

BUSINESS TODAY

OCTOBER 2021



Speech of President Gotabaya Rajapaksa at 76th UN General Assembly New York

Sri Lanka proposed to establish a Regional Knowledge Hub in Colombo in collaboration with the World Health Organization (WHO), to facilitate exchange of lessons learnt from COVID-19 and support countries to build back better.



The Struggle for Power

The Government of Sri Lanka has collaborated with a foreign energy company – New Fortress Energy (NFE) to supply Liquid Natural Gas (LNG) to generate power in the future.



Mapping a Short-term Plan for Economic Stability

The Central Bank of Sri Lanka (CBSL), being led again by its alumnus Ajith Nivard Cabraal has plans to steer the country's economy through a six-month road map.

Harvard Business Review

Return-to-Work Programs

Come of Age

Companies can benefit from hiring mid-career professionals who've taken a break



How Chinese Retailers are Reinventing the Customer Journey

Five lessons for Western companies



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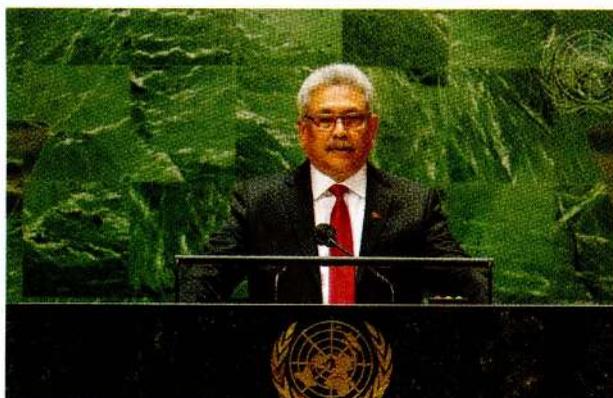
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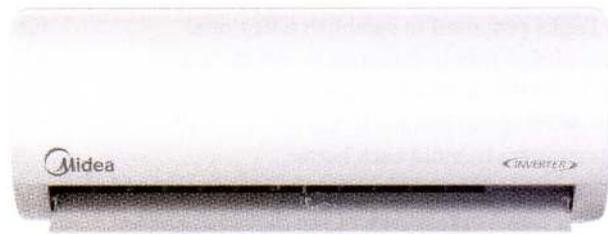
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Speech of President Gotabaya Rajapaksa at 76th UN General Assembly, New York



President Gotabaya Rajapaksa addressing the 76th UN General Assembly.

Sri Lanka proposed to establish a Regional Knowledge Hub in Colombo in collaboration with the World Health Organization (WHO), to facilitate exchange of lessons learnt from COVID-19 and support countries to build back better.

Speaking at the 76th Session of United Nations General Assembly in New York, President Gotabaya Rajapaksa said although still a developing nation, Sri Lanka has been very successful in its vaccination program.

“We have already fully vaccinated nearly all those above the age of 30. Everyone over the age of 20 will be fully vaccinated by the end of October. We will start vaccinating children over 15 years of age in the near

future. The rapid progress of vaccinations was enabled by coordinated efforts between healthcare workers, Armed Forces and Police personnel, Government servants, and elected officials,” he said.

Sri Lanka also benefitted greatly from financial and material support provided by bilateral and multilateral donors to manage the pandemic, he said and thanked those nations and institutions for their generosity. He added that the increased global cooperation visible during this ongoing crisis is greatly encouraging.

The President stressed that economic impact of the pandemic has been especially severe on developing countries. This has placed the implementation of

the 2030 Agenda for Sustainable Development Goals at considerable risk. "It is vital that more initiatives including development financing and debt relief be adopted through international mechanisms to support developing nations and help them emerge from this uncertain situation."

As devastating as the consequences of the pandemic have been to humanity, the world faces the even greater challenge of climate change in the decades to come, President Rajapaksa said. As a climate-vulnerable country, Sri Lanka is deeply aware of the dangers of climate change.

The President said Sri Lanka's philosophical heritage, deeply rooted in the Buddha's teachings, also emphasises the vitality of preserving environmental integrity.

Speech of President Gotabaya Rajapaksa at 76th UN General Assembly – New York

Mr. President, Secretary General, Excellencies, Ladies and Gentlemen

Ayubowan.

I am honoured to represent Sri Lanka at this august gathering today.

Let me first congratulate His Excellency Abdulla Shahid on being elected President of the 76th session of the General Assembly.

Mr. President, You have long been a friend of Sri Lanka. We look forward to working closely with you in the year ahead.

I also take this opportunity to convey our appreciation of His Excellency Volkan Bozkir's stewardship of the previous session of the General Assembly, and to commend Secretary-General Antonio Guterres for his leadership in these difficult times.

Mr. President, The COVID-19 pandemic has had a devastating impact on humanity.

I sympathise deeply with all who have lost their loved ones during the pandemic.

I thank frontline healthcare and essential workers around the world for their dedication and commend the World Health Organisation for its crisis response.

I also greatly appreciate the rapid advances made by the scientific and medical communities in devising vaccines and treatment protocols to combat the virus.

At the same time, we must recognise that the challenges surrounding production, distribution, deployment and acceptance of vaccines must be overcome urgently if the spread of dangerous new virus strains is to be prevented.

Ensuring that everyone, everywhere, is vaccinated is the best way out of the pandemic.

Although still a developing nation, Sri Lanka has been very successful in its vaccination programme.

We have already fully vaccinated nearly all those above the age of 30. Everyone over the age of 20 will be fully vaccinated by the end of October. We will start vaccinating children over 15 years of age in the near future. The rapid progress of vaccinations was enabled by coordinated efforts between healthcare workers, Armed Forces and Police personnel, Government servants, and elected officials.

In collaboration with the WHO, Sri Lanka is establishing a Regional Knowledge Hub to facilitate exchange of lessons learnt from COVID-19 and support countries to recover back better.

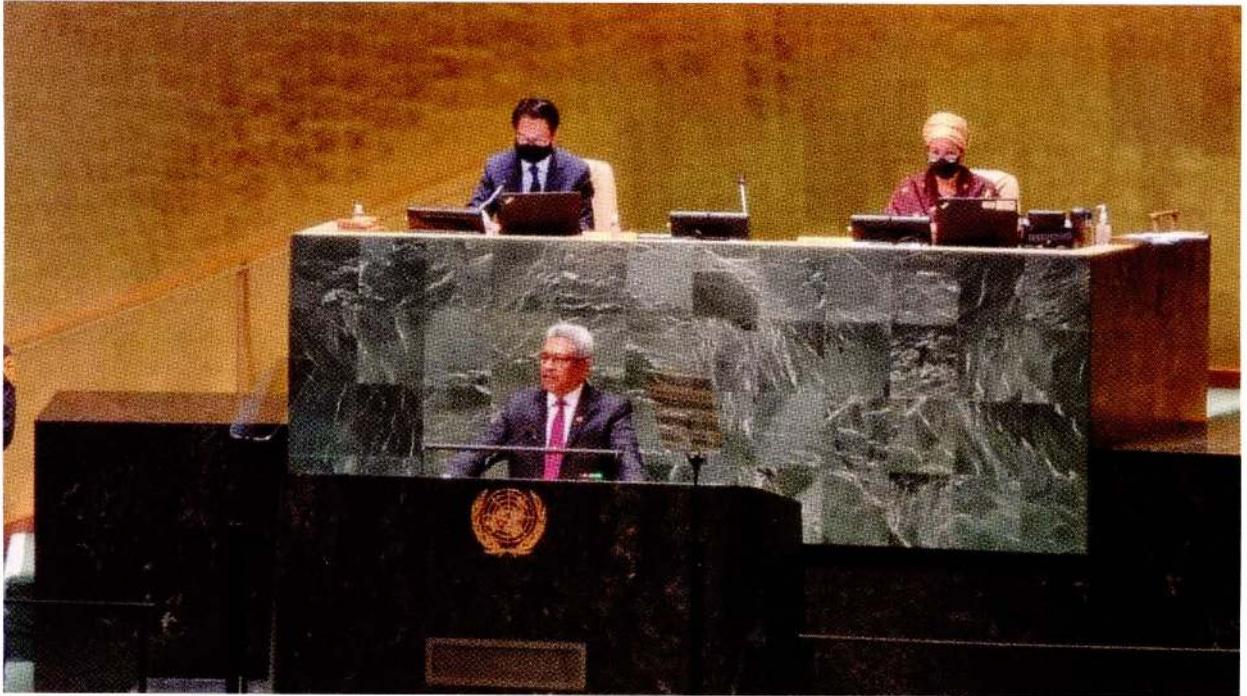
Sri Lanka also benefitted greatly from financial and material support provided by bilateral and multilateral donors to manage the pandemic. I thank these nations and institutions for their generosity. The increased global cooperation visible during this ongoing crisis is greatly encouraging. However, there is still more to be done.

Mr. President, The economic impact of the pandemic has been especially severe on developing countries. This has placed the implementation of the 2030 Agenda for Sustainable Development Goals at considerable risk.

It is vital that more initiatives including development financing and debt relief be adopted through international mechanisms to support developing nations and help them emerge from this uncertain situation.

Sri Lanka too has suffered greatly due to the pandemic. In addition to the tragic loss of life, our

In collaboration with the WHO, Sri Lanka is establishing a Regional Knowledge Hub to facilitate exchange of lessons learnt from COVID-19 and support countries to recover back better. Sri Lanka also benefitted greatly from financial and material support provided by bilateral and multilateral donors to manage the pandemic. I thank these nations and institutions for their generosity.



economy has been deeply affected. The lockdowns, together with general movement restrictions, reduced international travel, and slower global growth have affected nearly all sectors of our economy. Tourism, one of Sri Lanka's highest foreign exchange earners and a sector that supports nearly 14% of the population, has been devastated.

This industry, together with small and medium businesses in many other sectors, received Government support through interest moratoriums and other financial sector interventions.

Daily wage earners and low-income groups were also supported through grants of cash and dry rations during lockdowns, adding significantly to state expenditure.

In addition to their immediate impact, these economic repercussions of the pandemic have limited the fiscal space available to implement our development programmes.

Mr. President, As devastating as the consequences of the pandemic have been to humanity, the world faces the even greater challenge of climate change in the decades to come.

As emphasised in the recent report by the Intergovernmental Panel on Climate Change, the unprecedented effect of human activity on the health of the planet is deeply worrying.

Addressing the grave threats posed by climate change

and the loss of biodiversity requires decisive and urgent multilateral action.

As a climate-vulnerable country, Sri Lanka is deeply aware of the dangers of climate change.

Sri Lanka's philosophical heritage, deeply rooted in Lord Buddha's teachings, also emphasises the vitality of preserving environmental integrity.

It is in these contexts that Sri Lanka is a Commonwealth Blue Charter Champion and leads the Action Group on Mangrove Restoration.

Through the adoption of the Colombo Declaration on Sustainable Nitrogen Management, which seeks to halve nitrogen waste by 2030, Sri Lanka has also contributed to global efforts to reduce environmental pollution.

Having participated virtually in the Pre-Summit held in April, I trust that the United Nations Food Summit later this month will result in actionable outcomes to promote healthier, more sustainable, and equitable food systems globally.

Such outcomes will be crucial to human health as well as to the health of our planet.

Sustainability is a cornerstone of Sri Lanka's national policy framework.

Because of its impact on soil fertility, biodiversity, waterways and health, my Government completely banned the use of chemical fertilisers, pesticides, and weedicides earlier this year.

Sri Lanka welcomes the support of the international community as it engages in the task of reviving its economy and carrying out its national development programme. We intend to make full use of geostrategic location and our robust institutions, strong social infrastructure, and skilled workforce, to attract investment and broaden trade relationships.

Production and adoption of organic fertiliser, as well as investments into organic agriculture, are being incentivised.

I appreciate the encouragement received from many global institutions and nations for our efforts to create a more sustainable agriculture in Sri Lanka.

The conservation of our environment is one of our key national priorities.

We aim to increase forest cover significantly in the coming decades.

We are also working to clean and restore over 100 rivers countrywide, and to combat river and maritime pollution.

We have also banned single use plastics to support ecological conservation.

Sri Lanka recognises the urgent need to reduce use of fossil fuels and support decarbonisation.

Our energy policy seeks to increase the contribution of renewable sources such as solar, wind and hydropower to 70% of our national energy needs by 2030.

Mr. President, Sri Lanka welcomes the support of the international community as it engages in the task of reviving its economy and carrying out its national development programme.

We intend to make full use of geostrategic location and our robust institutions, strong social infrastructure, and skilled workforce, to attract investment and broaden trade relationships.

My Government is focusing on extensive legal, regulatory, administrative and educational reforms to facilitate this, and to deliver prosperity to all our people.

Sri Lanka has enjoyed universal adult franchise since pre-Independence.

The democratic tradition is an integral part of our way of life.

My election in 2019 and the Parliamentary election in 2020 saw Sri Lankan voters grant an emphatic mandate to my Government to build a prosperous and stable country, and uphold national security and sovereignty.

In 2019, Sri Lanka experienced the devastation wrought by extremist religious terrorists in the Easter Sunday attacks.

Before that, until 2009, it had suffered from a separatist terrorist war for 30 years.

Terrorism is a global challenge that requires international cooperation, especially on matters such as intelligence sharing, if it is to be overcome.

