state of the second se	Buwaneka Subasinghe	Director
	Dharma Dheerasinghe	Director
Contraction of the second	Eraj Wijesinghe	Director
	Eshanth Wijesinghe	Director
and the second	Indrajith Fernando	Director
ever the second second	S. Raghavan	Director
	5. Sirikananathan	Director
A second second second	Sunil Wijesinghe	Director
	Susantha de Alwis	Director
BRAC Lanka Finance	Mohammed Abdul Ali	Director
Contractor and the second	Shameran Bahar Abed	Director
	Shib Narayan Kairy	Director
Ceylon Guardian	Asoka Gunasekera	Non-Executive Director
Ceylon Investment	Asoka Gunasekera	Non-Executive Director
DFCC Vardhana Bank	Rajan Brito	Chairman
anka Ventures	Arjun Fernando	Chairman
Odel	Eardley Perera	Non-Executive Director
a second s	Hamid Ghazali Hussain	Alternate Director
and a company second	Otara Gunewardene (Ms.)	Director
	Paul Topping	Non-Executive Director
Sanasa Development Bank	Dr. R. M. K. Ratnayake	Independent Director
Singer (Sri Lanka)	V. G. K. Vidyaratne	Alternate Director
TAL Lanka	Raymond Bickson	Independent Director
Service Contraction Contraction	Udaya Kadurugamuwa	Independent Director
Jnion Bank	Al Faisal Al Saud	Independent Director
States and the second second second	Dr. Harsha Cabral	Independent Director
	Sunil Karunanayake	Independent Director
Services Version Contraction	Suren Madanayake	Independent Director
Watawala Plantations	Harish Bhat	Director





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CONSUMER CONFIDENCE

SRI LANKA CONSUMER CONFIDENCE INDEX TRENDS

QUARTERLY INDICES/ROLLING THREE-MONTHLY AVERAGE INDEX

100 (CCI INDEX)

75

50

25

DECEMBER 2013



BASE: 300 RESPONDENTS (QUARTERLY)

he feel-good factor appears to be returning, with the Nielsen Consumer Confidence Index (CCI) at its highest point in over two years, at 75, in November. More than a third of consumers (versus 21%, in October) are confident that they will be able to afferd

VIELSEN

they will be able to afford essential items in the next 12 months, even if 65 percent remain unconvinced.

Consumers are also more optimistic about the state of their personal finances, with 33 percent of those polled expecting conditions to be favourable in the 12 months ahead.

However, job prospects continue to be a concern among consumers, with 46 percent (up from 44%, in October) expecting a gloomy outlook for the employment horizon.

Conversely, 54 percent of the survey sample points to positive employment conditions in the coming months, compared to 56 percent who held the same view in October.

Q: What do you think the job prospects for Sri Lankans will be in the next 12 months?

	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
Excellent	3	6	1	3	5	0	2	4	1	8	2	4
Good	24	22	15	19	26	17	22	28	12	20	54	50
Not so good	50	60	69	65	51	64	56	49	65	53	24	35
Bad	23	12	15	13	18	19	20	19	22	19	20	11
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?

	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
Excellent	0	2	2	3	0	1	1	0	0	0	0	2
Good	12	18	8	11	11	9	8	15	6	13	22	31
Not so good	59	68	75	66	63	71	72	66	68	63	56	51
Bad	29	12	15	20	26	19	19	19	26	24	22	16
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?

DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
1	1	5	2	0	2	1	0	0	3	0	0
9	14	7	11	4	10	4	15	5	7	21	35
64	51	66	62	62	67	70	66	64	68	47	47
26	34	22	25	34	21	25	19	31	22	32	18
100	100	100	100	100	100	100	100	100	100	100	100
	1 9 64 26	1 1 9 14 64 51 26 34	1 1 5 9 14 7 64 51 66 26 34 22	1 1 5 2 9 14 7 11 64 51 66 62 26 34 22 25	1 1 5 2 0 9 14 7 11 4 64 51 66 62 62 26 34 22 25 34	1 1 5 2 0 2 9 14 7 11 4 10 64 51 66 62 62 67 26 34 22 25 34 21	1 1 5 2 0 2 1 9 14 7 11 4 10 4 64 51 66 62 62 67 70 26 34 22 25 34 21 25	1 1 5 2 0 2 1 0 9 14 7 11 4 10 4 15 64 51 66 62 62 67 70 66 26 34 22 25 34 21 25 19	1 1 5 2 0 2 1 0 0 9 14 7 11 4 10 4 15 5 64 51 66 62 62 67 70 66 64 26 34 22 25 34 21 25 19 31	1 1 5 2 0 2 1 0 0 3 9 14 7 11 4 10 4 15 5 7 64 51 66 62 62 67 70 66 64 68 26 34 22 25 34 21 25 19 31 22	1 1 5 2 0 2 1 0 0 3 0 9 14 7 11 4 10 4 15 5 7 21 64 51 66 62 62 67 70 66 64 68 47 26 34 22 25 34 21 25 19 31 22 32

"

BASE: 100 RESPONDENTS (MONTHLY)

More than a third of consumers (versus 21%, in October) are confident that they will be able to afford essential items in the next 12 months...

NOVEMBER 2014

nielsen

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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BENCHMARK the voice of business

Vajira Kulatilaka pins his hopes on the SEC Act to restrain the cowboys

ajira Kulatilaka took the greins at the Colombo Stock Exchange (CSE) in June. The new Chairman of the CSE has almost three decades' gr almost three decades' gr and the capital market. Expressing point his perspectives on the domestic gradient stock market, Kulatilaka says that a

growth." He elaborates: "Share trading in this country has a history of over a hundred years. It has had its ups and downs; but after 2009, it started a new phase with the ending of the war. The All Share Price Index (ASPI) rose to almost 7,800, and then went into a correction. Some people lost their faith in the market, because they lost money."

the exchange is currently going

through "a more realistic phase of

The CSE is now going through "a consolidation growth phase, which is different to what happened after the war, because some [investors] were over-optimistic," he adds.

Kulatilaka acknowledges that the CSE needs to address many issues that have been neglected over the years. "In 1992 or '93, when we started scripless trading – at that time, we were the eighth in the world to do so – we were even ahead of London and Bombay. But over the last 25 years, we have neglected things. Now things are changing, so we have to develop institutions, systems and risk management back office operations – and we have to leapfrog ahead," he states.

The market had gained ground in recent months, with average daily liquidity rising to Rs. 1.9 billion at end September. Nevertheless, the CSE's Chair feels that three months is "too short a period for the capital market," noting that it is essential to sustain this performance.

"I think that there is a lot that we have to achieve ... We have to build confidence and sentiment must change, and we have a lot to do. We have to take our stock market to a different level. This process has now been started, and it is going on," he insists.



Weighing in on the muchtalked-about issue of insider trading, Kulatilaka asserts that in order to curb the menace, the cultural, legal and regulatory frameworks must improve. Compared to other frontier and emerging markets, insider trading is "not a big issue" in Sri Lanka, he opines.

As Kulatilaka notes, "insider trading is very difficult to prove and control. If I tell you that my company is doing well, it is considered to be insider trading ... So it is a cultural change that has to take place. And the legal framework should be in place, so that we may prosecute people."

He cites the case against Galleon Group founder Raj Rajaratnam in the United States, and how far the US authorities were willing to go, as an example of

the difficulty in proving such cases. "It is better to prevent than prosecute, because it is very hard to prove," he argues.

Pressed by Benchmark's Special Correspondent Savithri Rodrigo to comment on the stock market mafia – which is something of an open secret – Kulatilaka maintains the situation is under control: "I do not think that there is anywhere in the world that this type of mafia is thrown out entirely. It is prevalent everywhere, and what we can do is minimise their effect and control them."

He acknowledges that "the Securities and Exchange Commission (SEC), in particular, has taken steps to do that – in terms of warning them. And I know that this is being done. They are under control, and I hope that we can continue to control them; but they are not completely out."

"Legislative power is there to a certain extent. But, as I said, some things are very difficult to prove. There is a new SEC Act coming in, which will give it [the SEC] more civil powers. At the moment, we have criminal powers, and criminal cases are much more difficult to prove. So civil powers are something that the SEC will have, to control these things," he concludes.



PROGRAMME CONTENT

Business perspectives and indicators, current economic affairs and interviews with business leaders



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BENCHMARK the voice of business

BROAD-BASING HEALTH CARE

Steven Enderby wants private health care to be affordable to all citizens

roadly positive." This top is how Steven Enderby views the state of business in Sri Lanka, today. The Hemas Holdings Chief Executive Officer asserts that Government policy is "conducive for us getting on and delivering what we want to achieve, in terms of our objectives."

Disposable income, he says, is key. This is because "ultimately, you cannot go into a shop and say that the per capita GDP is growing at seven or eight percent, and then buy something. You go and buy something with rupees; and as we are seeing, and we've been tracking, we're certainly seeing disposable incomes improving through 2014."

Evaluating the demand for health

care products and services here, in Sri Lanka, Enderby believes that there are a number of drivers: "As a country, we are clearly getting older, and we also have the transition from communicable to non-communicable diseases."

"Certainly, when you look at the data on non-communicable diseases, we are seeing some really significant increases – and at quite worrying levels, too. So from a sort of negative perspective, health care demands will continue to rise quite strongly," he predicts.

Assessing the question as to whether disposable incomes in the country are sufficient for people to afford private health care, Enderby stresses that it is important to keep the affordability issue in mind.

"When we can offer fixed-price packages for surgical interventions or whatever, the demand for that product is always higher. This is because there is always an inherent fear that once you start a procedure at a private hospital, who knows quite where the end of that is – if something happens during surgery, or other medical conditions are discovered. So I think that the ability to offer a fixed price is a big issue in helping to address costs," he explains.