Violence robbed Sri Lanka of thousands of lives and decades of prosperity in the past half century. My Government is committed to ensuring that such violence never takes place in Sri Lanka again. We are therefore acting to address the core issues behind it.

Fostering greater accountability, restorative justice, and meaningful reconciliation through domestic institutions is essential to achieve lasting peace.

So too is ensuring more equitable participation in the fruits of economic development.

It is my Government's firm intention to build a prosperous, stable and secure future for all Sri Lankans, regardless of ethnicity, religion, or gender.

We are ready to engage with all domestic stakeholders, and to obtain the support of our international partners and the United Nations, in this process.

However, history has shown that lasting results can only be achieved through home-grown institutions reflecting the aspirations of the people.

Sri Lanka's Parliament, Judiciary and its range of independent statutory bodies should have unrestricted scope to exercise their functions and responsibilities.

Mr. President, Excellencies, Distinguished Delegates.

If, in keeping with the theme of our General Debate today, we are to truly build resilience through hope, we must all strive towards the common good.

It is the role of the United Nations to facilitate this by treating all sovereign states, irrespective of size or strength, equitably, and with due respect for their institutions and their heritage.

I request the United Nations and the international community to ensure the protection of the Buddhist heritage of Afghanistan.

I call on the member states of this august Assembly to work together in a spirit of true cooperation, generosity, goodwill, and mutual respect to foster a better and more sustainable future for all humanity.

Thank you. ☐

President Arrives in New York to Attend 76th UNGA Session

President Gotabaya Rajapaksa arrived in New York to attend the 76th United Nations' General Assembly (UNGA) Session.



President Gotabaya Rajapaksa being welcomed by Mohan Peiris, Permanent Representative of Sri Lanka to the United Nations.



President Gotabaya Rajapaksa with First Lady Ioma Rajapaksa and Mohan Peiris, Permanent Representative of Sri Lanka to the United Nations.

The delegation headed by the President arrived at the John F. Kennedy Airport in New York. The President and the delegation were warmly welcomed by Mohan Peiris, Permanent Representative of Sri Lanka to the United Nations.

The 76th Session of the UNGA was under the theme “Building resilience through hope – to recover from COVID-19, rebuild sustainably, respond to the needs of the planet, respect the rights of people, and revitalize the United Nations.” The Foreign Ministerial level summit of the General Assembly will take place in the presence of Heads of State from several countries in New York to attend the summit.

President Rajapaksa will address the General Assembly, the Food Systems Summit, and the High-level Dialogue on Energy and hold bilateral discussions with several heads of state during the visit.

Foreign Minister Prof. G.L. Peiris, Principal Advisor to President Lalith Weeratura, and Foreign Secretary Admiral Prof. Jayanath Colombage accompany the President on this visit. ☐

United Nations' Fullest Support to Sri Lanka

President invites Tamil Diaspora to join in a dialogue to resolve issues through an internal mechanism.



President Gotabaya Rajapaksa with UN Secretary-General Antonio Guterres.

The United Nations Secretary-General Antonio Guterres has told President Gotabaya Rajapaksa that the UN will provide its full support to Sri Lanka in moving forward to promote unity among different communities.

The UN Secretary-General made these remarks during the meeting he held with the President at the United Nations Headquarters in New York.

Antonio Guterres warmly welcomed President Rajapaksa when he arrived at the United Nations Headquarters, reminisced about his visits to Sri Lanka in 1978 representing the Inter-Parliamentary Union and his visits to Kandy, Anuradhapura, Polonnaruwa, and Trincomalee.

Antonio Guterres also recalled his dealings with Sri Lanka during his tenure as the United Nations High Commissioner for Refugees and his meeting with then-President Mahinda Rajapaksa in 2006. The Secretary-General noted that Sri Lanka, as a country, plays a more active role in social and economic spheres in the Indian Ocean region. The UN expects that Sri Lanka will continue to do so in the future, despite the crisis that has plagued it for nearly 30 years.

President Rajapaksa said that he was pleased to have the opportunity to hold a bilateral discussion with the Secretary-General of the United Nations and congratulated him on leading the United Nations during a difficult period facing the world and on his re-election



Left: UN Secretary-General Antonio Guterres welcomes President Gotabaya Rajapaksa. Right: President Gotabaya Rajapaksa, Mohan Peiris, Permanent Representative of Sri Lanka to the United Nations and the delegation headed by the President.

as the Secretary-General. President Rajapaksa briefed the UN Secretary-General on the challenges facing a country like Sri Lanka with a small economy in the face of the COVID epidemic. President Rajapaksa spoke at length on the impact of the COVID-19 epidemic on education and the economy of Sri Lanka and thanked the World Health Organization for its support to overcome the pandemic.

The President pointed out that more than half of the total population has been fully vaccinated and that all arrangements have been made to fully vaccinate all those over the age of 15 before the end of November by showing the statistics. The Secretary-General commended the progress made by Sri Lanka in the vaccination drive.

The President pointed out that the Covid-19 pandemic was a major obstacle to fulfilling the pledges made to the people when he became the President in 2019. Even amidst this situation, the President elaborated on the steps taken to address the issues that arose in defeating terrorism that lasted for over 30 years.

The President explained the compensation paid to the victims, the transfer of lands back to the owners, and the massive development carried out in the North and East Provinces since 2009 under the guidance of President Mahinda Rajapaksa and the opportunity given democratically elect the representatives to the Northern Provincial Council.

The President informed the Secretary-General that the government would take immediate action

concerning missing persons and expedite the efforts, such as issuing death certificates.

The President pointed out that many youths who were arrested as suspects over terrorist activities were released after he came to power. The President informed the Secretary-General that legal action would be expedited concerning rest of the personnel who could not be released, and that he would not hesitate to grant a presidential pardon to the Tamil youths who have been in custody for a long time, taking into account their long-term detention and after the legal process was completed.

The President stated that his objective is to strengthen the democracy in Sri Lanka. Accordingly, there are no baton attacks or use of water cannons on protesters under his government. A separate area has been set aside for protesters near his office. President Rajapaksa also explained the engagement with civil society organizations to bring about development and reconciliation in the country.

The President said that the internal issues of Sri Lanka should be resolved through an internal mechanism of the country and said the Tamil Diaspora would be invited for discussions in this regard.

President Rajapaksa said that he was always ready to work closely with the United Nations and added that though he could assure that there is no room for separatism to re-emerge in Sri Lanka, Sri Lanka as a government and other states should be vigilant about religious extremism. 



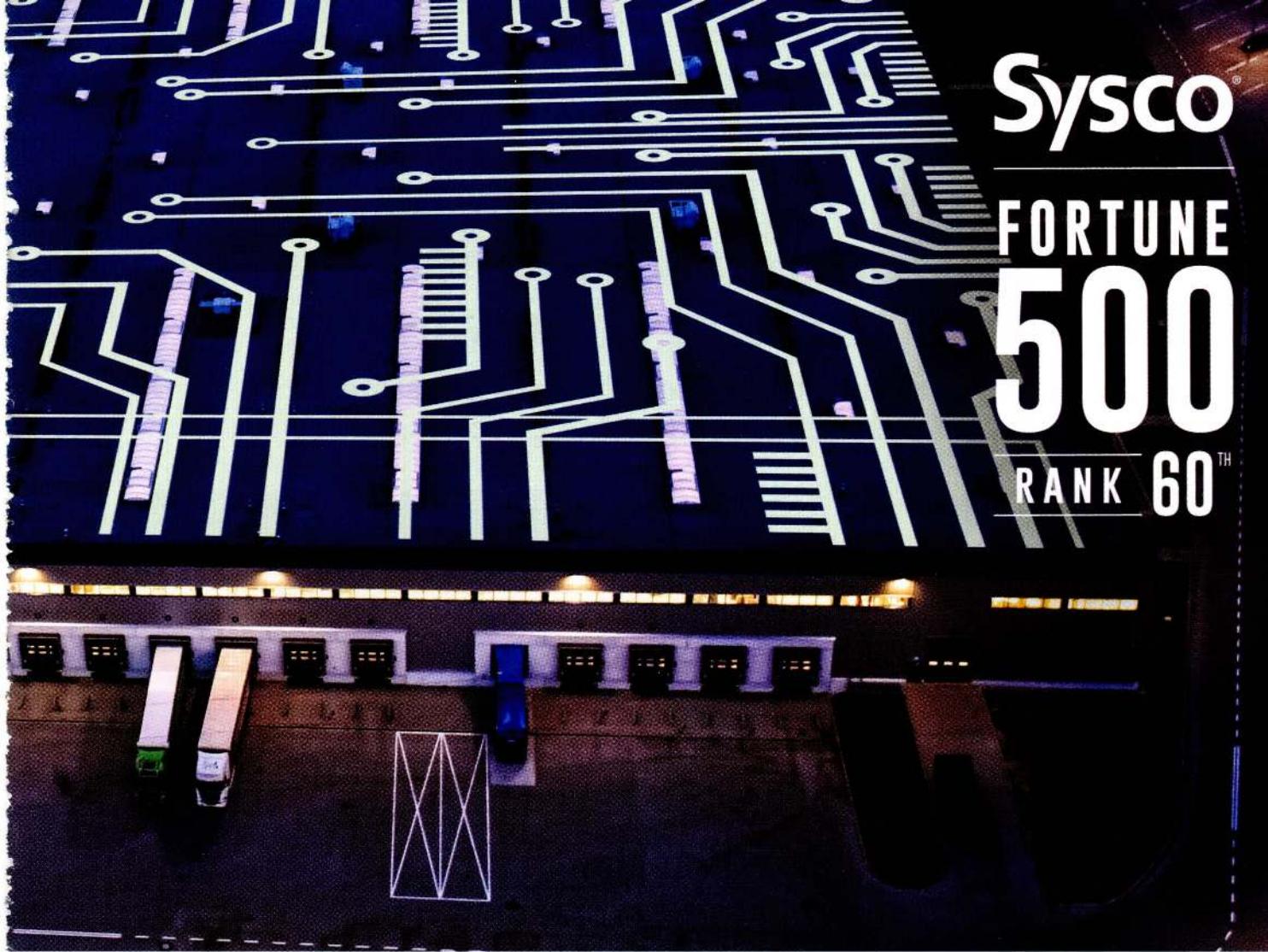
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Meeting Between the President and the Prime Minister of Kuwait

President invites Kuwaiti investors for new investments in Port City, solar energy and oil refining sectors....



President Gotabaya Rajapaksa in discussion with Prime Minister of Kuwait, Sheikh Sabah Al-Hamad Al-Sabah. Also present at the meeting were Foreign Minister Prof. G.L. Peiris, Principal Advisor to the President Lalith Weeratunga, Foreign Secretary Admiral Prof. Jayanath Colombage and other delegates.

A meeting between President Gotabaya Rajapaksa and the Prime Minister of Kuwait, Sheikh Sabah Al-Hamad Al-Sabah, took place at Manhattan, New York.

Recalling the close and friendly diplomatic relations between the two countries spanning fifty years, the two leaders noted that these relations should be further strengthened. The President pointed out that many Sri Lankans are employed in Kuwait and made a request for more employment opportunities for skilled workers.

The President explained the Covid-19 pandemic control measures and the vaccination program being

carried out in the country and pointed out the possibility of strengthening bilateral relations with the end of the pandemic and the opening up of the world.

The President also drew the Kuwaiti Prime Minister's attention to the investment opportunities available to Kuwait in the Colombo Port City in solar and wind energy and oil refining sectors.

The two Heads of State also discussed food security, education, information technology, and cyber security.

Foreign Minister Prof. G.L. Peiris, Principal Advisor to President Lalith Weeratunga, and Foreign Secretary Admiral Prof. Jayanath Colombage were also present. 

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Leaders of Sri Lanka and Latvia Focus on Developing Bilateral Relations

A meeting between President Gotabaya Rajapaksa and the President of the Republic of Latvia, Egils Levits.



President Gotabaya Rajapaksa and President of the Republic of Latvia, Egils Levits.



President Gotabaya Rajapaksa and President of the Republic of Latvia, Egils Levits in discussion. Also present at the meeting were Foreign Minister Prof. G. L. Peiris, Principal Advisor to the President Lalith Weeratunga, Foreign Secretary Admiral Jayanath Colombage and Mohan Peiris, Permanent Representative of Sri Lanka to the United Nations.

The meeting took place on the sidelines of the 76th Session of the UN General Assembly. The two leaders believed that strong steps should be taken to further the 25-year long diplomatic relations between the two countries.

The two leaders discussed the impact of the Covid-19 pandemic on the economy and society. They exchanged views on the measures to be taken to better the tourism industry in the two countries as the pandemic subsides.

The two leaders also focused on enhancing cooperation between the two countries in education

and digital technology. The two leaders discussed the topic of a change in the composition of the UN Security Council and the need for the more excellent representation in UNSC for the Asian, Southern African, the Middle East, and South American regions.

Foreign Minister Prof. G. L. Peiris, Principal Advisor to the President Lalith Weeratunga, Foreign Secretary Admiral Jayanath Colombage, and Mohan Peiris, Permanent Representative of Sri Lanka to the United Nations, were also present. ☐

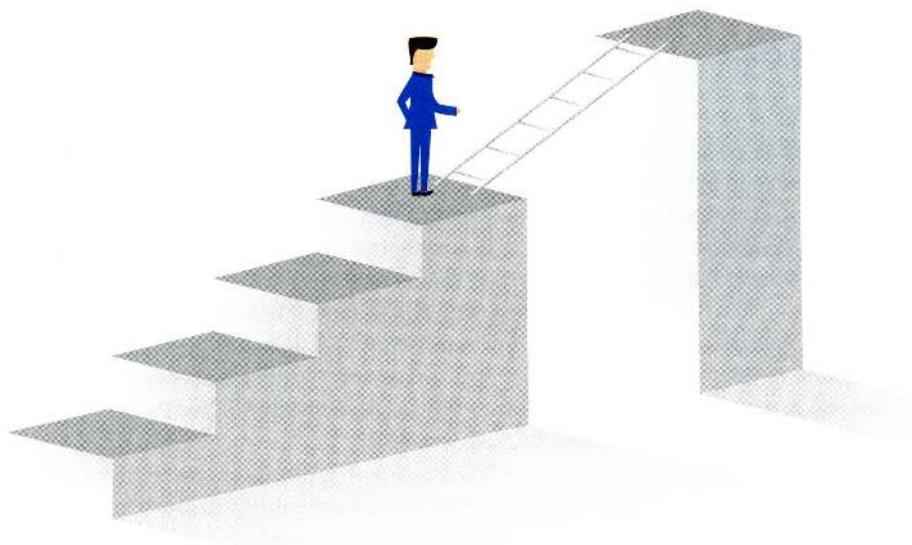
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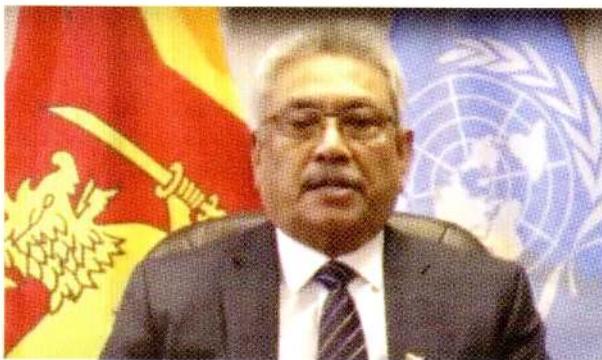
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President Addresses the Virtual Plenary of the UN Food Systems Summit.

President Gotabaya Rajapaksa emphasized the importance of transforming sustainable global food systems.



President Gotabaya Rajapaksa addressing the UN Food Systems Summit.



President Gotabaya Rajapaksa stressed that it is essential to transform global food systems to be more sustainable and that all stakeholders should work together in this regard. The President expressed these views while addressing the Virtual Plenary of the UN Food Systems Summit.

The UN Food Systems Summit commenced in New York in parallel to the 76th Session of the UN General Assembly. UN Secretary-General António Guterres made the keynote remarks of the Summit organized under the theme ‘Accelerating Action for the Future We Want.’

While addressing the Summit, President Gotabaya Rajapaksa pointed out that the Covid-19 pandemic has exposed weaknesses in global food systems and will only worsen with climate change. Sustainable food systems are part of Sri Lanka’s rich socio-cultural and economic heritage. The President said and added that the step taken by the Government to ban chemical fertilizers, pesticides, and weedicides that led to adverse health and environmental impacts, was a crucial point in the state policy on sustainable development.

The President pointed out that changing the mindset of farmers long accustomed to using chemical fertilizers was difficult, and producing a sufficient quantity of

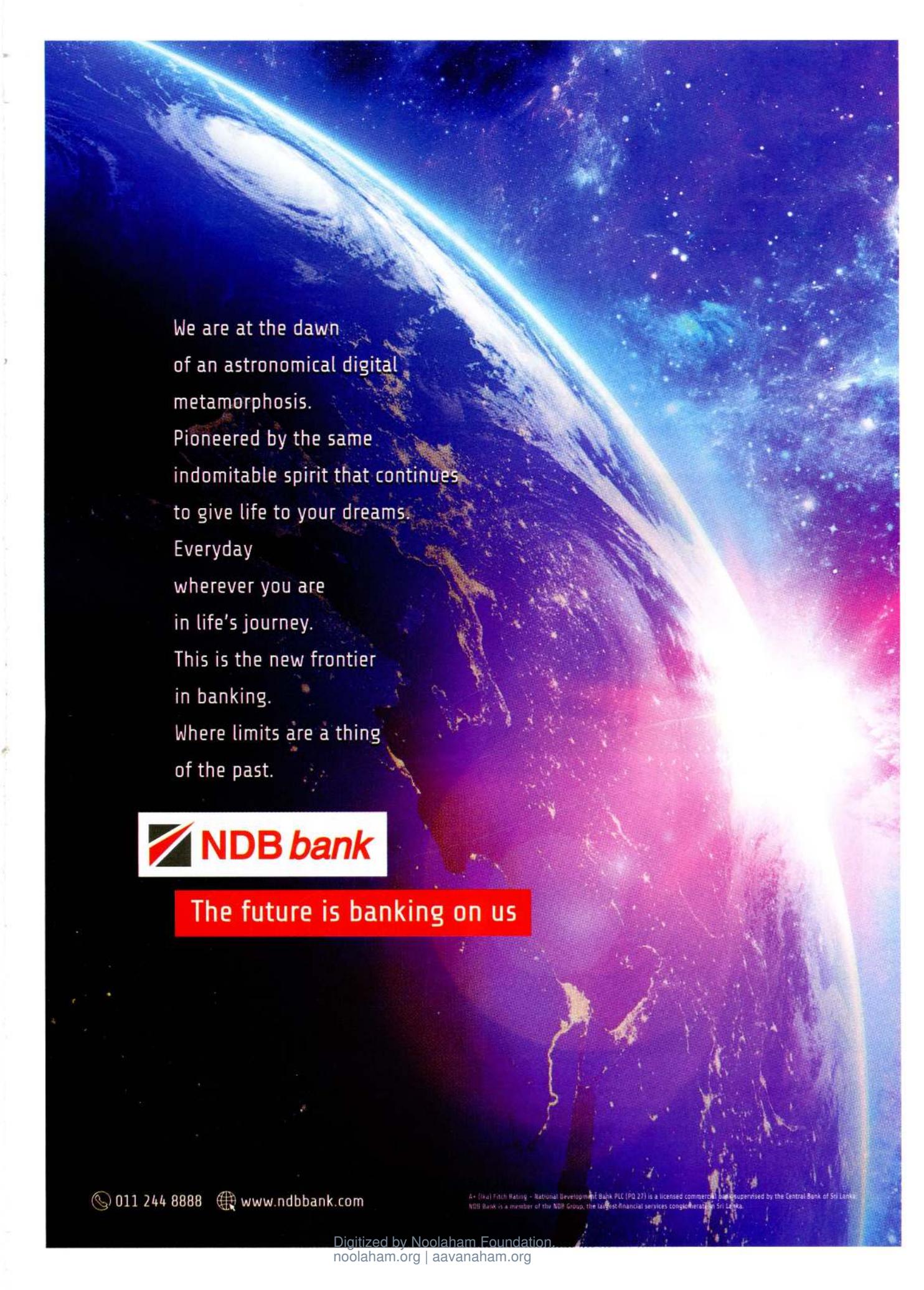
organic fertilizer domestically was challenging. “Sri Lanka welcomes technical assistance and bilateral support in this regard,” he said.

It is essential to enhance market-oriented inclusive food value chains to reduce rural poverty when fostering organic agriculture. “Through such improvements, I am confident Sri Lanka will be able to sustainably transform its food system and ensure greater food security and better nutrition for its people,” the President said.

The President appreciated the technical assistance of the Food and Agriculture Organisation and the World Food Programme provided to Sri Lanka and thanked for the support of other global organizations and scientific bodies in this regard.

President Rajapaksa said that it should be the aim of all state leaders to ensure a better future for our people and our planet. Everyone must work together to find solutions to the universal challenges we will have to face in the future in this regard.

The President also expressed optimism that the Summit will help facilitate the transformation of the global food systems better to foster the health of both humanity and our planet. ☐



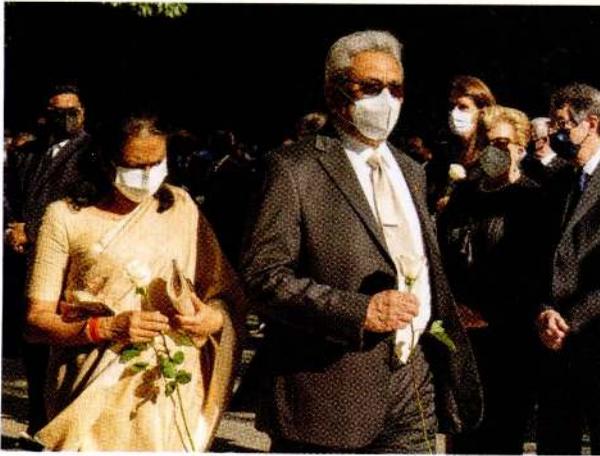
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President Joins Special Event Organized to Mark 20th Anniversary of 9/11 Terror Attack

President Gotabaya Rajapaksa attended the special commemorative event organized in front of the Manhattan Memorial in the United States to mark the 20th anniversary of terrorist attacks in Washington and New York.



President Gotabaya Rajapaksa and First Lady Ioma Rajapaksa pay tribute to those who lost their lives in the terror attacks.



The terrorist attacks took place on September 11, 2001, targeting the World Trade Center in New York and the Pentagon, the headquarters of the United States Department of Defence.

Coinciding with the 76th Session of the United Nations General Assembly, the United Nations Office

of Counter-Terrorism and the 9/11 Memorial Museum jointly organized the event.

Other Heads of State and government representatives, who were in New York to attend the UN General Assembly, were also present at the event to pay tribute to those who lost their lives in attacks. ☐



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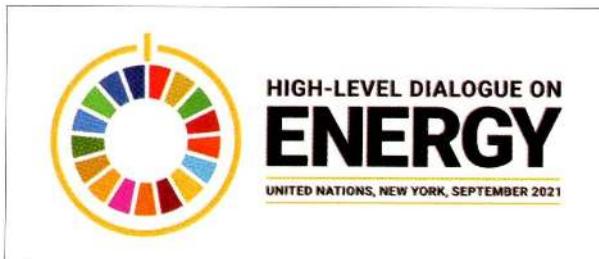
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Statement by H.E. Gotabaya Rajapaksa, President of the Democratic Socialist Republic of Sri Lanka at the High Level Dialogue on Energy



President Gotabaya Rajapaksa.



Mr. Secretary General, Excellencies, Ladies, and Gentlemen,

I am pleased to participate in this virtual High-Level Dialogue on Energy today. Ensuring that everyone has access to affordable, reliable, and sustainable energy is an important goal to pursue globally.

Sustainable energy development continues to be a high priority for Sri Lanka in line with Sustainable Development Goal number 7. Sri Lanka has achieved almost 100% electrification, ensuring uninterrupted energy access for almost all our people.

We have also set an ambitious target for 70% of the country's energy requirements to be obtained through

renewable sources by 2030. Our aim is to transition away from fossil fuels, promote de-carbonization, and make Sri Lanka a carbon-neutral country by 2050. Sri Lanka's commitment not to construct any new coal power plants is reflected in its Nationally Determined Contributions to the UN Framework Convention on Climate Change.

Sri Lanka is happy to be a co-lead of the Energy Compact for No New Coal Power. We are also discouraging imports of vehicles relying on fossil fuels and encourage wider adoption of electric cars.

Reducing Greenhouse Gas emissions and promoting sustainable energy solutions are essential to ensure the health of the planet. As noted in the recent report by the Intergovernmental Panel on Climate Change, the threats posed by human-induced climate change to the planet can no longer be ignored. Transitioning to cleaner energy globally is essential if we are to mitigate this threat in the decades to come.

I request countries that have the required capabilities to support developing nations as they attempt this transition to more sustainable energy generation and usage. Sri Lanka is encouraging entrepreneurs, small businesses, and community organizations to invest in 7,000 small-scale solar projects throughout the country. We also recently inaugurated the country's largest wind power farm.

Sri Lanka further welcomes large-scale investments in renewable energy, particularly in solar, wind, and biomass, over the coming decades.

We will ensure that appropriate projects are given priority and are rapidly implemented. The fulfillment of human needs and maintaining the health of the planet are twin imperatives that deserve our highest priority as a global community.

I am confident that if we all work together in a true spirit of cooperation and goodwill, we will succeed in this within a framework of mutual respect.