The CEO of Hemas Holdings says that from a private health care perspective, much of it is about the density of wealth, "because significant capital is involved in the hospital business – and do we actually have people who can afford to use those services?"

He observes that as you travel out of Colombo, it is more difficult to translate an effective private health care solution. "I think that it is incumbent on us to think hard about whether we can introduce more low-cost offerings, and think about playing our part in health care provision."

Comprehensive health insurance is a critical component, he emphasises, considering that Out-Of-Pocket (OOP) expenditure is over 80 percent in Sri Lanka: "As you look around the world, you see

different trends. The Indonesian Government is saying that it would be agnostic, in terms of where health care would be obtained – be it private or public environments – and it will pay a minimum amount. This sort of national health insurance policy is really quite interesting."

As for Hemas and its hospitals, Enderby reveals that "we are always thinking hard about how we can enhance and develop our relationship with insurance companies as well. There is a lot of work to do in this area, I think, because 80 percent OOP is a very big number."

"And the more we can do to help the insurance sector build and develop its medical insurance products," the outcome will be greater for everyone, he adds.

Enderby addresses the issue of public-private partnerships in the health care sector. Whilst agreeing that the sector would benefit from such partnerships, he says: "One of my issues, overall, is not just about health care... I would like to see the Government and private sector work closer together."

He sums up, as follows: "Life is too short, the world is a highly competitive place, and we cannot afford to not be in closer collaboration and working together."

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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A majority of respondents felt that there will not be any measures [in the budget] to curb the cost of living – it is almost as if people have given up...

Kiran H. N.

Q: Ahead of the presentation to Parliament of Budget 2015, what were the expectations of respondents to TNS Lanka's survey, on the tax front? A: People were not too optimistic, with a little over 25 percent saying that taxes will come down, compared to the 56 percent who believed that tax hikes would be imminent. Even amongst the so-called 25 percent of optimists, the reason for their optimism was that they believe the Government will announce some measures of tax reduction, since elections are around the corner. We asked the same question prior to last year's budget, where close to 70 percent believed that tax hikes would be imminent, compared to only 56 percent now. This seems to show some reduction in scepticism.

Q: Did survey respondents expect some relief to the cost of living from Budget 2015?

A: No, a majority of respondents felt that there would not be any measures to curb the cost of living – it is almost as if people have given up. Around 23 percent of them said that there might be some strong measures to bring it down, perhaps because of the recent announcements of reductions in electricity and fuel prices. But 60-plus percent felt that there was nothing that they could expect in regard to the cost of living.



An important aspect of the low interest rate regime is that people tend to borrow more, and invest in more projects...

Hasitha Premaratne

Q: How does the low interest rate environment help corporate earnings?

A: Companies which have a sizeable amount of debt on their balance sheets would obviously see their finance costs being reduced when interest rates come down. Apart from that, we have also seen certain sectors - particularly the banking sector - where, in times of [interest] rate volatility, the spread would keep widening. An important aspect of the low interest rate regime is that people tend to borrow more, and invest in more projects. So you may find that this is an initiative to grow profits and see better performance in corporate earnings, in the medium to long term.

Q: In your view, how will the Land **Bill affect investor sentiment?** A: We have had different types of structures, or different types of tax implications, on foreigners investing in land. The recent bill stipulates that foreigners are not entitled to buy land, and that they may only lease. Even if they lease, there will be a 15 percent tax, which they would have to pay up front. On a different note, if these investments are defined as special strategic investment projects, they could probably buy or own land. I think that this [policy inconsistency] is causing a little concern amongst foreign investors.



The increase in expenditure on the recurrent side is likely to see an improvement in the consumption areas as well...

Deshal de Mel

Interestingly, while the BCI has declined, the respondents are still optimistic about the economy... Shaheen Cader

Q: Where did respondents to the October LMD-Nielsen Business Confidence Index (BCI) survey stand, in terms of the economy?

A: Interestingly, while the BCI has declined, respondents are still optimistic about the economy. I would guess that with visible signs of development – especially in terms of roads, airports and ports, combined with urban development – respondents do see the economy as recovering.

Q: How would you describe the sentiment regarding Sri Lanka's investment prospects? A: In October, there was a slight increase in optimism about the investment climate, compared with the previous three months, where there was no change in perceptions.

Q: What are your near-term projections for the index that measures business confidence here, in Sri Lanka? **A:** I believe that the BCI would creep upwards, in view of the salary increases to government employees and the relief on electricity and fuel costs, which would mean that there will be more money for consumers to spend.

Digitized by Noolaham Foundation. noolaham.org | aavanaham.org 185 - DECEMBER 2014 - LMD **Q**: How would the conditions set out in Budget 2015 improve our economy next year?

A: The budget showed a fairly significant jump in government expenditure, around 15 percent in total expenditure – including around Rs. 146 billion in increases of salaries and wages; and also in transfers and subsidies. This will provide a degree of stimulus to the economy, so there could be a boost in consumption, leading into next year. By and large, I believe that the increase in expenditure on the recurrent side is likely to see an improvement in the consumption areas as well.

Q: Are the budget giveaways feasible, considering the debt that this country has at the moment? A: In the last 18 months, or almost two years, we have seen a degree of low consumption; so we know that the economy is not really at full capacity, in terms of what it can do. In this context, I think there is room for fiscal expansion which can be absorbed. A lot depends on how they are going to finance this, so despite the increase in government expenditure of 15 percent, the Government is expecting a budget deficit in 2015 of 4.6 percent, which is a reduction on what is being anticipated this year of between five and 5.2 percent.

CORPORATE GURUS

DECISION DEC

Dr. Errol Wirasinghe makes a case for corporate leadership training

BOTTOM-UP DECISIONS (FIASCOS)

DOWNING OF LIBYAN ARAB AIRLINES FLIGHT 114 – ISRAEL On 21 February 1973, Libyan Arab Airlines Flight 114 left Tripoli on a regular trip to Cairo, with a French pilot and Libyan co-pilot on board. Because of the decisions made by the pilots, General Mordechai Hod of the Israeli Defense Forces ordered that the aircraft be brought down. A subsequent UN commission concluded that a series of poor decisions taken by the pilots led to the death of 113 civilians and crew.

BLOODY SUNDAY – IRELAND (JANUARY 1972) A mid-level British officer ordered his troops to fire on a crowd at a civil rights protest, killing 14 civilians. This was a precursor to many decades of war in Northern Ireland.

GAS PLANT DESIGN – ABU DHABI (1974) When a national oil company in the Middle East initiated the design of a gas processing plant, the request for a gas sample went down the management chain to a foreman – who, in turn, instructed a low-level operator to grab a gas sample. The plant was subsequently designed and built with data from a contaminated gas sample. In addition to the loss of revenue, the cost of retrofitting the plant to fix the errors was nearly US\$ 2 million. Edriven 'big data' and 'the cloud' are the buzzwords of the year: and they most likely will be, for many years to come! But the main function of IT is gathering, processing and disseminating information. To some extent, savvy algorithms are able to extract correlations which hitherto had bemused even the smartest minds.

However, today's professionals face an information overload which overwhelms the decisionmaker and renders previous decision-making methods obsolete and ineffective. It is a case of having all the necessary information, and still reaching a suboptimal decision.

Organisations have spent a fortune on IT infrastructure; but may have forgotten to train the enduser on how to make use of this information to

The writer has published two books on decision-making and trained several international organisations, including the US Navy. He lectures on decision-making for the University of Houston's MBA programme.



HOLISTIC APPROACH TO DECISION-MAKING

Define an unambiguous objective Identify all relevant criteria Extract obligatory criteria Creatively identify options Gather information on candidates Assign weights to obligatory criteria Rank candidates

BOTTOM-UP DECISIONS (SUCCESSES)

HOSPITAL BED SHEETS One day, a nurse who had to change bed sheets daily decided to cut one into two halves (lengthwise), thereby avoiding the need to get the patient off the bed.

WILTEL COMMUNICATIONS A junior engineer suggested that WilTel should lay fibre-optic cable adjacent to pipelines owned by its parent company Williams. This propelled WilTel to become a major long-distance telephone carrier.

make better, defensible decisions in a timely manner.

The general belief is that leadership training is for future managers and leaders. It is true that decisions made by managers have the greatest impact. But is it not also true that managers rely on their teams to provide the information to make crucial decisions, and often sign off on decisions made by subordinates? And don't the most progressive companies encourage delegation to subordinates?

There is ample proof that many decisions made by junior staff can, and will, have serious consequences – both successes and fiascos! It is likely that more decisions will flow bottom-up, than top-down. And the success or failure of such decisions is rarely attributed to lower-level staff.

In the conventional sense, we determine the quality of a decision by the outcome - if the outcome meets our expectations, we characterise our decision as being 'good.' But this after-the-fact approach is unacceptable.

Consider the analogy of driving a car. There's no guarantee that you would get from point A to B without an accident. Yet, if you were to drive at prudent speeds, with attention to road conditions and safety, the likelihood of getting to point B safely is much higher. What matters is the process.

Often, organisations resort to collaborative decision-making as a panacea. The reasons range from the search for viewpoints and consensus, anonymity and safety in numbers, or even uncertainty and doubt. But beware: there are many famous fiascos attributed to 'groupthink' – 'groupthink' is a dangerous phenomenon associated with team decisions, where members go along just to get along, In an arena of information overload, financial constraints, political and legal implications, and extensive scrutiny, companies must make optimal decisions that are defensible. Every employee is a deci-



sion-maker; although the impact of a decision varies with the individual's position in the organisation. If you plan on delegating, and place faith in the decisions that your subordinates make, it is imperative that the folk who are doing the work are also trained – because they make many assumptions (and, therefore, decisions), too.

Use a holistic methodology – such as XpertUS – to get a grip on decision-making, to break down complex issues into manageable components and determine the optimum solution.

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LEADERSHIP ETHOS

If you are a leader, keep in mind that you're in the energy business!

THE POWER OF APPRECIATION

Archana Law encourages an ethos of celebration rather than complaints

hat dictates how you're going to experience life's challenges and pleasures? Is it money, or your job or appearance? As you may have realised (through your own personal growth journey), it boils down to a 'glass half full, versus half empty' mindset – or a positive, appreciative attitude.

In South Africa, the Babemba tribe has a custom of placing members who have erred in the centre of a large circle. Speaking to the accused, each one recalls their good deeds, strengths and positive attributes in detail, after which a joyous celebration welcomes the person back into the tribe, both symbolically and literally.

Alas, too little is made of the power of appreciation – great, life-giving, transformative feedback! Very often, it can make the difference between a happy, productive person, and a social dropout.

As noted by author Suma Varughese, "appreciation is soil for the soul. Only when we are planted in an appreciative environment will our soul, psyche and body naturally



grow to its full potential." So what is appreciation?

It is the capacity to see the good in oneself, others and life. But the tragedy is that, by nature, we are designed to be aware of the negative, not the positive.

Criticism is rampant, under the mistaken notion that the more we highlight weaknesses, the more we will improve. In reality, the more we're criticised, the less we grow! The constant onslaught of attacks makes us stubborn and defensive. Our capacity for growth shuts down; and we focus on surviving, rather than on thriving.

But anyone who has received genuine appreciation and acknowledgement knows that it can often be a lifeline, telling us that although we may not believe in ourselves, there is someone who does. So how great is your life already?

Your mind may tell you what you lack. Your heart, however, can be trained to celebrate!

To access a heart-driven positive attitude, become aware of all there is to appreciate and feel positive about. For this purpose, we can define 'positive attitude' as an expectancy that good things will happen (and even when they don't, there's good in the challenges), and a healthy optimism for the future of your company, team, self and life in general. A positive attitude is something deeper than a stereotype, seen through your actions.

HOW TO BE POSITIVE

FIND WHAT IS RIGHT This could be in relation to the present situation or person (e.g. positive attributes, the available learning, gratitude lists, positively reframing the situation).

IMAGINETHE IDEAL

On a larger scale, create an image of what you want most; or what things would look like, if they were exactly as you want. On a smaller scale, decide what you want in the moment.

ACT IMMEDIATELY This must be aligned to what you want. It involves taking a small step forward, to think or behave in ways that are consistent with your greatest future images – i.e. a change in your focus or perceptions.

The concept of appreciative living is easy to understand. It is a practical approach to personal growth and change that focusses on, questions and creates mental pictures of what's right, what's working and what we want most in our lives.

In The Joy of Appreciative Living, Jacqueline Kelm highlights the results of a 'joy study,' where 97 percent of participants felt significantly happier in just 28 days... and continued to feel happier even six months later. Today, we develop leaders who will hopefully be successful in navigating their organisations, in a complex, multicultural, multigenerational, varied and often contradictionregulated environment.

So how can you be a catalyst for positive change?

Whoever you are, whatever you have endured and wherever you are heading, take a moment to savour your life and bask in how great it is. Appreciate your friends and family, celebrate frequently, honour your metamorphosis, rejoice in your growing pains... and you will have entered the space of the invincible heart.

Bidding goodbye to the year gone by, I recall Qualcomm's famous 'Yes' ethos – a message in the organisational DNA that grew rapidly – from seven people and one big idea, to over 170 worldwide locations and 27,000 employees, since 1985. 'Yes' opened their minds to opportunities, from an optimism leading to positive results being firmly entrenched in their daily routine.

As for me, like Sir Winston Churchill, "I am an optimist. It does not seem too much use being anything else."

If you are a leader, keep in mind that you're in the energy business! Whatever energy you bring to work is noticed and amplified. If you aren't injecting positive, supportive and encouraging thoughts and actions into the workplace, it is far less likely that others will!

The columnist is an Emotional Intelligence and Performance Coach, based in Colombo. She practises psychometrics, Lightzee by Ncolanam Foundation teaches neuro-linguistic programming and focusses on behavioural psychology, to build competencies. noolanam.org 1 advantam.org

THE PUNCTUALITY CLAUSE

CHARACTER ASSASSINS!

Tardiness is seemingly the 'in thing,' these days! In fact, it has reached a stage where being late is considered by some to be trendy, and punctuality is often viewed as unfashionable. While congestion on our roads and ultra-busy schedules pose innumerable challenges to people being punctual, this is surely not an acceptable excuse. Planning will help eliminate tardiness, while the virtue of punctuality conveys more than a sense of good timing; it reflects discipline, which is a good virtue! Punctuality projects a mark of respect for others, in addition to character and integrity.

12

WORDS Umeshka Ratnaweera **SKETCH** Nicola Jayasundera

Rushing around and running late making excuses at a rapid rate Feeling as important as a secretary of state tardiness has become a modern trait

Punctuality reflects credibility boosting confidence and productivity Plan ahead and show dependability and strive to cure chronic unpunctuality

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Being on time is now a virtue disgraced and punctuality has become a righteous shame Being late is accepted with a straight face and acknowledged as being worth the wait!

12

The writer is a business graduate who has a passion to highlight wrongdoings in society.

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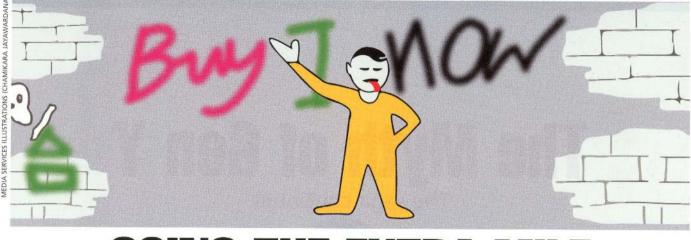
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CUSTOMER DELIGHT



GOING THE EXTRA MILE

Pallavi Pinakin lauds a performance culture that exceeds expectations

n the words of Henry Ford, "it is not the employer who pays the wages. Employers only handle the money. It is the customer who pays the wages." Organisations that understand this fundamental truth often go that extra mile for their customers.

Customer satisfaction is important to every business. Customer delight, however, is a few levels higher, in terms of both input and output. To put it simply, it means surpassing a customers' expectations and surprising them, and thereby creating a positive emotional response... or a feeling of 'wow!'

For instance, imagine that, unhappy with your dish at a restaurant, you ask the waiter to replace it. Now, not only do you get a fresh plate prepared according to your request, but the restaurant also wows you with a dessert platter – on the house! Wouldn't you feel happy? Valued? Delighted?

In this case, the restaurant managed to go one step beyond simply satisfying the customer. It exceeded expectations, and would probably be rewarded with two invaluable returns: loyalty and word of mouth.



Studies have shown that customer satisfaction, alone. does not inspire either loyalty or word of mouth: whereas customer delight holds the key to both, driving sales and profitability by differentiating them from competitors. According to a study by Bain & Company, a five percent increase in customer retention can boost profits by anywhere between

25 and 100 percent. Companies that place

a premium on delighting customers spend less on traditional advertising, marketing and customer acquisition – after all, they have loyal customers doing all of these for them!

Consider Apple, a brand that has successfully garnered thousands of diehard fans around the world. Most of us have probably been advised to buy an iPod, iPhone or MacBook by a friend or relative, at some point. And many of us have acted on this advice. Such recommendations, coming directly from people we know and trust, frequently carry more weight than mere advertisements.

The opportunity to delight customers lies at numerous points – viz. the product itself, accompanying services and interaction with customers. When it comes to the product and accompanying services, a company must ensure that

"To harness the potential to exceed expectations at various touchpoints, it is essential to foster a customer-centric culture..."

it lives up to what it claims... and a little more!

An example of this lies in ordering a product online and receiving it before the due date of delivery. Or if you check

into your hotel room on a tropical island and find small, thoughtful touches such as mosquito repellents, sun hats and sunscreen. They don't cost an arm and a leg, but go a long way in demonstrating a prioritisation of the customer experience.

Customer interaction, however, is the point at which customers can be wowed most easily and frequently. Personalisation and customisation are key factors. When you walk into your neighbourhood shop, and the shopkeeper greets you by name and remembers your favourite brands, you must feel valued and special. The shopkeeper is demonstrating that he has paid attention to you and your needs, which makes you want to return to his establishment.

Solving problems effectively is another crucial area. The person dealing with the issue represents the entire organisation's attitude towards the customer. A pleasant, efficient and speedy resolution tells customers that the company cares about them, and wants to make their experience smooth and hassle-free. If an organisation can

anticipate a problem and

solve it before a customer has to ask for help, it creates a lasting impression in the customer's mind. For instance, if the taxi drivers of a particular cab hire firm always have change with them, we're likely to choose them over a company whose drivers frequently say they don't have any.

To harness the potential to exceed expectations at various touchpoints, it is essential to foster a customer-centric culture. Customer delight should be integrated into brand values, and processes and systems; and people must be aligned towards achieving this goal. Frontline staff, especially, can play a decisive role in such efforts.

Thus, the concepts of personalisation, tailoring, product knowledge and effective problem-solving should be integral aspects of recruitment and training. In addition, since ensuring customer delight is an ongoing process, employees should be motivated to implement best practices on a day-to-day basis.