Thank you. ☐

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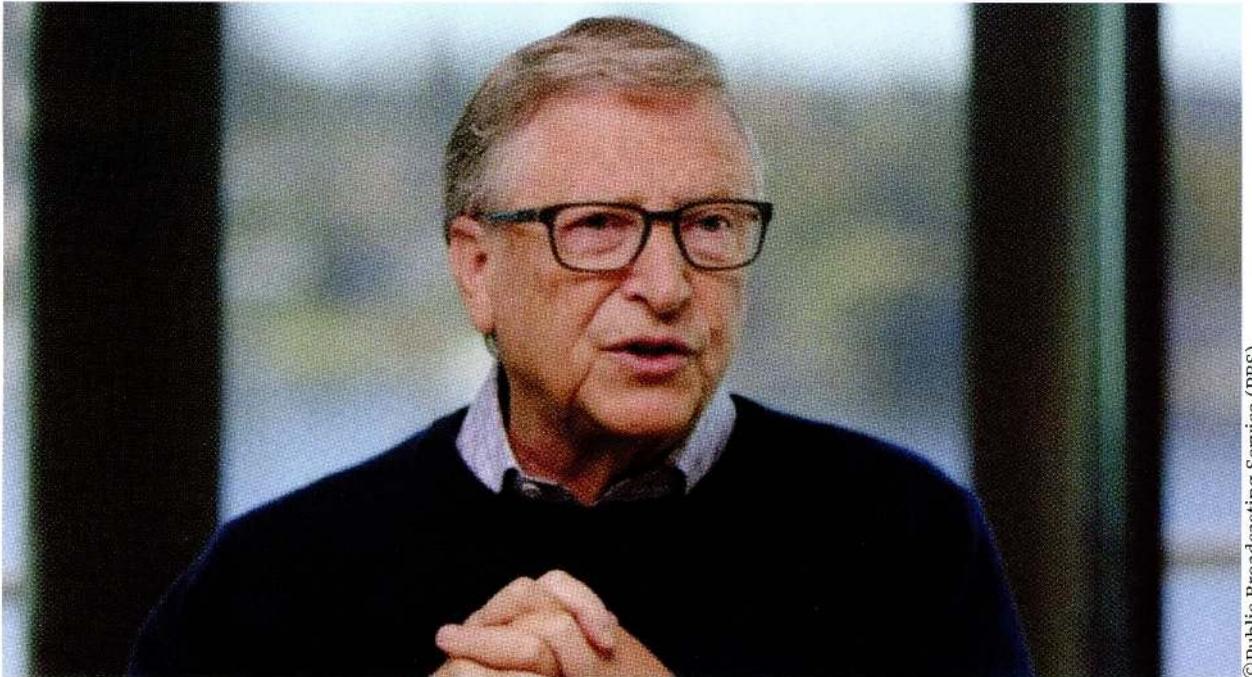


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Bill Gates PBS Interview: Vaccine Equity, Climate, Epstein Meetings

Bill Gates participated in an interview with PBS. He discussed COVID-19 vaccine boosters and access, his meetings with Jeffrey Epstein, and more.



© Public Broadcasting Service (PBS).

Bill Gates, Microsoft co-founder and philanthropist.

Judy Woodruff: With world leaders visiting New York this week for the United Nations General Assembly, Microsoft co-founder and philanthropist Bill Gates is calling on the world's richest nations to take what he says are urgent steps needed to end the crisis phase of this pandemic. We spoke about those steps earlier this afternoon in a wide-ranging discussion. And we should note, the Bill and Melinda Gates Foundation is a funder of the Newshour. Bill Gates, thank you very much for joining us. In the statement you put out today you spoke about that this is a moment of opportunity, a time to look at this pandemic almost from a new perspective, and yet it's also a somber milestone. You wrote, "We are 18 months in, COVID is still on a death march," what gives you hope?

Bill Gates: Well, the vaccines are a miracle, and

there's a great story about the scientists who invented those and how quickly that production's been ramped up. Now, with the volumes increasing we have a chance to be equitable. We haven't gotten much out to the poorer countries, and yet variants could come out of those countries, and they need to get their economies back on track. And so the US stepping back in, instead of quitting the WHO and not being willing to get involved. Now the US stepping up and working with other countries, increasing their donations, this is a very positive moment to remember that there are these deep inequities in health, and ending the pandemic should be top of the list for helping all countries.

Judy Woodruff: And I was struck by how you spoke about that. You said, "There has to be a common

commitment to equity to understand that what happens in lower-income countries effects higher-income countries.” We hear in the United States that we’re sending a lot of vaccines around the world. But you’re saying not enough’s being done?

Bill Gates: No, the need out there is billions, and so far we’ve gotten tens of millions out. And now that supply is no longer the limiting factor in most rich countries. I mean, the US hasn’t gotten up to the level of any other rich countries, but that’s not a supply issue. So there is the opportunity for the US and others not only to solve the supply problem, but help these developing countries with the logistics of actually getting out to all their citizens. And so during 2020, Europe and Gates Foundation were having lots of conversations about this. There weren’t enough vaccines, they mostly went to the rich countries. The US chose not only not to be involved, but to actually quit the WHO. Now we see a turnaround in terms of vaccine supply and the Biden administration wants to help the world, which of course will benefit the US as well.

Judy Woodruff: And you also have President Biden saying the United States can both deliver boosters to many Americans at the same time the US provides vaccines around the world. But there are public health experts who say that’s just not true. You cannot do both. Who’s right? How do you see this?

Bill Gates: Well, between now and the end of the year, we are still somewhat supply constrained. So the ideal would be if the rich countries made their booster strategies reasonably targeted. That is people 60, or 65 and older who have medical conditions. That would mean that the diversion in the rich countries would stay quite modest. Ideally, the rich countries, if they are going to do widespread boosters, would wait and do those early next year where a variety of new vaccines will ramp up their production. Johnson & Johnson, Novavax. And then the booster programs won’t compete with getting doses out to low-income countries.

Judy Woodruff: So you’re saying it’s a mistake to do it now?

Bill Gates: In a broad way. If you want to target people who have immune deficiency, or people above a certain age, the numbers aren’t that gigantic. And so very targeted booster programs are going to be okay, it’s disappointing where you have a few countries doing super broad booster programs because we still don’t have the supply that we’d like to have. So I agree with WHO, we have to balance these needs for the next four to six months.

Judy Woodruff: And have you told President Biden that?

Bill Gates: Well, the Foundation is in contact with all the key people. Obviously there’s some people who the booster is helpful to. The broad evidence for most people is actually still pretty weak. And so it was good that the FDA didn’t choose to go for all people over 12.

Judy Woodruff: You talked about supply, we need to fix the supply problem, make it more transparent, there needs to be more global cooperation. A lot of people look at this and they think, “We thought that was already being done.” But you’re saying it’s not. Can you just explain in layman’s terms in a nutshell, what needs to be done?

Bill Gates: Well, during the key year, 2020, the US not only didn’t get involved, they withdrew from the main health organization that the world has. They withdrew from the WHO. And then when the Congress did allocated money to buy vaccines, the Trump administration said, “No, we’re going to block that money from being spent.” And so this year, as the Biden administration came in they unblocked that money. They did want to make sure the US wasn’t supply constrained. So you can argue, should this have been done three or four months ago? But now we see all the rich countries having gotten up to quite high levels. And so yes, it’s a bit late, but the benefits are still there and incredible.

Judy Woodruff: One of the other issues you’re working on right now of course is climate change. It’s before the world leaders right now. Countries are being pressed to come up with commitments that they’re going to cut their use of carbon energy. And yet, I want to ask you about the current situation right here in this country. The President is trying to push legislation that would include a lot of money to address these environmental questions. But you have not just republicans, but democrats like Joe Manchin of West Virginia saying, “No, we need to cut back on efforts to move to cleaner energy.” How do you see what’s going on politically?

Bill Gates: The infrastructure bill has some really great money to advance green technologies, to fund projects. And the reconciliation bill has a lot of key tax credits to drive the demand for green technology. So if both of those pass, the US will accelerate in a very dramatic way its contribution. Not only reducing its emissions, but innovating to drive the price down. Senator Manchin has spoken about the overall price tag and the incentives in the electricity generation sector, and how he might want to see those be different. The ideal thing is even if these bills, if there’s some modest

reductions, that they get passed. If we don't get either of these bills, the US will be really absent in driving the cost of green technologies down, which in terms of creating new industries and the jobs in those industries would be a huge missed opportunity for both the US and the world.

Judy Woodruff: And are you sharing your view with members of Congress as they face some of these votes in the weeks to come?

Bill Gates: Absolutely. I've actually got two topics that I've been in lots of discussions with members of Congress on. One is funding work to avoid having another pandemic. What is the research and things we need to do there? And the President's science advisor, Eric Lander put forward a plan that we worked with him on that's very good there, but it needs to be funded. And then these climate issues, which now is the time to get serious about those things and tap into US innovation power.

Judy Woodruff: I also want to ask you Bill Gates about the future of the Bill and Melinda Gates Foundation. You announced earlier this year from a private announcement that you and your wife Melinda were going to be ending your marriage. But at the same time, the Foundation announced that it was going to use this moment to restructure. What is that going to look like? How is the mission going to change? I'm asking because this is the biggest foundation in the world by far, your assets are in the tens of billions. People have a lot of interest in what the foundation does.

Bill Gates: Yeah, so the announcement relative to the Foundation is we'd be adding some people at the governance level. I'm incredibly proud of the Foundation, the work it does on vaccines for Malaria, for reproductive health. And the overall priorities of the Foundation are not changing. We picked up 1.8 billion of grants focused on the pandemic, but that doesn't mean ... We're still finishing the Polio ratification. So we'll have some additional advisors at the board level, but the priorities we set going back all the way to 2000, that Melinda and I believe in, global health and education, that'll still be where our work is done. So the only shift in strategy has been to add the pandemic and now use our expertise to help governments fund the tools so that we don't end up with another pandemic like this one.

Judy Woodruff: So mainly the same focus. I also want to ask you about something else in the public arena. It was reported at that time that you had a number of meetings

with Jeffrey Epstein, who when you met him 10 years ago he was convicted of soliciting prostitution from minors. What did you know about him when you were meeting with him, as you've said yourself, in the hopes of raising money?

Bill Gates: I had dinners with him. I regret doing that. He had relationships with people he said would give to global health, which is an interest I have. Not nearly enough philanthropy goes in that direction. Those meetings were a mistake, they didn't result in what he purported, and I cut them off. That goes back a long time ago now, so there's nothing new on that.

Judy Woodruff: It was reported that you continued to meet with him over several years and that, in other words, a number of meetings. What did you do when you found out about his background?

Bill Gates: Well, I've said, I regretted having those dinners. There's absolutely nothing new on that.

Judy Woodruff: Is there a lesson for you? For anyone else looking at this?

Bill Gates: Well, he's dead, so in general you always have to be careful. I'm very proud of what we've done in philanthropy, very proud of the work of the Foundation. That's what I get up every day and focus on.

Judy Woodruff: And so for people watching who wonder about the future of the Gates Foundation, what's your message?

Bill Gates: Well, I'm extremely lucky that with the help of Melinda and the incredible generosity of Warren Buffet, we're able to take these important causes and bring innovation to bear. We were funding mRNA vaccines when it was still viewed as something that would never work. Now that's turned into a source of some of the very best vaccines. We have great hopes to use that technology for an HIV vaccine. Our work has reduced childhood death rates quite dramatically over the last 20 years. This is my second career. We've hired great people, we've made some progress. The visibility of the inequity here isn't as high as it should be. Maybe one small benefit of the pandemic is people realize how weak these health systems are and how diseases like Malaria and Polio are still out there and incredible tragedies. So I'm very lucky to be involved in this work, it's gone way better than I expected. This will be the focus for the rest of my life.

Judy Woodruff: Bill Gates, we thank you very much for talking with us.

Bill Gates: Thank you. ☐



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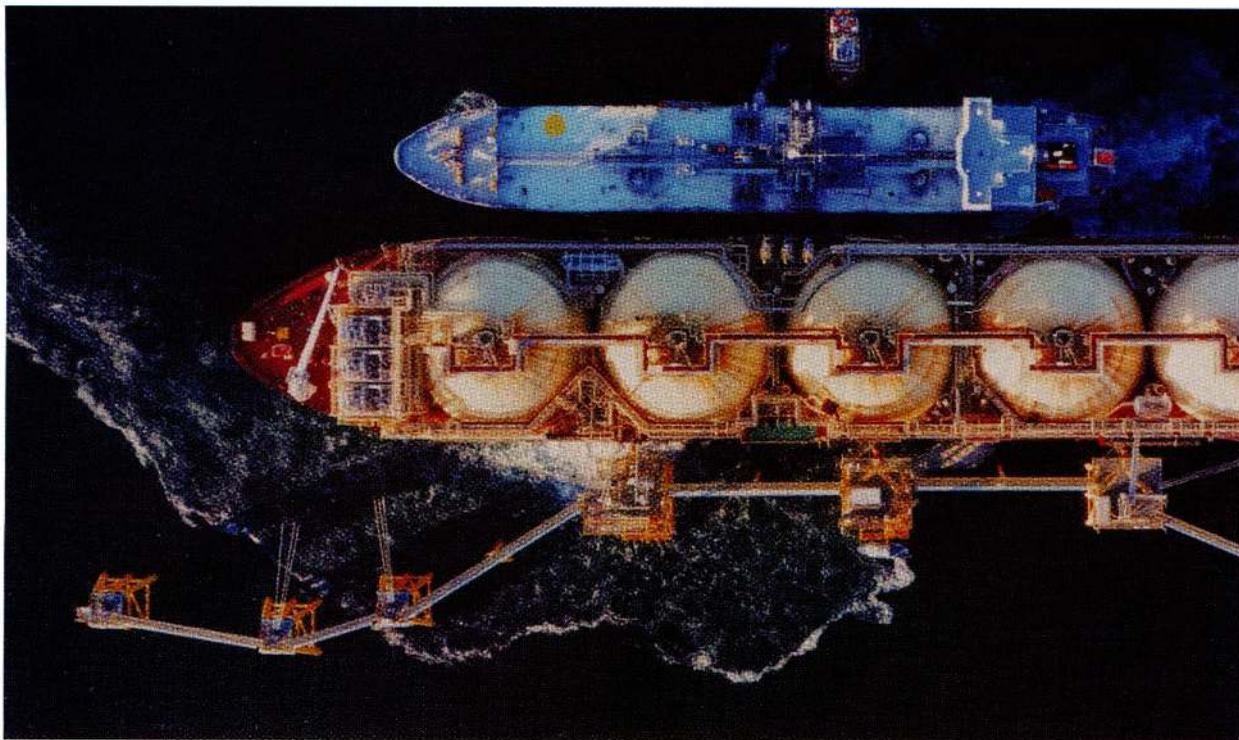
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The Struggle for Power

For a long time, Sri Lanka's power sector has struggled to meet the demand for a reliable and affordable electricity supply. Service in certain areas can be unreliable. Apart from the fact that the state aims to push for wider-ranging electrification of rural Sri Lanka, the power generation apparatus, including transmission and distribution networks, require development. Aware of these requirements, the Government of Sri Lanka has agreed with a foreign energy company to introduce Liquid Natural Gas to generate power in the future.