Businesses, big and small, across the globe are realising that the customer experience is the next competitive battleground. Any corporation that creates products or services meant for the general public, and deals with consumers frequently, should prioritise customer delight. The rewards reaped will be sustainable – and they will far outweigh any investment in time, money and effort.

Pallavi is the founder of a communications company in New Delhi. She is a travel enthusiast and self-consessed bookworn, and presently resides in the Thailand. noolaham.org | aavanaham.org

The Workplace

The Myth of Gen Y The saga continues

o the manager who says that Generation Y is independent, likes flexibility and wants a higher purpose, my response would be that maybe that's exactly what we were at that age - except that the opportunities in the marketplace may not have enabled us to display these traits in a manner that young people can today.

But let's, for a moment, assume that Generation Y (born between 1980 and the early 2000s) is significantly different from other Generations. Are they 'happier' about any area in the workplace? Indeed, individuals will be different (you can get a highly 'satisfied' Gen Y). As a group, however, Gen Y has less positive perceptions in 62 different statements in our survey.

When we compare the perceptions of employees who've spent 20 years or more in a company with those who have one to two years of tenure, the same areas emerge. In fact, 10 of the 14 areas of highest differences in perception between Gen Y and other generations – and between one to two years of tenure, and over 20 – are common!

'Of course,' you will say, 'it is fairly obvious that one to two years of tenure is likely to be a Gen Y, and 20 years or more is likely to be a 40-plus Gen X or Baby Boomer.' We do not "The difference in perceptions has more to do with factors within the organisation like tenure - rather than individual characteristics such as age..."

have to guess. Cross tabulation of our data tells us that 86 percent of survey respondents with one to two years in employment are, in fact, Gen Y; and 81 percent of survey respondents with more than 20 years in a company are 45-plus (i.e. Baby Boomers).

The big question is this: having established that age and tenure data is largely common, is it age that is responsible for the differences in perception; or is it tenure in the organisation?

In my opinion, the difference in

BY Prasenjit Bhattacharya perceptions has more to do with factors within the organisation - like tenure rather than individual characteristics such as age. A few years ago, we started tracking perceptions of employees in their first year of joining, breaking it down to the first six months and the next six. New employees in the first half of the year usually have positive perceptions that reduce significantly after six months, and

more after a year. This trend is arrested after five years;

and it is only after 10 years of tenure that employees who remain display more positive perceptions about their workplace, compared to those of the first six months.

Assuming, as our data suggests, that most employees with less than six months in employment are Gen Ys, why would the sharpest drop take place within six months of joining? Surely, this has less to do with age increasing by six months, and more with internal factors of the organisation?

The moment we start viewing engagement data through the prism of tenure and seniority, rather than through the prism of age, the reasons and countermeasures for lower levels of satisfaction seem easier to handle.

NOTE Views expressed in this article are personal

Prasenjit is a Director of Great Place to Work[®] Institute in Sri Lanka. To find out how to participate in Sri Lanka's Best Companies to Work For (an annual study, in collaboration with LMD and the Ceylon Chamber of Commerce), visit our website (http://www.greatplacetowork.lk). You can post your comments and join the discussion on his blog (http://inkfromprasenjit.wordpress.com/). He can also be contacted at via email (prasenjit.bhattacharya@greatplacetowork.com). Uglited by Nord and The Outplacetom Commerce), noolahan 1940rpeceeveeve

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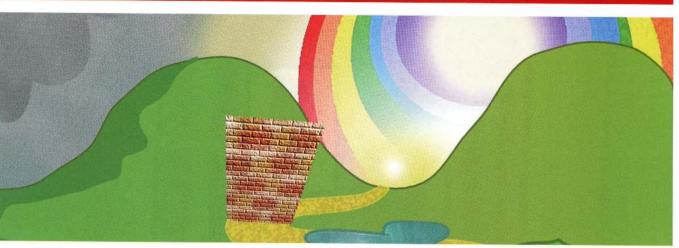
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CORPORATE SUSTAINABILITY



REWARDING BIZ PRACTICES

Tanya Warnakulasuriya places sustainability high on the biz agenda

he latest results of the McKinsey Global Survey on sustainability reveal that more companies are now actively integrating sustainability principles into their operations, rather than having stand-alone CSR or sustainability divisions. Over a third of the businesses surveyed are now looking at sustainability as a methodology to add value to the organisation, by improving operational efficiency and cutting costs.

Admittedly, some organisational processes lend themselves more easily to sustainability principles than others. For example, it's easy to introduce sustainability into strategic planning and corporate communications, but harder to work out how it could be applied to budgeting and supply chain processes.

The survey identifies a group of 'sustainability leaders' – corporations that took sustainability to heart, by ingraining it into as many business processes as they could, without creating a separate unit that operates outside the sphere of normal functions.

On researching these



'sustainability pioneers,' one finds three key areas where they had used sustainability to actively add value to their bottom lines – i.e. growth, risk management and return on capital.

In terms of growth, these companies commit resources to researching and developing sustainable products. They use the sustainability of existing products, to reach out to new markets and customers. And they monitor trends in sustainability, to ensure that their product portfolio is taking advantage of them.

For example, a company which originally offered waste disposal services changed its product portfolio to a more sustainable one, by offering new services like waste reduction and wasteto-energy solutions. This, in turn, opened up a new market and led to growth opportunities

for the company. In the area of risk management, business houses can manage sustainability risks by identifying critical challenges to operational disruption from climate change, resource scarcity and community concerns.

General Electric (GE), for example, started addressing climate change as early as in 2004, way before the issue was forced to the top of the corporate agenda. It doubled its investment in research on clean technology

"Sustainable activities are not just for a few 'green champions,' but the responsibility of all employees and stakeholders..."

and climate change, with a view to doubling sales in this area. By investigating and investing in this growth area early on, GE saw its product sales in clean technology reach US\$ 18 billion by 2009.

In terms of return on investment, many pioneering firms create value through sustainability, by looking at how to improve returns on capital by reducing operating costs.

When Nike took on the CSR challenge to develop a zerowaste production process, it found that an extra pair of trainers could be made from the offcuts of raw materials that were being thrown out. This increased output, at no extra cost – and it had a significant impact on the company's bottom line.

Organisations that are successful in weaving sustainability into their business practices are also very good at reducing or removing barriers that have, in the past, kept sustainability apart from day-to-day operations.

These companies tie Key Performance Indicators (KPIs) and incentives to performance, and success with sustainability. The pressure of short-term earnings is not prioritised over longer-term sustainability initiatives, and sufficient resources are allocated for such projects.

And organisational structures have been changed, and adapted to support accountability for sustainable activities. These corporations ensure that sustainable activities are not just for a few 'green champions,' but the responsibility of all employees and stakeholders. They do so by providing sufficient data and information on the company's take on sustainability.

Such actions have a positive effect on corporate reputation and image, in the eyes of customers and the public. They also help attract and retain employees who feel engaged and involved in the company's sustainability initiatives.

Many businesses that are adopting this new approach to sustainability come from similar sectors – e.g. power and energy, extractive industries, manufacturing and transportation. This is probably because environmental issues and restrictions on resources are forcing them to be more proactive.

Whatever the reason, it doesn't hurt for others to take note. At the moment, corporates have the luxury of choosing how they manage their sustainability. But for how long?

Those who see it as a necessary evil will continue to view it as a public image enhancer; a risk to be managed, whilst they get on with running their business. But true business leaders will embrace sustainability as an exciting new biz opportunity that can add value to their companies and society at large.

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 HOSTAGARAYShe crafts and institutions in corporate communications. noolaham.org | aavanaham.org

EDUCATING SRI LANKA



SAYING 'NO' TO PRIZE-GIVING Goolbai Gunasekara wonders if we should abolish award ceremonies

the 1950s or thereabouts, most schools held a prizegiving ceremony at the end of the academic year, at which academic attainments were recognised and rewarded. A few awards were given to sportsmen (or women), and the prize lists were uncomplicated, short and not open to discussion between anyone other than the school principal and staff.

School populations were small. At the time of my leaving Bishop's College, the entire roll call of students could be accommodated in our rather small school hall - a far crv from the Bishop's College auditorium of today. At the daily school assembly, prefects took charge of various classes and walked them into the assembly hall, ensuring that they were quiet and well-behaved.

Our Principal, the stately Sister Gabriel's presence on stage was enough to silence even the most talkative juniors. It was at one of these weekly assemblies that the 'annual prize list' was read out. Winners probably told their parents about it in the evening, while



those not on the list simply forgot about it!

The school choir got busy; the dance class, likewise. Music teachers weeded out the talented performers from the amateurs within five minutes, and the entertainment segment was arranged in a trice.

Nobody's mother was too concerned if her offspring was neither a prizewinner nor a performer. But they all turned up at the prize-giving, anyway. Again, parents did not compare the marks of their child against someone else's. They trusted the school to 'do the right thing' by all the children.

So where has all that trust gone? Have principals forfeited that right, by being unreliable and/or unapproachable, or are schools simply too big for the principal to get to know every child?

A little bit of both, one feels. In today's scenario, a prizegiving heralds the start of a sort of competitiveness among parents, which used to be seen only at international tamashas like the Olympics. Every little mark is queried, and every prize debated.

At Asian International School, the Sports Department holds daily meetings to make sure the right students are given the right award for the right victory. But even with all this intense scrutiny, there are problems which come to light through

the sheer perversity of those ambitious parents who are "With school determined to populations now find errors. numbering in the thousands, a prize-giving is no longer a pleasant affair..." And with school populations now

numbering in the thousands, a prizegiving is no longer a pleasant affair.

Here is a sample scenario repeated each year, despite every effort to assure the parentteacher body that favouritism is not taking place. My secretary reports that two mothers want an appointment as soon as possible. They enter the office breathing fire and brimstone.

"Mrs. G, are you aware that my son was not given the maths prize, although he had the same marks as Remu?" asks one.

"I must say, that seems highly unlikely, as all the grades have been checked and rechecked," I respond.

"No, Mrs. G. Both boys scored 94 percent. So why are you not giving a joint prize?" the parent demands to know.

Wearily, I send for the results sheet of the relevant grade to the teacher concerned. She bustles in, ready to defend her choice militantly, if need be. I look up Remu's and Demu's marks. Demu has scored 95.5 percent, versus Remu's 95.4 percent. But does that put an end to the debate? No.

"I have the test papers with me, Mrs. G; and Remu has the higher grade," says the parent. Again, we explain that class test marks account for 20

percent of the final grade, hence why Demu wins the prize. I sympathise, privately, that just a tiny percentage point should matter. Both students deserve that prize, but if school lists reflected all these tiny differences, almost every award would have two or even three winners.

So the lines are drawn, with each school trying to be as reasonable as possible. But the disappointed mothers and fathers are in the majority, and I seriously wonder if 'prize days' are a good idea any longer. Too many are disgruntled and grievously disappointed. There are, of course, several non-academic prizes, but the coveted awards go to a small fraction of the student body.

Neither the angry parents, nor the pupils themselves, attend the prize-giving. They do not hear the principal's annual report which outlines policy as well as achievements. This is a tragic situation, and one wonders where the blame lies. Is it with ambitious parents, overly competitive students, instances of possible favouritism or, perhaps, a general lack of trust in the education system?

Perhaps we should abolish the prize-giving altogether. Maybe we should follow the advice of the great sage Jiddu Krishnamurti, who felt that competition hinders more than it helps.

And if anyone has any answers, I would like to hear them... because I have none! PRESS LOFT/NOBLE & PROUD

THE QUIZ

ARE YOU AN ENTREPRENEUR?

Can entrepreneurship be learned, or is it something you are born with? Answer the questions below, based on your present thinking – and find out!

ANSWER 'YES' OR 'NO' IN THE BOXES

Are you a self-starter?	Do you accept advice and guidance from a mentor(s) or advisory groups, although this	
Did you grow up in a business family or have been closely associated with business owners?	 may be different to your beliefs or opinions?	
Does your family support your entrepreneurial aspirations?	Do other people seek your advice? Do others see you as being positive?	
Are you positive when facing challenges, setbacks and problems?	Do you overcome rejection readily?	
Do you initiate innovative and creative ideas?	Do you have financial resources to support yourself and your family for 12-18 months?	
Do you like being your own boss, rather than working for someone else?	Do you have proven, successful sales experience and skills?	
Do you seek to achieve beyond your present level, or that of your peers?	Do you have marketing skills and experience? Are you comfortable delegating	
Do you have a working background,	responsibilities and critical tasks to others?	
or experience in the business you want to pursue?	Would you hire someone who has more experience or better skills than you have?	
Do you believe that you are in charge of your destiny?	Do you praise others, when they present good ideas?	
Do you have experience as a manager, or possess managerial skills?	Are you good at organising and prioritising assignments?	
Are you committed to working more than 40 hours a week?	Do your peers and co-workers regard you as a leader?	
Do you set goals, and plan schedules for results?	Are you comfortable taking financial risks?	
constance for results.	NUMBER OF 'YES' ANSWERS	

WHAT YOUR SCORE MEANS

If your 'YES' answers are ...

20-25 = You have a strong aptitude for entrepreneurship, with many traits that are compatible with those of successful entrepreneurs. With a viable business idea and plan, complemented by mentoring, there is a high probability that you could be a successful entrepreneur.

WHAT THIS ANALYSIS MEANS

Entrepreneurship is the process of starting a business. An entrepreneur develops a business model, acquires the human and other necessary resources, and is responsible for its success or failure.

Commonly viewed as an innovator, an entrepreneur has the ability to generate new ideas and business processes, take risks, and solve problems objectively with good management and team-building skills.

While many proudly claim to be entrepreneurs, an entrepreneur's little brother - the intrapreneur; an employee who is given the

15-19 = You have the potential for entrepreneurship, but may need inspiration and self-confidence.

Less than 15 = You most likely express your ideas, and play safe! Develop on accepting change, even if it involves an element of risk-taking and uncertainty.

freedom and financial support to create new products, services and systems – goes unnoticed. All organisations need them, to drive new projects and explore unexpected directions for business development.

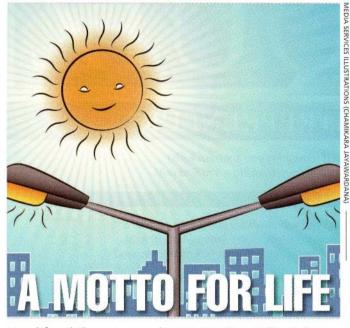
It's possible to create a culture of innovative intrapreneurs, by focussing on delivering to the customer; optimising risks, and minimising them through calculated steps to enable change, and improve and meet new customer needs; constantly creating and innovating, to get better; building accountability; and continuously educating across levels, to align to organisational goals and the overall vision.

Compiled by Archana Law (adapted from American School of Entrepreneurship)

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EXECUTIVE HEALTH



Live life while you can - by Dr. Sanjiva Wijesinha

any of us are so busy working hard, creating wealth and accumulating savings for the future, that we tend to forget how uncertain life is. I often think of my friend Derek, a busy and successful surgeon



who, for many years, visited our clinic every Thursday afternoon, to see patients.

One evening, shortly before he retired, we had both finished seeing our patients earlier than expected, so we poured ourselves cups of tea and sat chatting in his consulting room. This was a rare occurrence. because Derek was always rushing off after he had seen his patients, to one hospital or another where he had patients scheduled for operations.

That day, he told me enthusiastically of his plans to go on a long trip to Europe the following year, together with his wife - something they had wanted to do for many years, but had put off until he reached 65 and was able to retire from the consultant staff of our large public hospital.

Derek's wife had just obtained brochures from the travel agent, and also borrowed the relevant Lonely Planet, Insight and Footprint books from the library. They were both eagerly looking forward to spending three months the following year travelling through England, France, Italy and Germany, during the northern summer. I will never forget the evening

I spent with him.

The next time I saw Derek was in hospital, just two months later, after he had been diagnosed with metastatic pancreatic cancer. The disease had silently spread through his body while he was busy working as a surgeon; and by the time it was discovered, neither surgery nor

chemotherapy could control it. Derek died six months to the

day that we had our Thursday evening conversation about his planned post-retirement holiday, which he didn't go on, because he was busy working. What happened to Derek is

Dr. Sanjiva Wijesinha MBBS (Ceylon), M.Sc. (Oxford), FRCS (Edin.) and FRACGP is an Associate Professor at the Faculty of Medicine, Monash University, Melbourne.

not uncommon among many businessmen and professionals who are so busy with their working lives. They remain so focussed on running fast, along the relentless treadmill of success, that they postpone living - in favour of accumulating wealth or climbing the corporate ladder.

As a result, they don't allow themselves the opportunity of enjoying the legitimate fruits of their labour. You cannot postpone living until the bank balance is built up, and you've achieved the pinnacle of success in your field, because life is so uncertain. By the time you reach retirement age, you will not be as fit and healthy as you are in your 30s and 40s!

So set aside time to enjoy life with your family, to travel, to do the things that you have always wanted to do... before you are too old.

Some of the best advice I received when I was younger was from my friend Dr. Buddy Reid, who first told me about the Rule of Threes: set aside three hours every week, three days every month and three weeks every year, to take time off from routine work. Use this time to do something you really enjoy - listening to music, reading a book, playing a game or spending quality time with your loved ones.

Life is too short - and too unpredictable - to postpone living!



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Describe yourself in one word... Adventurous!

What did you want to become when you were a child?

I was very proud of what my father achieved, as a respected managing director in the corporate sector. My ambition was to emulate him, or do better.

If you weren't who you are today, what would you be doing?

I would most likely be running a resort hotel. The idea is to enjoy work, while watching others enjoy themselves.

Your alma mater was ...? **Royal College**

What's a typical day at work like? I start work around 7.30 a.m., after dropping the kids at school. I usually attend two or three meetings a day; and tend to work with speed in mind, as this sets the pace for a team of over 700. I'm most productive before 8.30 in the morning and after 5 in the evening.

My wife rarely disturbs me, as she takes care of everything at home. This helps me focus on my job. I do advocate a good work-life balance, and look to leave office by around 6 p.m. - and I keep my weekends free for the family.

Would you rather work alone, near people or with people?

Definitely with people! I'm a 'we' person, rather than an 'I' person. I value teamwork, and believe that we can achieve much better outcomes when we work together. Of course, at times, you need to lead and give direction, to maintain focus.

If you have six months off work, what would you do?

Be outdoors, in and out of the water, actively engage in sports, and travel to places of interest and tranquillity. Having visited Los Angeles, Las Vegas and San Francisco a few times, they will continue to be on my revisit list - they never cease to thrill and excite me!

Your best memories are ...?

Nothing beats the moments I saw my son and daughter for the very first time.

What do you dream about the most?

To see my kids succeed in life, and be good-natured human beings in society.

What is the most outrageous thing you've ever done?

Scuba diving at night, off Trincomalee, during the war - with two close buddies and a German divemaster. It was a scary, yet thrilling, experience!

Where do you chill out?

In Digana - our home away from home - where I spend quality time with family and friends. Our modest holiday home is on top of a hill and overlooks a mountain range ... We play, swim, cycle and take long walks during the day. In the



In conversation with Umeshka Ratuaweera evenings, we gather in the living room, to play board games and watch movies. I guess this would be my preferred place to retire.