By Jennifer Paldano Goonewardane. Photos: newfortressenergy.com



The year 2020 was going to be significant for Sri Lanka. With a new President in office, expectations were high. The swift onset of the COVID-19 pandemic all but halted the envisaged road to “vistas of splendor and prosperity,” at least temporarily. As the pandemic eased somewhat in Sri Lanka, the August 2020 parliamentary election followed. The outcome gave the new Government the two-thirds majority in parliament. The two-thirds were the last

clarion call to the people to bequeath their leader the power to accelerate its development.

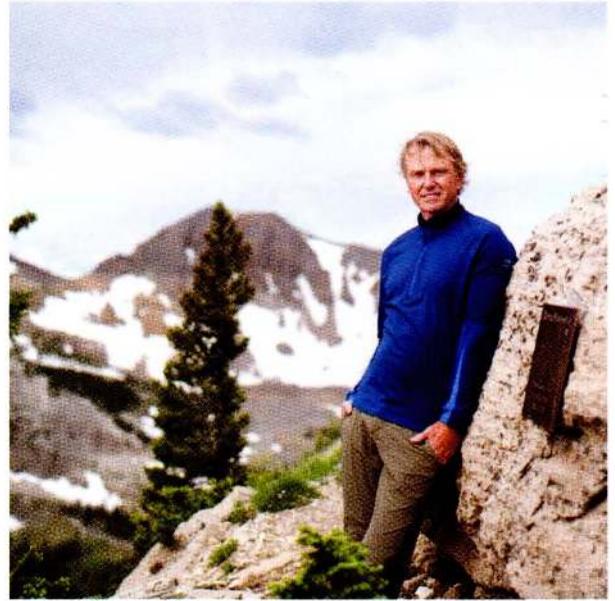
A little over a year later, what is significant about Sri Lanka's landscape is that there's never a week that goes by without a political juggernaut. Everybody's up in arms. They include politicians and their associates, the clergy, de facto leaders and influencers, multiple groups of intellectuals and YouTubers, and anyone and everyone with a voice. What is startling is that it's hard

to do a critical analysis of what's going on in the myriad of noises.

The deal

The latest tumult is over a government agreement with US-based energy infrastructure firm – New Fortress Energy (NFE) to supply Liquid Natural Gas (LNG) for power generation. According to the agreement, NFE would acquire the Treasury's 40 percent stake in West Coast Power Ltd., which operates the 310 MW Yugadanavi power plant in Kerawalapitiya. West Coast Power operates Yugadanavi under a long-term power purchase agreement to provide electricity to the national grid extending through 2035. Reports in the media state that the sale of the Treasury's stake in West Coast Power will fetch close to US\$ 250 million for the Government. The newly signed "definitive agreement" also gives NFE the rights to build an offshore LNG receiving, storage, and regasification terminal near Colombo, eventually supplying an estimated 1.2 million gallons per day of LNG to Sri Lanka's power generation sector. In the future, NFE will add 700 MW to the existing energy ecosystem by investing in new infrastructure, of which it plans to make 350 MW operational by 2023. Fortress has said that the offshore terminal will introduce natural gas to Sri Lanka for the first time and will assist the transition to lower-carbon energy sources.

NFE is buoyant about the deal it has managed to strike with the Government of Sri Lanka. The company claims that the arrangement is an investment in modern energy infrastructure to support sustainable economic development and environmental gains. LNG is considered the fastest-growing energy resource capable of saving power in today's global energy landscape, thereby offering a cost-effective energy source for businesses and industries. With so much focus on climate change and reducing the emission of greenhouse gases, some stakeholders hail the use of LNG as a viable alternative to other fossil fuels owing to its structure that allows easy transportation, efficiency, and low carbon emission. The Government's agreement with NFE is significant. The US Energy Information Administration estimates show that Asian countries combined account for the largest share of global LNG imports. If all goes well, Sri Lanka will soon be part of that gigantic regional conversion to better energy options and its role in minimizing massive CO₂ emissions from coal and oil. According to official figures, in recent years, the importance of LNG in the international trade of natural gas has increased gradually. While in 2002, the LNG share accounted



Wes Edens, Founder and CEO of New Fortress Energy.



Wes Edens, Founder and CEO, New Fortress Energy at Initial Public Offering (IPO) in Nasdaq.

for 25.8 percent, it grew to 29.2 percent in 2008 and reached 32 percent in 2016. In absolute terms, LNG production increased from 143 to 346.6 billion cubic meters.

Credentials

With the agreement, Fortress has garnered visibility locally. If not, it may have remained another entity in the gargantuan global energy ecosystem. The company has an impressive portfolio. Established in



2014, Fortress is an international energy infrastructure company founded to convert existing power plants and build and manage new gas-fired facilities, including assets, to provide cleaner, reliable energy solutions. The company operates through two segments, namely, terminals and infrastructure and ships. The terminals and infrastructure section includes the entire production and delivery chain from natural gas procurement and liquefaction to logistics, shipping, facilities, and conversion or development of natural gas-fired power generation. Accordingly, NFE builds and operates onshore and offshore regasification terminals, power plants, and pipelines, among other operations. Currently, Fortress manages five LNG terminals and assets across the Caribbean, Central America, and Mexico for the next six years.

The company's access strategy to a potential market is to identify places in short supply of affordable, reliable, and cleaner energy. The company is very conscious of the larger-than-life presence of energy poverty blighting developing countries. In response, Fortress focuses on providing those developing countries with the option of switching to cheaper and more reliable energy, thereby affecting positive economic and environmental consequences. Fortress touts LNG as an affordable and cleaner energy option for the world. The company embraces an ethos that emphasizes providing affordable clean energy to everyone, everywhere. Fortress's principle is that electricity should not be a luxury. Absolutely. Essentially, it's convincing and is telling everyone that electricity is a fundamental human right of every individual vis-à-vis every citizen, which is the bounden duty of the state to make it an inexpensive commodity

for all. A country achieves affordability by replacing costly coal and oil-based fuels to generate electricity with LNG.

Fortress's story is compelling. When it states that universal access to energy can impact major global issues such as education and poverty and pave the way for gender equality, one cannot counterargue because it's true. Although electricity alone does not suffice to address major social malaises, it still is part of the solution to a problem that results in vulnerable groups continuing as marginalized. Historically, the power elite managed to subjugate the masses by depriving them of essential infrastructure facilities. The poor, being unlikely to have access to power, remain poor so long as they remain unconnected to the opportunities in the metropolis. In that regard, NFE's message resonates well with the humanitarian community and the 'justice league' warriors. While Fortress seeks to partner in the global march towards providing access to electricity to everyone, it wants to do so in an environmentally responsible way. Of course, it goes without saying that through every injection of investment into a country, Fortress stares at huge returns.

The company that serves the US energy market by supplying LNG for power generation is proud of its investments in Jamaica, Mexico, Brazil, and Puerto Rico, impressively stamping its presence. It maintains onshore and offshore facilities for those countries' power sectors. In 2017, the Fortress gave a fillip to the resort community in the Bahamas. It introduced off-grid power generation through LNG that stopped recurring power generation issues affecting the smooth operations in the vast resort property. In 2016 with the onshore Montego Bay Terminal commissioning by



Fortress, Jamaica reduced its reliance on oil. In addition, the company maintains an offshore storage and regasification unit and natural gas pipeline in Jamaica. Fortress supplies natural gas to the onshore San Juan Combined Cycle Power Plant in Puerto Rico.

In its investment in those countries, NFE's mission was to accelerate the transition from distillate fuels, enabling them to save billions of dollars in fuel savings, thereby lowering the price of electricity and the environmental footprint. Brazil is opening its natural gas industry to the private sector. And NFE is investing heavily in Brazil. Fortress this year signed an agreement to supply LNG for 15 years to the Pará region in Brazil through the Alunorte Alumina Refinery. The project intends to drive industrial growth in the Pará region by reducing the impact of carbon-intensive fuels' harm to the environment. At the same time, the supply would benefit industries and people alike. In Sergipe, Brazil, the offshore facility supplies LNG to the adjacent 1.5 GW power plant and serves the surrounding region with reliable, affordable energy. The Fortress project in Mexico also marked a switch from oil-based to natural gas. According to the company's testimonial, those projects have generated employment in those countries, trained a new and specialized workforce, stimulated development, and improved the environment's management.

The company speaks to the customer – the potential country promising to customize power-generation solutions to help achieve higher efficiency and reduce costs. Given its expertise in the area, Fortress provides end-to-end management and implementation of

projects. The company profile is replete with recurring catchwords such as reducing cost or cost-saving, affordable energy and efficiency in power generation, and reducing the carbon footprint, which hopefully conveys the thrust of its mission. Importantly, NFE highlights the ability to control and enjoy greater flexibility over energy production. The company has a broader agenda of becoming a zero-emissions company. To work towards realizing that mission, in 2020, Fortress established the Zero division. Through this new division, Fortress envisages by 2030 to become a zero-emissions company and global leader in providing emissions-free power. Fortress has developed and owns transportation and infrastructure projects worldwide and built industry-leading businesses in real estate, health care, financial services, media, and entertainment.

The energy ecosystem in Sri Lanka

The Sri Lankan State vis-à-vis the Ceylon Electricity Board (CEB) has had the classic monopoly of the electricity industry in Sri Lanka, generating, transmitting, and distributing electricity to the entire country – for residential and business purposes. The Lanka Electricity Co. (Pvt) Ltd. (LECO) was set up in 1984, with the usual niggling, as a shareholding company consisting of the CEB, the Urban Development Authority, the Treasury, and four local authorities. LECO is providing electricity to the Kotte Urban Council area – to domestic and industrial consumers. Sri Lanka generates its annual electricity demand, around 14,150 GWh, from thermal power, hydropower, and other non-conventional renewable energy sources.



Sri Lanka's biggest bane in the energy sector is the high cost of generating electricity. The CEB is not generating any revenue for the Government. Its losses are close upon 100 billion rupees. As a result, the Government has been forced to purchase power from independent power producers at a higher cost. The domestic energy demand has been growing, and successive governments have set out energy enhancement goals for the future. With a forecasted annual average growth rate of 4.9 percent in demand for energy, the plan has been to add more hydropower, solar, wind, biomass, coal power, natural gas, and oil-based power into the electricity generation system. In this respect, the deal with NFE is not a blueprint accomplished out of the blue. As the country's demand for electricity is increasing, planning was going on to add 1,500 MW of natural gas to the country's power generation infrastructure. In keeping with those plans, in February 2021, the Government requested proposals for a 300 MW LNG power plant, followed by an invitation for bids in June to establish infrastructure in LNG, including an offshore terminal for receiving, storing, and regasification of LNG. Subsequently, as part of its commitment to reduce fossil fuels and promote renewable energy sources, the Government announced that it would no longer undertake to build coal-fired power plants. This move demonstrates a commitment to join the global march against replacing fossil fuels with sustainable and renewable energy sources to mitigate the climate crisis. Sri Lanka has also committed to the Sustainable Development Goals (SDGs), of which protecting the planet is a key focus. In all fairness, the Government may argue that the LNG agreement is part of a long-term plan to add more megawatts to the local power generation system and did not come as a swift decision.

Because of the high cost of electricity generation, the consumer has no cost-benefit and instead is charged high tariffs for using electricity. According to reports, the introduction of LNG instead of coal and oil will benefit consumers by reducing electricity tariffs and lowering the electricity generation cost. All that makes sense, given that electricity has become an expensive commodity for the consumer when it is the state's responsibility to provide it efficiently. And it's also the responsibility of the Government to explore and pursue cost-effective means of generating power to transfer the benefits therein to the people. LNG is a cleaner and cheaper fuel. It all makes sense to select it as part of a broader strategy to go after affordable energy sources such as hydropower, solar, wind, biomass, and natural gas.