And your most embarrassing moment was...? I've had many, and the Royal-Thomian cricket match comes to mind. These are the craziest three days of the year, when my wife disowns me!

What are your three favourite brands? Apple, Timberland and Nike.

Your all-time favourite movie is...? In Pursuit of Happyness – inspirational, without doubt.

Are there phrases you use often? Well done... And keep focussed.

What makes you laugh?

The crazy things my kids do – the latest being to make fun videos, with plans to upload them onto YouTube. They seem to be influenced by Ryan Higa (Nigahiga) – a celebrity comedian on YouTube.

What is your favourite sport?

My interest in sports varies from tennis, golf and swimming, to scuba diving, sailing and boating... and the latest being mountain biking. My wife often asks: 'What next?' Now, I'm planning to kitesurf in Kalpitiya.

Who are your role models?

My father, Roger Federer, Martin Luther King and President John F. Kennedy – his inauguration speech and advice still echoes in my mind; and I follow it to this day, in a business context.

The three smartest men on Earth are ...?

The late Steve Jobs, for his innovations; Lee Kuan Yew, for his visionary leadership; and Sir Richard Branson, for his entrepreneurship and lifestyle.

And the three smartest women in the world are ...?

Hillary Clinton, who will hopefully be the first female US President; the IMF's Managing Director Christine Lagarde, who is a highly respected international figure; and Angelina Jolie – my favourite actress and renowned human rights activist.

Could you tell us something that few people know about you?

I appreciate music that has meaning – songs by the likes of the Eagles, Simply Red, Queen, Bee Gees and Lionel Richie, to name a few. I like taking calculated risks without too much hesitation.

Name something that Sri Lankans should be proud of?

Its diversity – geographically, as well as enturally. We have different elimates 365 days of the year, in different parts of the country. Culturally, people have different beliefs, and you see a fusion of all this in most parts of the island. Sri Lankans are hospitable, irrespective of where they are or their social standing.

Describe Sri Lanka in one word? Home! I value team work and believe that we can achieve much better outcomes when we work together...

Nilantha is the Head of Retail Banking and Wealth Management of HSBC Sri Lanka and Maldives

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BUSINESS CLAS

JAMAVAR The Chennai Season of Music & Dance is when Americans, Europeans, Japanese and Australians descend upon India's culture capital. Traditionally, the season happens over the Margazhi Month (December-January). But given the tremendous international popularity, it now overtures in September.

According to legend, demons rampaged the dusky months, so one sang and danced to supplicate the Gods for protection. Today, still, Chennai's *sabhas* (music halls) pulsate with scores (pun unintended) of daily Carnatic concerts. But Chef Debdash, at the Leela Palace's Jamavar, isn't playing second fiddle to the iconic Madras Music Academy (hailed as the 'Wimbledon of Music') He challenges: "Eat it, if you can!"

For this season is as festive, as it is 'feastive' – a bacchanalia of beats and eats, a Deccan duet of maenadic music meters and maddening Madras meter coffee!

But let's sip champagne instead; for it's the city's 375th anniversary this year. And The New York Times voted Chennai amongst the world's top places to visit in 2014. So beat the odds and head to Chennai. It is where Jamavar's exquisite ruby-pink chandeliers evoke an image of an octopus, with the daintiest tentacles holding up flutes of champagne rosé, as if to toast Chennai's birthday and South India's multi-millennial music tradition.

The culinary baton waves with a prelude of paneer wrapped in banana leaf whose sharp marinade soulful *thaira* vada mellows. The Chettinad curry's myriad flavours harmonise in consonance, whilst spinach-strewn lentils' subtleties ripple like an alaap.

Chef Deb's improvised drumstick curry has the novelty of an iconoclastic T. M. Krishna composition. And his Malabar parathas spiral smoothly like Bombay Jayshree's velvet voice. After mellifluous Kerala stew accompanied by *appam* that has the poise of Nataraja, the symphony sublimates with saffron-timbered *idiappam* biriyani, ethereal like a musical note.

When the *elaneer payasam* strums the palate with the sweetest seductions, my heart skips a beat and Shakespeare's "If music be the food of love, play on" decomposes into 'If love of food be music to one's cars; please, Sir, may I have some more!'

Q BAR Cabanas on scintillating-blue waterbodies flash scintillating-blue champagne flutes conveying 'Reserved.' For Chennai's coolest convene for the city's best high is at the Hilton Chennai – literally, the sensational bar being terrace-top, and for food beating London's Michelin-starred Indian restaurants.

Here, sambuka isn't glassed, but burns on scintillating-blue prawns. If Q Bar's turned Queue Bar, hit wine-and-cheese Vintage Bank with colonial-chic lounges and Monte-Carloesque terraces. Get Château Latour, if not Armand de Brignac Ace of Spades Blanc de Blanc at US\$ 2,300 a bottle. It captures the festive spirit!

WINE GALA There's one gala left this year,

SUITING STATES AND A SUITING S

Devanshi Mody dances to the rhythm of synchronised gastronomic fiestas in South India's capital city – Chennai



and it can't be missed! The Apartment, at the Park Hyatt, boasts a virtuoso Exec-Chef who orchestrates an extravaganza of astounding epicurean euphony. But then, Odalak flies over the world for these evenings, including a sommelier formerly at a London Michelinstarred restaurant. And he whirls me from counter to counter faster than the flap and flit of a mridangam drummer's fingers.

A Frenchman who makes French cheeses in Pondicherry solos here, and a Syrian chef conducts a concerto of cold and hot Arabic mezzes there – he sizzles out falafel, reminiscing of our favourite monuments in Syria, ruing their ravaging.

Digitized by Noolaham Foundation. noolaham.209 + December 2019rgLMD A string-quartet of thumping good Maharashtrian, Asian, Polish and chaat counters sustains the tempo. The show-stopper: the Mumbai chef's chaat-buster chaats, whose frenzied medley of flavours clang like rhythmic cymbals.

My palate's still reverberating!

An Egyptian pâtissier plays on your weaknesses, with saccharine strings and new inhouse pâtissier Selvam's creations, lithe like legendary Allaram Valli's dancing, string you along from temptation to temptation. Vertiginous leaps and pirouettes of flavours enact the Thandava or Shiva's dance of destruction on one's diet.



It ain't over till the fat lady sings, they say. But there's no fat lady here – just the Park Hyatt people being suavely svelte...

STREET FOOD Get street-smart this Christmas, not just with high street shopping. The new Saturday Street Food Brunch at Vasco's (at the Hilton Chennai) is a veritable 'mealdeal' like a gourmet globe-trot through the streets of India, Asia, Arabia and beyond.

A charming street-cart, resplendently laden, dispenses tongue-throbbing chaats. Live counters like sprays of fireworks streak pay bhaji, chole bhature, vada-pav... Forget that New Year's Eve little black dress after the onslaught of Asian chilli crab, Singaporean noodles, Lebanese mezzes, Mediterranean crêpes, fajitas, sushi, shawarma and sandwiches. There's even a hot dog stand! And then, boundless desserts...

But the confections crescendo at Christmas Day Brunch. Christmas in Chennai, if only for Hilton's spirited Christmas pudding that expats order 15kg of chorusing, 'Beats anything in Europe!' **SPECTRA** Prettily pomegranate pink, this restaurant boasts seven live kitchens at the Leela Palace, including a Japanese headed by Chef Yoslar (formerly of Four Seasons – Bangkok). There's premium straight-from-Japan fish (some costing US\$ 350 a kg), besides octopus, eel and tri-coloured caviar.

My fingers, however, stray into ladies' fingers and raw mango curry, Exec-Chef Makawane's innovation that reminds me that I'm in Chennai, where I've returned to savour this unique season.

Devanshi read French and Philosophy at Oxford, and fell into travel writing quite fortuitously. A self-confessed vagabond, she prefers writing about her voyages than about herself. Digrized by Noolaham Foundation. noolaham.org | aavanaham.org

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The Newsree Compiled from media literature - by Edine Weerawardane

BLACKBERRY LAUNCH

BlackBerry extended its product portfolio in the South Asia region with the launch of its BlackBerry 10 range of smartphones in Colombo. Noting the rapidly evolving nature of the smartphone market in Sri Lanka, Sunil Lalvani (Managing Director - BlackBerry India & SAARC) says the BlackBerry 10 range is "a perfect embodiment of stylish, high performance, innovative design and exemplary security, which are synonymous with our brand promise." Meanwhile, authorised BlackBerry dealer Softlogic's Chairman Ashok Pathirage remarks that the brand has "redefined the market for wireless technology."



HARDTALK

NEW IDENTITY

Renuka Shaw Wallace rebranded itself as Renuka Foods, with a view to better reflect the food and beverage sector that it operates in, both locally and internationally. The new name focusses on and conveys the complete spectrum of the company's businesses, says Executive Director Shamindra Rajiyah. "Renuka Foods brings together a portfolio of food and beverage companies which are leaders in their segments, especially coconut, dairy, fish and snacks. Our progressive and sustained path, coupled with aggressive expansion of production capacity and product portfolio, has reaped dividends in our overall performance." he explains.



UNITED MOTORS LANKA

PRODUCTIVITY AWARD FOR UNITED MOTORS

At the National Productivity Awards 2012/13, United Motors Lanka (UML) was conferred the National Productivity Award in the Services Sector (large-scale category). Organised by the National Productivity Secretariat, the awards recognised UML's outstanding productivity in service quality and efficiency. Leadership, planning and methodology, physical environment, HR environment and customer service were among the criteria evaluated by the National Productivity Secretariat. United Motors says it will continue to invest in processes, and its structure and people, to ensure continuous progress, while adopting the latest systems and procedures to enhance productivity.