If that's the case, one may wonder what the furor is all about. The problem, it seems, is with the clauses in the agreement. The deal is foul, the critics lament. The detractors allege that the tender procedure initiated and was moving forward came to a halt in favor of signing an agreement with NFE. The stories surrounding the signing of the deal, as absurd and comical as they may sound, is that it was top-secret. Such is the power of storytelling in today's political landscape that it's not hard for people to conjure up scenes of a clandestine subterfuge. But back in July 2021, Fortress signed the initial Framework Agreement for the said project with the Government of Sri Lanka, followed by the 'Definitive Agreement' in September 2021. The engineers of the CEB go on to claim that the deal is a rip-off as it would obligate the board to pay NFE even for unutilized LNG according to the terms of the 'take-or-pay' (TOP) provision, which is a standard clause in the energy sector. Accordingly, the CEB, they say, has no choice but to operate the LNG power plants 70 percent of the

Fortress's principle is that electricity should not be a luxury. Absolutely. Essentially, it's convincing and is telling everyone that electricity is a fundamental human right of every individual vis-à-vis every citizen, which is the bounden duty of the state to make it an inexpensive commodity for all. A country achieves affordability by replacing costly coal and oil-based fuels to generate electricity with LNG.

time. That, in turn, may cause the CEB to shut down the use of power plants that use renewable energy sources to enable the use of LNG-generated power supply. In terms of the agreement, they claim that if the agreed amount of LNG goes unused, the company will receive payment for the agreed amount of MW expected to generate. As a result, the country has to allow the increased use of LNG-backed power generation to avoid paying for unutilized LNG, even when there is a surfeit of renewable energy sources. The price formula, they say, is all in favor of NFE.

The laments of the public sector

There is a strong ethos that governs Sri Lanka's public sector. State monopoly is sacrosanct. Public sector employees consider themselves the protectors of people's rights, and their objections to reforms and diversification are supposedly for the greater good. There's no doubt that the public sector in Sri Lanka is a powerful block. Every political party is overly cognizant of this fact and would be slow to rumple any sentiments lest they lose support. Employees in state-owned enterprises mostly enjoy job security. In some instances, they are privileged to a pension too.

Nevertheless, public sector employees who are heavily unionized are suspicious of governments in power. They deem even the slightest hint of change as a threat to their rights and their jobs. There has been a solid unionizing and an anti-privatization movement that has often portrayed any attempt by an incumbent government to restructure a state entity as an unseen specter that would wreak havoc once allowed inside. But, proponents of diversification or even privatizing state-owned entities would point out that a state monopoly gives a minimal choice to the people in terms of cost and aspirations, service quality and delivery, and competitiveness. The telecommunications industry in Sri Lanka is a good case in point. Sri Lanka Telecom went through a restructuring in 1997 which led to its privatizing by an agreement with Japan's Nippon Telegraph and Telephone Corporation (NTT), which bought 35.2 percent of the company's share for US\$

225 million. Today, SLT has become a titan in terms of owning the best ICT infrastructure in the country, thereby empowering and transforming the nation through digitization. The merits of diversification and restructuring accrue to the country's people – the majority stand to gain from the improvement in quality, technology, and the competitiveness it brings to the table. Today, SLT provides 4G/LTE technology and is on board the South East Asia–Middle East–West Europe submarine cable system linking South East Asia to Europe via the Indian Sub–Continent and the Middle East. This submarine cable system offers Sri Lanka an immense bandwidth advantage and paves the way to make Sri Lanka a globally competitive business hub. In the long run, diversifying the telecom market has allowed the entry of private players, who are themselves leading foreign telecommunication service providers. Sri Lanka Telecom owns Mobitel, one of Sri Lanka's leading mobile service providers. Initially, SLT's stake in Mobitel was 40 percent, but in 2002 it bought the remaining 60 percent stake that Australian Telstra had in the company. Today, Mobitel is on par with the other mobile service providers in Sri Lanka, giving efficient countrywide coverage and broadband facilities. SLT is the only state-owned entity that earns a profit and pays the Government part of its earnings. Diversifying telecommunications has provided consumers a choice and competitive advantage, where the providers are competing with each other to attract and maintain customers.

Trade unions, executives, and politicians who brandish power in a state-owned entity will naturally oppose any move to diversify energy because each group has something to lose. Obviously, with new companies in management operations, there will be accountability and efficiency. The freewheeling work routine with a bit of sidestepping will not prevail. And some people's power and influence are likely to diminish. But often, the greater good that the public sector claims to defend is at the cost of the majority of people in this country, who would otherwise have to induce the government employee to get a job done.

In the long-term, though, Sri Lanka should focus on its new partner, NFE, to ultimately leverage its potential to create carbon-free power. As Sri Lanka seeks to become self-sufficient in energy by 2030, it should exploit the sun, the wind, the tide, and the water resources adequately over and above its dependency on oil and gas.

What's in it for Sri Lanka

By introducing new energy sources, diversifying the sector will reduce Sri Lanka's dependency on coal power and oil to fulfill its energy needs. Like oil, the global gas market is also volatile. But going by the benefits accrued by countries that have opted to diversify their energy sector by converting to LNG, the latter is affordable and less volatile in terms of price stability than oil. In the long-term, though, Sri Lanka should focus on its new partner, NFE, to ultimately leverage its potential to create carbon-free power. As Sri Lanka seeks to become self-sufficient in energy by 2030, it should exploit the sun, the wind, the tide, and the water resources adequately over and above its dependency on oil and gas. Sri Lanka is undoubtedly cognizant that the technology surrounding renewable energy is changing. Countries in Europe and East Asia invest in alternative energy sources to reduce their dependence on oil and gas-producing countries while joining the quest to save the planet. While many may contend that globally, there is a lack of congruence about when the world would shift to renewable energy from fossil fuels, it is beholden upon Sri Lanka to join the renewable energy revolution sweeping the global narrative sooner than later. In doing so, partnering with technology giants in renewable energy production may be essential. And that is where an incumbent government needs to do the tight rope walking with belligerent and beleaguered state-sector employees whose ultimate passion to stand up for the greater good must also include giving the best deal to the end-user – the customer. One global energy giant – Shell, has predicted that the global oil demand would peak and fall by 2025. If so, Sri Lanka must be ready. The good thing is that scholars expect that as the world accelerates the deployment of renewables, the global power structure skewed in favor of nations that hold the reins to oil and gas supplies will undergo drastic changes with a shift to the distribution of power.

Diversification of the energy sector, as pointed out in studies, should bring benefits to an economy. For instance, reforms deliver low electricity tariffs and increased private investment. Moreover, the energy transition has shown that reforms play a crucial role in ensuring energy security and climate change mitigation in countries like Mexico.

Sri Lanka is experiencing a rising demand for energy vis-à-vis electricity. The transition to hydropower which began in the 1980s is considered the best alternative to fossil fuels. However, the unpredictable weather patterns have posed a challenge to the effective use of hydropower for electricity generation, forcing successive governments to seek alternatives, such as coal power, to generate electricity. On the one hand, LNG can achieve greater competitiveness by supplying critical infrastructure through NFE through technology in this instance. The benefit of this new venture should ultimately be in favor of the consumer as reduced electricity prices for households and businesses alike and increased thrust to provide energy to more people. Some would argue that the cost reduction may happen only in the short-term and not in the long term due to the increasing cost of production and connectivity issues. If anything, increasing corporate efficiency may follow this. Then there's bound to be an increase in service and connectivity. But the ultimate objective of any initiative to reform the energy sector or any sector should be to transform an entity into a profitable operation. The administration has to push for investments through restructuring and diversification alternatives to make a loss-making entity like the CEB turnaround to profitability.

The greater good

In conclusion, those who wield power in decision-making should not stifle access to energy to fight poverty. As Sri Lanka commits to achieving SDGs, ending poverty is a priority for the Government and protecting the environment. Granting affordable access to energy to all its citizens buttresses the achievement of tackling poverty and other conditions like hunger, disease, and gender inequality. As it is, Sri Lanka cannot continue its trajectory of unreliable and costly service with high energy generation costs that ultimately accrue to the consumer. Today, never like before, people are cumbered by the effects of the pandemic. Costly sources of power generation are not the response to fulfill future needs. Energy efficiency and energy-efficient technologies are vital for cost-effectiveness, according to sector experts. Adopting efficiency in all areas of power generation would eventually sever the link between energy demand and economic development. ☐

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PAN ASIA BANK

The Truly Sri Lankan Bank

HNB Yet Again Delivers Sustainable Business Performance



Nilanth De Silva, Chairman, HNB.



Jonathan Alles, MD/CEO, HNB.

Hatton National Bank continued to demonstrate resilience amidst volatile conditions, posting a Profit Before Tax (PBT) of 10.9 billion rupees and a Profit After Tax (PAT) of 9.1 billion rupees. The Group profits also improved in line, with PBT and PAT at 12 billion rupees and 9.8 rupees. The loan book recorded a growth of 8.6 percent over the past 12 months to June 2021. Despite the same, the reduction of over 280 bps in AWPLR over the same period resulted in a 10.6 percent YoY drop in 1H interest income to 48.1 billion rupees. Strong CASA mobilization efforts led to a 27.1 percent YoY growth in the CASA base, which improved to 405.5 billion rupees at the end of June 2021. Together with the low deposit

rates, this growth contributed to a 20.4 percent YoY drop in interest expenses to 25 billion rupees.

Accordingly, Net Interest Income for the first half of 2021 exhibited a 3.2 percent YoY growth to 23.2 billion rupees. Fee and Commission income continued its uptrend in 2021, increasing to 4.4 billion rupees, a 27.7 percent YoY growth over the corresponding six months in 2020, a period in which considerable disruption to business activities were witnessed. Card and Trade businesses were key contributors towards this growth, while fees from digital banking also improved significantly, driven by the higher level of adoption.

Nilanth De Silva, Chairman of HNB, commented that, “The

operating environment has continued to be uncertain with many challenges for the nation and the industry for almost two years. The re-emergence of higher numbers of COVID-positive patients and the fast spread of the Delta variant threaten macro fundamentals and industry dynamics. We greatly appreciate the efforts expended by the authorities in rapidly rolling out the vaccinations across the country, which is the most sustainable solution in winning the war against COVID. In this backdrop, I would like to place on record my sincere appreciation to all our stakeholders for their continued patronage and especially our staff for their untiring efforts and unwavering

commitment in serving our valuable clients.”

The Bank successfully contained the increase in Operating Expenses to 5.2 percent YoY, despite the Operating Expenses for 1H 2020 being six percent below the corresponding period of 2019. This, together with the healthy growth of 13.3 percent YoY in Total Operating Income, resulted in an improvement of 289 bps in the Cost to Income ratio, which stood at 37.4 percent as of the end of June 2021.

Jonathan Alles, Managing Director and Chief Executive Officer of HNB, stated that, “HNB has yet again demonstrated resilience, stability, and strength in a highly volatile environment. We are proud to have crossed the one trillion rupees landmark in deposits, which clearly shows the continued trust and confidence placed in us by our customers. We remain the best-capitalized bank among domestic systemically important banks, which has been further bolstered by the Basel III compliant debenture issue, which was over-subscribed on day one. Our asset quality continues to be ahead of the industry while our liquidity levels are well above the statutory levels. This has been possible through our relentless focus on ensuring that we remain on a solid foundation built on strong governance, risk management, and compliance, which has enabled us to intensify

our transformation efforts on Digitalization, Process Efficiency, and People Development in our pursuit to be future ready.”

“As a responsible D-SIB, supporting revival and sustainability of our customers has also been a key priority for us. We have continued to grant moratoriums to customers under stress over the past two years and have provided necessary working capital financing through CBSL schemes and our own funds. We extended grants to 200 microfinance clients to support the recovery of their business operations.”

Alles further commented that, “Sri Lanka is at a crucial juncture and a national-level action plan is the need of the hour to revive the economy. As a true ‘partner in progress’ for the nation and its people, HNB has supported national development for over a century by financing micro and SME clients, funding infrastructure development projects, facilitating international trade and remittances, and having stood by our customers during most challenging times, HNB remains committed to playing a pivotal role in rebuilding Sri Lanka.”

In line with the reduction in Corporate Tax Rate to 24 percent from 28 percent, the current tax liability and the deferred tax asset as at the end of 2020 were reassessed. Accordingly,

the effective tax rate for the period improved compared to the corresponding period of 2020. PAT of 9.1 billion rupees translated to a Return on Assets of 1.4 percent and a Return on Equity of 13.2 percent. Strong second-quarter growth facilitated a three percent expansion in the loan book during the first half to 839 billion rupees.

Total deposits increased to 1.032 trillion rupees as at the end of 1H 2021 recording a growth of 6.7 percent. The Bank is also among the best capitalized and most liquid in the industry as demonstrated by a Tier I Capital Adequacy Ratio of 15.31 percent, Total Capital Adequacy Ratio of 18.42 percent, a Liquid Coverage Ratio of 273.7 percent, and a Loan to Deposit ratio 81.2 percent. The CASA ratio also stood at 39.3 percent as at the end of 1H 2021. Total assets expanded by 3.5 percent in the six months ended June 2021 to 1.337 trillion rupees, while Group assets grew to 1.417 trillion rupees.

All Group companies complemented the Bank in enabling the Group to post a PAT of 9.8 billion rupees and a profit attributable to shareholders of 9.5 billion rupees. Accordingly, the Group recorded a ROA and ROE of 1.4 percent and 12 percent, respectively.

HNB is ranked amongst the top three companies in Sri Lanka by Business Today. 

“HNB has yet again demonstrated resilience, stability, and strength in a highly volatile environment. We are proud to have crossed the one trillion rupees landmark in deposits, which clearly shows the continued trust and confidence placed in us by our customers. We remain the best-capitalized bank among domestic systemically important banks, which has been further bolstered by the Basel III compliant debenture issue, which was over-subscribed on day one...”