BINDU FOUNDATION

Access to safe drinking water and improved sanitation facilities is at the heart of the Bindu Foundation, set up by Brandix Lanka's Corporate Social Responsibility division. A survey of the apparel giant's workforce of over 30,000 women revealed that the lack of access to safe drinking water was one of the most pressing issues for them. The Bindu Foundation constructed wells in Deivandara (in Matara), Kahawatte (in Ratnapura), and Kegalle and Koswatte (in Kurunegala), at a project cost of between Rs. 40,000 and Rs. 60,000. Brandix Lanka notes that the wells have eased the day-to-day life of not only its workforce, but neighbouring communities as well.

FINANCING SCHEME

Amana Bank and Singer (Sri Lanka) signed a Memorandum of Understanding to facilitate easy payment plans for customers at the retail giant's many outlets islandwide. Competitive financing will be provided by the bank for products in the range of Rs. 25,000 to Rs. 300,000, with a repayment period of up to three years. "Through this tie-up, we hope to make purchasing of Singer products more affordable and convenient." remarks Amana Bank CEO Mohamed Azmeer. Meanwhile, observing the benefits of the partnership, CEO Asoka Pieris says Singer is "proud to partner with Amana Bank on this financing proposition."



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FRENCH VISITORS

A promotional tour to increase inbound tourism from France was organised recently, and The Lake, in Polonnaruwa, was among the partner hotels. The tour, which attracted nearly 60 French travel agents, showcased nature, sports and the cultural diversity of Sri Lanka. "Partnering with international marketing initiatives not only enhances the image of the destination, but also adds significant value to the brand," notes Mahika Chandrasena Pereira, Director of Marketing Communications for the Galle Face Group. The Lake hotel is owned by Ceylon Hotels Corporation, which is part of the Galle Face Group.

SLIC SCHOLARSHIPS

Sri Lanka Insurance Corporation (SLIC) is currently evaluating applications for scholarship grants from students who have excelled at this year's Grade 5 scholarship exam islandwide. SLIC launched its Suba Pathum scholarship scheme in June last year, granting Rs. 20,000 each to the four top-ranking students at the Grade 5 scholarship exam from each district, totalling 100 students. Meanwhile, the top four district-level students at the GCE O-Level exams will receive Rs. 40,000 each, and the top 100 students at national level in the GCE A-Level exams will be awarded Rs. 50.000 each.



TIKIRI MONTH CELEBRATIONS AT SEYLAN BANK

Seylan Bank declared October as its Tikiri Month, by focussing on children, with special celebrations that coincided with World Children's Day on 1 October. Various activities were organised by Seylan Bank's branches across the country, for its Tikiri minor savings account holders. The branch in Kaluwanchikudy held an art competition, rewarding all participating account holders, and a children's party was held to celebrate the birthdays of Tikiri account holders who were born on 1 October. This initiative by the Kaluwanchikudy branch amply demonstrates that "Seylan Bank offers beyond just banking services to its clientele," a statement from the bank affirms,

REMITTANCE SERVICE



ARC WORLDWIDE

DFCC Vardhana Bank is partnering leading banks in the country to provide a convenient remittance service, with the launch of Lanka Money Transfer (LMT). CEO Lakshman Silva says DFCC Vardhana Bank is committed to providing its customers with the best products and services in Sri Lanka: "Our customers' convenience is extremely important to us. Our extensive partner network provides our joint customers with the opportunity to remit their money with ease, to the banks they trust." Joining DFCC Vardhana Bank in this venture are Regional Development Bank, Lanka Orix Finance, HDFC Bank, Sanasa Development Bank, Amana Bank and Union Bank.

FINANCIAL RESULTS

Half-year results for financial year 2014/15 show a marginal growth in turnover - from Rs. 2,476 million in the previous year, to Rs. 2,558 million - for Piramal Glass Cevlon. An increase in productivity helped the company to improve its profitability, and Piramal Glass attributes this to the Manufacturing Excellence programme that was established at its glass-manufacturing facility, in Horana. The company's contribution to exports was recognised at the National Chamber of Exporters Awards ceremony, where it won Gold awards for Exports in Industry (extra-large category), and the Most Outstanding Exporter

NETWORK EXPANSION

Commercial Bank of Ceylon - which was rated the 'Strongest Bank in Sri Lanka in 2014' by The Asian Banker - expanded its footprint across the island, with the opening of its latest branch in Nugasewana, Urubokka, in the Matara District. Chairman Dharma Dheerasinghe, Managing Director and CEO Jegan Durairatnam, and Chief Operating Officer Sivakrishnarajah Renganathan presided over the ceremonial opening of the bank's 239th outlet. The only Sri Lankan bank to be listed among the top 1,000 banks in the world, Commercial Bank was named one of the 10 Best Corporate Citizens in the country by the Ceylon Chamber of Commerce in 2013.



(industry sector). Digitized by Noolahan Foundation noolaham.org | aavanaham.org 207 - DECEMBER 2014 - LMD

DAIRY CENTRE

Demonstrating its commitment to developing the local dairy industry. Fonterra Brands Lanka announced plans to build a milk chilling centre in Gampaha, which will support 200 local farmers. Laboratory facilities at the chilling centre will enable Fonterra to help improve the quality and quantity of milk that is produced. And Fonterra's international dairving experts will conduct training sessions at the centre for local farmers as well. Managing Director Leon Clement says Fonterra is working to increase production, improve milk quality, lift farmer incomes and support local communities in Sri Lanka.



UK TRADE TIES

"The rapidly growing markets of Asia, which include Sri Lanka, present strong opportunities for British businesses, And British businesses - with their experience, expertise and track record of innovation - can, in turn, match the needs of the market here." observed British High Commissioner John Rankin. He was speaking at a session organised by the National Chamber of Commerce of Sri Lanka on Bilateral Trade Between Sri Lanka and the UK. Rankin noted that a strong commercial relationship "is a win-win for both our countries, in building growth, employment opportunities and prosperity."

The Newsreel



HEADLINES PR

CEO FORUM

Sri Lanka's private security sector held its first CEO Forum recently. under the auspices of the Ministry of Defence and Urban Development (Civil Security). In his address to the forum, Maj. Tissa Aluwihare, President of Sri Lanka Security Service Providers' Association (SLASSPA), stressed the important role played by private security firms. They are "important stakeholders and an integral element in the ongoing nation-building exercise; and as such, the CEOs of these organisations bear a vital role of accountability and responsibility in reaching the country's development goals," he asserted.



HARDTALK

TEA EXPORTERS' AGM

The 15th Annual General Meeting (AGM) of the Tea Exporters Association was held in early October, in the presence of the Minister of Plantation Industries Mahinda Samarasinghe, and guest of honour Muru Murugappan - Vice Chairman of India's Murugappa Group. In his address, the Chairman of the Tea Exporters Association Rohan Fernando spoke of taking Sri Lanka to the top of the global tea market, as the No. 1 supplier of branded products: "It is no secret that the delay in launching the global marketing campaign will have a greater impact on the plantations, as the demand for value-based quality tea could shift to other origins and supply hubs."

NEW SCHOOL

The recently established Colombo School of Arts (CSA) specialises in the senior school study programme, offering a comprehensive educational experience for students who are 14 years and above. The new international school will offer students "career guidance, research programmes, industry internships and the extracurricular activities needed to ensure a holistic education," according to a media communiqué. CSA is affiliated to the Imperial Institute of Higher Education (IIHE), the only institute in Sri Lanka to be directly associated with the University of Wales. offering BSc and MBA degree programmes.

NEDA AWARDS

The Southern Province Best Entrepreneur Awards, designed to encourage the business community in the Southern Province to achieve a high level of entrepreneurship, was held in September. Organised by the National Enterprise Development Authority (NEDA), in collaboration with the Hambantota District Chamber of Commerce (HDCC), the event was also supported by the chambers of commerce in Galle and Matara. Awards conferred at the event included Enterprise Excellence Award, Best Enterprise Awards (industry, manufacturing and services sectors) and special awards that recognised the best performers of five thematic areas.



CHINA'S GREE REAFFIRMS COMMITMENT TO SRI LANKA

China's GREE Electric Appliances, which claims to be the world's largest manufacturer of air-conditioning systems, reaffirmed its commitment to Sri Lanka with a high-profile promotional event recently. Represented in the island by GREE Lanka – a wholly-owned subsidiary of George Steuart Solutions – the Chinese brand has become a formidable contender in the air-conditioning segment. "With the progressive growth in Sri Lanka's economy, and the construction boom that's currently taking place, GREE sees great opportunity and is proud to be a part of Sri Lanka's progress," assures Eric Zhang, Vice General Manger of GREE Overseas Sales Company.



ASIAN FOOD FESTIVAL

At the Asian Food Festival held in Incheon, South Korea, parallel to the 2014 Asian Games, Mount Lavinia Hotel shone the spotlight on Sri Lankan cuisine, led by Chef Dr. Publis Silva and his four-member team. "The popularity of Asian food be it Chinese, Thai, Japanese, Indian or Sri Lankan - is rising around the world, and the Asian Food Festival was a celebration of this achievement," remarks Bazeer Cassim, Group General Manager of Mount Lavinia Hotel, Master Chefs from South Korea, China, Japan, Thailand, India, Indonesia and Vietnam also produced cuisine unique to their countries, to captivate the taste buds of the thousands who gathered in Incheon for the Asian Games.

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.

BUTTERFLY WATCH

Swiss luxury watchmaker Omega launched its De Ville Prestige Butterfly wristwatches at a highprofile event in South Korea recently, with Brand Ambassador Nicole Kidman adding oomph to the celebrations. Also at the launch party in Seoul's Dongdaemun Design Plaza (DDP) were Omega President Stephen Urquhart and Swiss pop star Bastian Baker. A floral and butterfly theme transformed the DDP, with 21,000 white flowers reportedly being used for a stunning display. The De Ville Prestige Butterfly watches are presented in white, red and vellow gold. The glittering event was attended by Chatham Luxury, distributors of the luxury watch brand in Sri

Lanka





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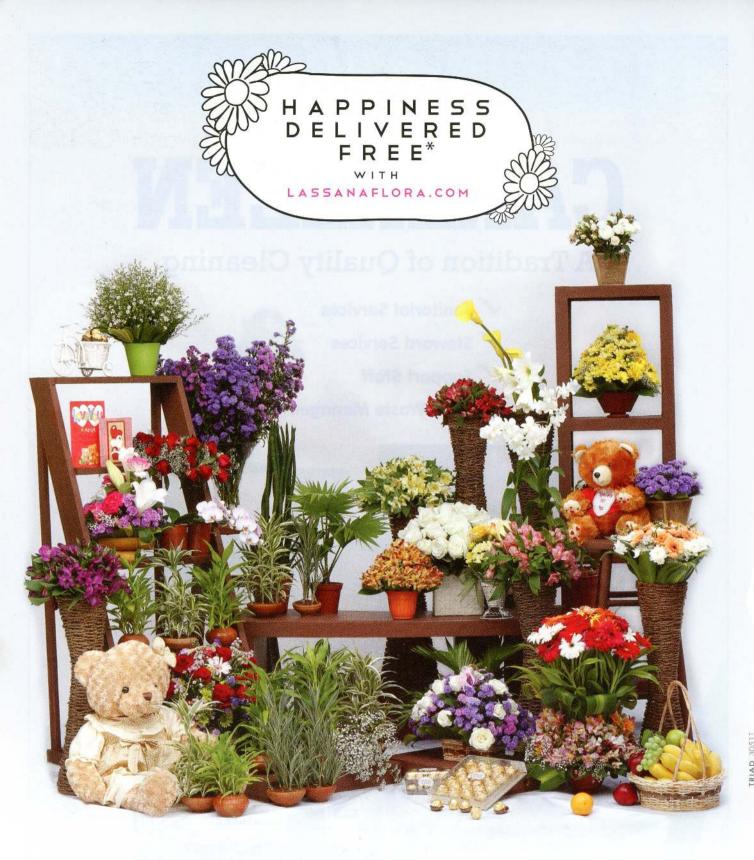
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THE LMD CHRONICLES WHAT THEY SAID IN LMD FIVE YEARS AGO

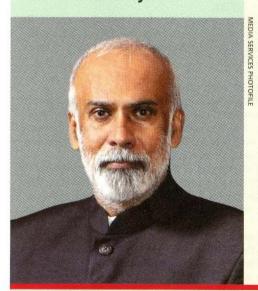
DECEMBER 2009

In the case of Sri Lanka, some streamlining is needed, as there are so many agencies involved in promotion... **Dato' Patricia Yoon-Moi Chia**

No organisation or industry is sustainable on concessions. They must be competitive. They must strengthen their balance sheets, and get their processes right... Adrian Perera

With proven world oil reserves anticipated to last less than 40 years from now, the age of oil may be coming to an end... **Praveen Jaiswal**

Reforms must be more investor-friendly; because time is of the essence, when it comes to investment... **Dr. Anura Ekanayake**





With the economy turning around slightly, this (ICT solutions) will be a good option as people look to outsource to keep their costs down...

Tony Weeresinghe

For Sri Lankan businesses, the challenge is pretty straightforward: solve a problem at home, then take it out to the world... **Dilshan Kathriarachchi**

PR is much more than spindoctoring; you have to have an overall awareness of the world around you... **Apsara Kapukotuwa**

While a large portion of our population is trapped in a cycle of debt and poverty, the spirit of independence is weak... Anoma Pieris

Digitized by Noolaham Foundation. noolaham.org | aavanaham.org 211 – DECEMBER 2014 – LMD The reduction in tariffs has made the market realise that mobile telecommunications is not a luxury anymore... Sanjaya Senarath

The postponement of the budget presented us with a problem. Without an indication of a reduction in import duties, we are unable to plan new acquisitions... **Yoshiaki Kato**

The key is going to be about marketing Sri Lanka. The fundamentals ... provide a clear competitive edge... Xavier Rolet

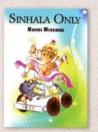
A sustainable direction for Sri Lanka's tourism development in the future will be to take on achieving a 'more with less' approach... **Renton de Alwis**





RULES Mark as 'LMD CROSSWORD' Submit before the end of the month of this publication P Please use original grid

PRIZE A book (cover visual below)
– courtesy Vijitha Yapa Bookshops



OCTOBER ANSWERS

Across (1) DAWN (3) BRAZIL
 (6) CODE (7) FLOOD (8) EVIL
 (10) END (11) GIF (13) TOWN
 (15) LADLE (18) NICE
 (19) DESERT (20) YARD

Down (1) DECIDE (2) NIECE
 (3) BAT (4) ZERO (5) LOUD
 (7) FLAW (9) VOTE (12) FRIEND
 (14) NANNY (15) LEND
 (16) DAIS (17) CAT

OCTOBER WINNER

D. Thuzari Jaffna

Name

Home address

Daytime telephone

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STRANGE BUT TRUE



Q: Under the category of 'understanding the people of the world, without percentages,' picture 100 of them representing the globe's population. Of that, how many have mobile phones? How many can access the Internet? How many speak English? How many are 14 years or younger, or 65 cr older? How many identify themselves with one of the popular religions, or no religion at all? How many can read and write? How many have college degrees? And how many live in poverty? **A:** According to The Best American Infographics 2014, edited by Gareth Cook, 75 out of every 100 people in the world have mobile phones, and 30 can access the Internet. Five speak English, another five speak Spanish and 12 speak Chinese.

Twenty-six are 14 or less, and eight are 65 or older. Only 12 don't identify with a religion; and of those remaining, 33 are Christian and 22 are Muslim. Eighty-three can read and write, and seven have college degrees. Sadly, 48 live on less than US\$ 2 a day.

Q: According to the National Cancer Institute, in the US, the highest incidence of brain cancer in 2010 was found in Alaska, Wyoming, New Hampshire and Maine. And the lowest occurrence was in Hawaii, New Mexico, Nevada and North Dakota. What might account for these variations?

A: All eight states have relatively small populations. Nevada, the most populous of the group, ranks 35th out of the 50 states, says Jordan Ellenberg, in How Not to Be Wrong: The Power of Mathematical Thinking. Herein lies the key – small samples exhibit more statistical variability than large ones.

Therefore, in a state with a low population, the incidence of brain cancer – which is a rare disease – isn't high. According to Ellenberg, due to random fluctuations, it is likely that small states will occupy both the top and bottom of such a list.

Q: Just in case you doubt that 'the history of the roller coaster is more than a little loopy,' ask yourself who invented this classic ride and how long can you stay on one?

A: "When Russian daredevils got bored sledding down hills in the 1600s, they decided to ramp things up by building 'flying mountains' – elaborate, five-storey ice ramps, with drops as steep as 50 degrees," say Noah Davis and Lucas Reilly, in Mental Floss magazine. They sledded on hollowed-out blocks of ice.

In 1804, the French added a track and wheels, though the wheels had a tendency to fly off. "By the 1840s, centrifugal railways featured the first loop-de-loops, flipping riders around a perfect circle that created g-forces three times stronger than most modern coasters," they add.

Q: How can a bird rest safely on a 500,000-volt power line?

A: The usual answer is that the bird's body does not complete an electrical circuit between two different voltages (two different power lines, or a power line and the ground), so no current flows through it. But after taking a nuanced look at the electrocution-avoidance exploits of birds, physicist José Redinz, writing in the American Journal of Physics, concluded that they actually do experience electrical current flows.

First, there is the repeated charging and discharging of the bird's body, due to the power line's regular voltage swings (50 or 60 cycles a second), which happens even if the bird grips the wire with only one foot. But if the bird has both feet on the wire, some of the current that would otherwise flow along the wire will, instead, flow up one foot through the body, and out of the other foot.

For the highest-voltage lines operating around 500,000 volts, Redinz estimates the total critter-current to be about one milliamp – the level just perceptible by a human. The lower-voltage lines in cities that operate around 10,000 volts generate proportionally smaller currents. Apparently, these currents are not noticed by birds... or maybe they just like the buzz!

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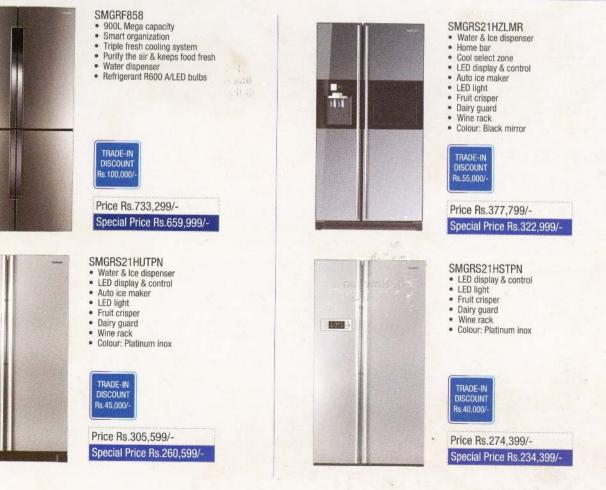
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