DFCC Bank Partners with JAT Holdings



(L-R): Roy Amalton, Manager – Cardholder Value Propositions, DFCC Bank; Denver Lewis, Vice President/Head of Card Centre, DFCC Bank; Gavin Vandort, General Manager – Project Sales, JAT Holdings; Anika Williamson, Director, JAT Holdings; Aasin Iddamalgoda, Senior Vice President Retail Banking & SME, DFCC Bank; Shera Hassen, Vice President/Head of Pinnacle /Branch Banking Planning & Implementation, DFCC Bank; Mufeez Fuad, Showroom In Charge, JAT Holdings; and Dilshan Rodrigo, General Manager Marketing, JAT Holdings.

DFCC Bank partnered with JAT Holdings, supported by the Bank's renowned zero percent 12-month Easy Payment Plan for top-of-the-line JAT products that provide significant benefits to all interested DFCC Bank cardholders.

DFCC Bank provided a zero percent 12-month Easy Payment Plan for all Herman Miller chairs, workstations, and furnishings, alongside all SEA German Kitchens products available for purchase at JAT

Holdings. DFCC Credit Cards also offer one percent cashback for all product purchases at JAT Holdings and all other purchases, allowing cardholders to save with every spend.

All Herman Miller chairs are ergonomically designed based on the “science of sitting” and are designed to meet the needs of modern work while providing maximum comfort and health-positive benefits such as increased oxygen flow and improved posture.

Herman Miller offers multiple options for size, functionalities, features, colors, and the chairs are suitable for a wide array of workplace settings for those working from home or in a corporate environment.

SEA is a renowned German brand, solely distributed by JAT in Sri Lanka, that offers a range of bespoke luxury kitchens, wardrobes, and vanities, with contemporary and luxury modular designs that adhere to superior German quality standards and longevity.

The prime objective of the partnership is to reduce the financial burden cardholders face when purchasing premium, high-quality products such as the Herman Miller Chairs and SEA German Kitchen products. The newly introduced schemes increase the affordability of such, allowing cardholders to obtain premium products that improve the standard of their living while more efficiently managing their cash flows.

DFCC Bank cardholders can avail themselves of these benefits by visiting the JAT

Experience Centers in Thalawathugoda and at the One Galle Face mall in Colombo to purchase their products of choice.

Lakshman Silva, CEO, DFCC Bank, said, “We are delighted to partner with JAT Holdings to disburse several benefits for all DFCC Bank cardholders for the purchase of items that will enhance their quality of life. Our goal has always been to enhance customer experience and ease the financial burdens faced by our cardholders while enabling a greater sense of affordability. The easy payment and cashback schemes showcase our commitment to continuously provide value-additions for our customers through innovative, impactful solutions and offerings.”

DFCC Bank strives to build partnerships to ensure constant value-additions for all stakeholders. The collaboration with JAT Holdings Limited is the next step on its long-term value creation journey.

DFCC Bank was ranked amongst Business Today's Top 30 Corporates in Sri Lanka.

'Flash' Digital Bank Account Named 'Digital Banking Initiative of the Year'



'Flash' – the Digital Bank account powered by Commercial Bank, has been presented the award for the 'Digital Banking Initiative of the Year' in Sri Lanka at the 2021 Asian Banking and Finance (ABF) Awards under the 'Retail Banking Awards

Supporting Projects' category. The award was bestowed in recognition of recent innovations to improve and develop the ground-breaking Flash Account, enabling customers to enjoy a complete suite of financial services and wealth management tools in one seamless application. In 2020, ComBank Flash was upgraded with features including: 'Save the Environment' that promotes an understanding of the social carbon footprint of consumption by assessing each transaction a user carries out via the app using a carbon footprint calculator integrated with the UN-approved

Environment Impact Index for financial transactions. The 'Advanced Budgeting' tab functions as a personal financial management tool that enables spending tracking with the detailed categorization of expenses.

The app was equipped with a Quick Response Payment module that enables users to scan a LANKAQR code of any merchant to make payments directly from their accounts to the merchant for purchases.

Improvements to the ComBank Flash app includes the integration with the PickMe app QR, the introduction of Flash e-Statements with payment

and receipts facility, detailed e-Receipts for Flash transactions with the option to share via email and WhatsApp; introduction of 'JustPay', which enables customers to add any bank account to top up Flash and make payments; and the addition of 'My Payees' and 'My Billers' functions in the homepage menu with recent payee and biller templates. The Bank also launched a new website for Flash – flashbank.lk. The app was also equipped with a 'Flash Finance SPACE' function that generates credit cards, personal loans, home loans, leasing, and education loan requests.

NTB Enables Growth of Small and Medium Enterprises



Arosha Liyanaarachchi, Senior Vice President - Commercial Banking, Nations Trust Bank.

Employing over 70 percent of the working population in the island, SMEs are responsible for nearly a third of the country's industrial output with a sizeable contribution to the country's Gross Domestic Production (GDP). And yet, SMEs are faced with multiple challenges whenever market disruption happens, as evidenced during the Coronavirus pandemic. In this background, Nations Trust Bank has sought to position itself as a partner to the sector, supporting them for long-term prosperity, in the role of a responsible financial intermediary.

Arosha Liyanaarachchi, Senior Vice President of the

Commercial Banking, Nations Trust Bank stated, "Nations Trust Bank has embraced its duty to support the SME sector and partner them in their long-term growth journey. We use a combination of tailor-made financing packages, digital technology, cutting edge banking solutions, and advisory services to uplift SMEs backed by a suite of cash management products and services designed to help businesses."

Nations Trust Bank's unique solutions for the SME sector are designed in a way to make each SME business a value creator to the national economy and facilitate those businesses to achieve success and continue to thrive with a long-term plan. The Bank works closely with SME businesses with high potential by offering them continuous professional advice and guidance, and various financial solutions based on the specific needs of the different stages of the business life cycle. This also includes efficiency improvement tools to streamline their administrative work, which enables smooth and

efficient workflows and allows owners to focus on developing their core business.

Nations Trust Bank's liquidity solutions aim to help businesses to optimize its cash generation cycle, increase efficiencies across business and build a data base of all financial activities where financial information can be extracted with ease of convenience, thus effectively making SME's a bankable community with required financial information. It also allows companies to integrate their ERP systems with the bank's digital banking services.

"Our products and services enable SMEs to become strategic and more effective with their working capital and liquidity management, in a digital driven era. Nations Trust Bank's advisory services include matchmaking with large corporates, guidance on seamless succession planning, related diversification, strengthening of capital, long-term planning and enabling SMEs to unlock export markets," Liyanaarachchi added.

According to Nations Trust Bank, it aims to divert capital to SME businesses and grow them to the next level, thereby further strengthening a manufacturing economy. This in turn will develop a vibrant national economy where the Bank is actively engaged with SMEs to grow through the life cycle of each business and even facilitating such businesses to venture out to overseas markets. The Bank has supported SMEs to adopt digital technology for greater efficiencies in line with post pandemic consumer preferences, in cost management and to generate data for better decision making. The state-of-the-art digital banking platform enables clients to bring the efficiencies to the next level. Nations Trust Bank also has one of the largest credit card merchant networks in the country that benefits SMEs in doing business with a larger client base.

Nations Trust Bank is among the top 15 business establishments in Sri Lanka as ranked by Business Today.

HNB Records Over 100 Billion Rupees in Volume on PAYFAST for 1H



To enhance the nation's digital financial landscape in the wake of the COVID-19 pandemic, Hatton National Bank (HNB) announced that its secure

corporate payment platform, "PAYFAST," had recorded over a colossal 100 billion rupees in volume during the first half of 2021.

Among the most cost-effective digital solutions offered by the bank, HNB PAYFAST facilitates multiple online transactions by debiting the company's HNB account and crediting multiple beneficiary accounts at any bank of the user's choice. Clients and companies can receive salaries, suppliers, dividend payments and make EPF/ETF/IRD contributions with greater ease.

With an estimated 5000+ clients currently utilizing PAYFAST, HNB continually improves the platform to ensure customer satisfaction. The most recent upgrades provide users the option of real-time payments to the Inland Revenue Department (IRD).

HNB guarantees that confidentiality is maintained with all transactions and continuously improves and upgrades the system's security features. Internal security experts are regularly consulted to ensure that user data and privacy is not compromised.

HNB offers various digital solutions to all customers and their businesses, which has earned them the acclaimed title of "Partner in Progress." The Bank caters to a wide range of businesses, including SMEs, emerging corporates, and high-end corporate brands, with the latest digital banking technology.

HNB ranked among the Top three corporates in Sri Lanka by Business Today.

Jonathan Alles Inaugurated the 37th Asian Bankers Association Conference



Jonathan Alles, MD/CEO, HNB.

Jonathan Alles, Managing Director, and CEO, HNB, in his capacity as the Chairman of the Asian Bankers Association (ABA), the premier platform for Asian banks, inaugurated the ABA's 37th General Meeting and Conference.

This year's event took place virtually on the theme: 'Asian Banks: Achieving Sustainable

Growth in the New Normal' and was attended by some of the most critical figures in banking across the Asian region.

Addressing the virtual gathering, Alles highlighted the critical role banks have played in supporting economic recovery post-COVID-19.

"Today, banks across the globe are working as a de facto delivery system, delivering cash for that in need. However, with no clear end in sight and the virus still rampant, banks are acutely aware that how they respond to the crisis now will determine how they will rebuild for the future. Providing support to governments and customers is crucial during this crisis, but this will require banks to deploy the tools they have developed since the 2008 Global Financial Crisis to lead a coherent and extensive

response to uncharted territory. One thing is certain: a strong banking sector will be fundamental to a strong recovery."

Alles also emphasized the importance of innovation and technological improvements in the sector in addressing the broader market needs and tapping into the 'new normal' opportunities.

"We need to break new ground in innovation-driven development jointly. After years of fairly fast growth, Asian countries now face the challenge of shifting from old drivers of growth to new ones, and we must rely on innovation to foster this transition. As the new round of global technological revolution and industrial transformation unfolds, we must seize opportunities to tap into our advantages in hu-

man capital and market potential, to intensify cooperation on innovation and accelerate the upgrading of the banking sector."

Dilshan Rodrigo, Executive Director and Chief Operation Officer, HNB served as session chair for the 'Regulator Roundtable' session on current banking trends and their implications on regulatory policies, which also featured Dharmasri Kumaratunge, Director Payments and Settlements of the Central Bank of Sri Lanka (CBSL). In addition, Jonathan Alles served as a panelist at the CEO roundtable on 'navigating the new world order. The other sessions were 'responding to challenges and disruptions in a changing global ecosystem' and 'the role of technology in sustainable growth.'

People's Bank Buddhist Society Hands Over a Brand New Home



In the photograph are: Maj Gen A.A.D.N.S.P. Dunuwila, General Officer Commanding Infantry 55 Division, Brigadier A.M.S. Premawansa, Brigade Commander 562 Infantry Brigade, Major H.K. Kumarasiri, Commanding Officer 17 (V) Sri Lanka Sinha Regiment of the Sri Lanka Army, together with Deepika Sanjeevani, resident of the village of Mundimuruppu in Vavuniya; Mahinda Premanath, Deputy General Manager - Channel Management, People's Bank, V. Kanagasabai, Vanni Regional Manager, Retired Major D.M.T.B. Dassanayake, Assistant Security Superintendent, Army officials and officials of the People's Bank Buddhist Society.

Marking the occasion of People's Bank's 60th anniversary celebration and as part of the Bank's ongoing housing project, the People's Bank Buddhist Society presented a brand new home to

Deepika Sanjeevani, a resident of Mundimuruppu in Vavuniya. The house was officially handed over by Ranjith Kodituwakku, Chief Executive Officer/General Manager of People's Bank and Major General D.M.H.D.

Bandara, Commander Security Force Headquarters (Vanni). Based on the request made by the 562 Infantry Brigade in Echchankulam, Vavuniya, the People's Bank Buddhist Society provided financial support and

coordinated the construction of the new house, while the troops of the 562 Infantry Brigade in Vavuniya provided the manpower.

Major General A.A.D.N.S.P. Dunuwila, General Officer Commanding Infantry 56 Division, Brigadier A.M.S. Premawansa, Brigade Commander 562 Infantry Brigade, Major H. K. Kumarasiri, Commanding Officer 17 (V) Sri Lanka Sinha Regiment of the Sri Lanka Army, together with Mahinda Premanath, Deputy General Manager (Channel Management) of People's Bank, V. Kanagasabai, Vanni Regional Manager, Retired Major D.M.T.B. Dassanayake, Assistant Security Superintendent, Army officials as well as the officials of the People's Bank Buddhist Society also participated in the event.

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Return-to-Work Programs Come of Age

Companies can benefit from hiring mid-career professionals who've taken a break.

During the past few years Amazon has been experimenting with programs to recruit mid-career professionals who've spent a few years away from the workforce. Like most other companies, the online retailer started out small, hiring a few dozen people at a time in pilot cohorts. But in June 2021 Amazon made a stunning announcement: It would expand its return-to-work initiative by hiring 1,000 returning professionals—an order of magnitude larger than any other company's program. Each participant would be given coaching and mentoring as part of the paid

16-week program, with potential to land a permanent position at its conclusion. "We've formed a dedicated team that recruits specifically for professionals who are restarting their careers," says Alex Mooney, Amazon's senior diversity talent acquisition program manager. And instead of looking skeptically at résumé gaps or skills that may need refreshing, Amazon's recruiters are directed to focus on each candidate's potential.

Although the size of Amazon's initiative is unprecedented, return-to-work programs are not new: The first of them originated nearly

20 years ago. I've been working with them for almost that long, after resuming my career as a financial analyst at an investment firm following an 11-year break for childrearing. (Harvard Business School did a case on my reentry to the workforce.) I wrote a book on returning to work in 2007 and have written about it for HBR since 2012. My company runs training programs and produces conferences on relaunching, which allows me to both influence these programs and observe how they have evolved—and to identify the best practices that help them succeed.

● ● ● According to research by ManpowerGroup, 57% of male and 74% of female Millennials anticipate taking a career break for childcare, eldercare, or to support a partner in a job.

The recession triggered by the pandemic has made the need for these programs especially acute. The downturn has been remarkably sector-specific: Even as many businesses closed and others downsized, companies in tech, finance, e-commerce, and other industries experienced record growth, which created demand for certain types of talent. At the same time, in the United States, research by the National Women's Law Center indicates that roughly 1.79 million women and 1.75 million men have left the labor force entirely since February 2020, many of them to care for family members when schools and other support systems closed. This population is expected to resume full-time work, although over what time period is still unclear.

Even before pandemic-related career disruptions, return-to-work programs were becoming an important way for companies to hire professionals. According to research by ManpowerGroup, 57% of male and 74% of female Millennials anticipate taking a career break for childcare, eldercare, or to support a partner in a job—a much higher rate than was true for prior generations. Return-to-work programs not only provide a source of talent but also send a powerful signal to employees at all life stages and those who left the company to take a career break: This company recognizes that careers needn't be linear and normalizes the idea that professionals may leave for a time for personal reasons.

In this article I offer a brief history of how these programs have evolved, classify the types that

companies offer, and detail best practices that can help participants and employers achieve their shared goal: increasing the number of professionals who move on from a career break to succeed in a new role.

BIAS BUILT ON A MYTH

Return-to-work professionals are educated, have great work experience, offer a mature professionalism, and are at a relatively stable stage of life. Because they were employed in the past, they understand how to work in teams and with differing personalities, and they've navigated tight deadlines and high-pressure situations. They don't need to learn basic skills that entry-level employees often lack. They have cost-effective, easily accessible means to update skills or learn new ones through online courses (many of which are free), certificate or credentialing programs, and even additional degree programs. As predominantly female, this talent pool is of particular interest to companies focused on gender diversity.

All those attributes may seem obvious now, but for decades the idea that professionals on hiatus could resume their careers was inconceivable. An employee who left the workforce for an extended period would have outdated skills and diminished drive—or so it was thought. But in the early 2000s the male-dominated finance sector faced an urgent and now-familiar problem: As women advanced in their careers, more left the workforce, until the shortage of female talent in the mid-to-senior

ranks became acute. In response, Wall Street drove the resulting innovation, starting with Lehman Brothers and UBS in 2005–2006. In 2008 Goldman Sachs and the consumer food products company Sara Lee offered the first corporate “returnships,” with Sara Lee's led by its visionary then-CEO Brenda Barnes (deceased since 2017), whose own career had been interrupted.

Companies running these early programs recognized that the bias against mid-career job hunters was built on a myth. People who've interrupted their careers don't show less drive; in fact, many crave a return to paid employment. Often the biggest obstacle they face is a weakened sense of self from being professionally disconnected for an extended period in a society where identity is largely rooted in what someone does for work. That's one reason that relaunching is different from a regular job search: People who've taken a career break need to build back confidence, reinvigorate their networks, figure out what they want to do all over again, and then upskill or reskill—all on top of what a job search normally entails.

Over the past five years the urgency around both talent acquisition and diverse hiring pools has led to a sharp increase in the number of companies offering return-to-work programs. Roughly a third of the Fortune 50 now have them in-house for mid-career professionals. Since 2015 the STEM Reentry Task Force, led by the Society of Women Engineers and my company, has worked with 34 leading U.S. employers to establish their return-to-work programs



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and continues to train groups of program managers annually.

The need for top STEM talent and the interest in hiring women in technology have been major motivations to tap this talent pool; Facebook, IBM, Oracle, Apple, and other tech giants have active programs. It makes sense that the largest companies, which have the greatest hiring needs, are the most likely to run such programs. Among the Fortune 500 companies, fewer than 10% currently have one; meanwhile, return-to-work programming is only beginning to emerge in the public sector. Thus the potential for the concept to grow is enormous.

PROGRAM DESIGN

These programs come in all shapes and sizes, and companies should determine the length of the program, the size of participant pools, the times of year offered, the lines of business and managers involved, and locations according to what works best for them. The programs generally fall into two categories: *returnships* and *direct hire*.

RETURNSHIPS. Most companies bring relaunchers in as a cohort, the way they bring in college interns in the summer. Cohort size typically ranges from five to 25 participants, although some companies have recently increased the number of participants in each cohort or the number of cohorts per year. Programs may last from eight weeks to nine months, with 12, 16, or 24 weeks being typical. Normally they don't take place in the summer, to avoid conflicting



with the company's college internship programs, families' childcare needs, or vacations. Some returnship programs have moved to a "rolling admissions" format in which participants start at different times and form a loose cohort or class. In this format programming is primarily online and self-paced, and participants have occasional opportunities to gather with those who have "graduated" and been hired as employees.

Returnship participants are given customized onboarding and orientation sessions, professional development, technical training, and exposure to senior leadership.

Usually each "relauncher" is assigned a mentor and a buddy for additional support. As for actual work performed during the returnship, companies typically use one of two formats:

Project-based. The earliest returnships gave participants a short-term project, and the focus was on evaluating each person's performance, with high performers usually receiving an offer of permanent employment. But this format created a challenge: Absent a perfect match between participants and available full-time positions at the close of the program, some qualified participants could not be placed.

- ● Program orientation sessions cover topics such as goal setting, technology challenges, dealing with “impostor syndrome,” and how to network inside the organization.

Role-based. To address that problem, some companies began recruiting program candidates for current open positions or those planned for the future, with the expectation that candidates who performed well during the program would move permanently into those roles.

Returnship compensation is closely linked to whether the participant is taking a specific role or is doing a project in an area where hiring is active. Payment may be on a prorated salary, stipend, or hourly basis. A best practice for determining returnship compensation is to look at the salary band for each role, pick a number toward the lower end, and prorate for the number of weeks in the program. If a participant converts to employee status at the end of the returnship, adjustments can be made according to factors an employer might typically consider for an offer: education level, work experience, geographic location, and so forth. That ensures room to adjust upward if appropriate.

When distinguishing among returnships, one phrase is especially important: “Intent to hire.” This indicates that the program is not like a student internship, with only the possibility of a permanent job offer at the end. Instead the company assumes that barring poor performance, the participant will convert to permanent status after completion of the program. That encourages everyone—recruiters, managers, and teams—to hire, onboard, and integrate participants just as they would ordinary full-time hires. Thus managers and

teams are more likely to invest time and effort in developing relaunchers than they would be if they viewed them as contractors or temporary workers “dropped in” for a few weeks. On average, more than 80% of participants convert to full-time employees.

Direct Hire. A less-common type of return-to-work program is the direct-hire model, whereby companies hire participants as full-time employees right from the start, with no trial period. Transitional support is provided through one-on-one coaching, online learning, and mentoring, since participants typically don’t start at the same time or as a cohort. One variation on this is the new Oracle Career Relaunch program, in which participants are hired as employees and start on the same day as a single cohort, benefiting from 12 weeks of supplemental programming as they begin their new roles.

Dell Career ReStart launched in 2018 as direct hire, and Ford Re-Entry, Boeing Return Flight, and P&G STEM ReLaunch changed over to direct hire after starting as returnships and experiencing high conversion rates in their initial cohorts or observing high rates in the programs of peer companies. As career breaks become perceived as normal, and as companies become comfortable offering permanent roles to people with gaps on their résumés, more organizations may migrate to the direct hire model or adopt it at the outset.

To be eligible for either a returnship or a direct-hire program, participants must

generally have had a career break of at least two years and prior work experience of at least three years, although companies often require five to seven years of experience (and sometimes more). Some programs, such as Ford Re-Entry and Amazon’s, include “underemployed” as part of their eligibility criteria. Oracle, Amazon, IBM, and Raytheon Technologies have lowered their career-break minimum from two years to one to include people who left work during the pandemic. The minimum break for Deloitte Encore is now just six months; for Accenture Return to Work it is 18 months.

For employers running global programs, local laws and regulations may dictate program length. For example, Australia requires a six-month minimum. China’s labor laws require a one-year work contract. Canada, Brazil, and others have mandatory probation periods for all new employees that are sometimes used in lieu of returnships.

TRAINING

Training, both for relaunchers and for employees who interact with them, from the first interview to the last day of the program, is one of the hallmarks of a successful program.

For Recruiters, Managers, And Other Company Stakeholders. After concluding a pilot program, companies frequently comment that they should have devoted more resources to training their managers. This training focuses on demographic information about the pool of relaunchers,



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what their résumés and LinkedIn profiles look like, and how to talk during interviews about career breaks and past volunteer and paid experiences. It also involves adjusting the interview process to avoid missing out on high-potential candidates, discussions of level and compensation, how an “intent to hire” mindset affects manager-and-team relationships, and the importance of familiarity with the program and what happens at the end of it. For example, recruiters and managers must ensure that they convey respect for mid-career professionals during interviews. (Some interviewees report that recruiters sound like they’re reading from a script used for recent graduates applying for entry-level positions, which can feel demeaning.)

For Relaunchers. Participants arrive with excitement, questions, and, frequently, great uncertainty as they embark on this new chapter in their lives. Topics covered at the orientation session include goal setting, normalizing concerns, “new elevator pitches,” technology challenges, when to ask a question, confidence building, dealing with “impostor syndrome,” how to network inside the organization, and how to engage with managers and teams.

The midpoint and the end of the program provide opportunities for relaunchers to take stock of where they are in their transition back to work and how much they have evolved since the first day. Meeting as a cohort with an expert facilitator (from outside the company) at those junctures provides a safe

space where they can be honest and vulnerable without worrying about the effect on their performance evaluation or relationship with their manager or team. They can review goals set at the program’s start, celebrate successes, voice concerns, troubleshoot, and course-correct together. This is also a time to prep for midterm and end-of-term evaluations by rehearsing how to respond to positive or negative feedback. The end-of-term session focuses on “life after relaunch,” whether participants will continue at the company or move on to a position (or a search for one) somewhere else.

For Manager Cohorts. Just as relaunchers benefit from being in a cohort, so do managers, especially if this is their first time participating in a return-to-work program. It is especially important that they meet before conducting midterm evaluations and before the “conversion decision” (whether to make a permanent hire). Managers need to understand the evaluation process, the timeline for decision-making, how to handle conversations about level and compensation, and how to give positive or negative feedback to participants. Other topics might be setting goals and expectations for relaunchers and specific situations in which managers might benefit from peer feedback.

EIGHT STEPS TO SUCCESS

After working with leading employers in a broad range of industries to build and expand their return-to-work programs, I can recommend eight best practices

that every company hoping to hire relaunchers should keep in mind.

Identify An Executive Champion. Return-to-work programs don’t necessarily conform to all the practices a company uses to hire its other employees. It is essential to have buy-in at the senior level and an executive champion to evangelize about the concept and run interference during the program launch. This person often pilots the program in his or her line of business, working directly with mid-level managers to provide budget and other assistance to get the pilot off the ground—and, crucially, to support full-time positions for relaunchers when the program ends.

Designate A Program Manager. The program manager (PM) owns the program and is the center of all internal and external activity around it. As programs grow and scale up nationally and globally, the PM can ensure consistency across business lines or manage variations that may arise from countries’ differing regulations. It’s vital to establish a succession plan for program ownership in case the PM takes another role or leaves the company. Programs that lack strong leadership, are managed by committee, or have no solid succession plan in place may languish or close. For a savvy manager seeking to make a mark, proposing a return-to-work program and taking a leadership role in implementing it presents a rare opportunity to build one from scratch with senior-level visibility.

Banish The Word “Intern.” Treat program participants like

the seasoned professionals they are. Although returnships share obvious characteristics with student internships, participants should never be made to feel that they are in the same category as interns. Using a classification such as “fellow,” “returner,” or “relauncher” makes a big difference in terms of optics and increases the odds that participants will immediately be treated as members of the team.

Use Cohorts. A strength of most returnship programs is the opportunity for participants to be part of a group that is going through the training and experiencing the readjustment to a work environment together. From the company’s standpoint, cohorts make training easier and more efficient. And participants report that being part of a cohort is the best aspect of their return-to-work program. Having one another to share resources, ask questions, and get reassurance significantly eases the transition and creates bonds that may last for years. Additionally, the cohort members have an instant network of contacts within the organization. One difficulty with this structure is that managers must coordinate start dates for “their” participants with the start date of the cohort, which may fall at a less than optimal time for a manager’s business unit—especially if the program is offered only once or twice a year. Starting cohorts more frequently can solve this problem, affording managers greater timing flexibility.

Give The Program A Name And A Website. Phil Anderson, who created return-to-work programs at Moody’s and the Depository Trust & Clearing Corporation, says that branding is important. (Disclosure: Anderson is on the board of my company.) “Name the program—it

makes it real,” he says. Giving it a dedicated landing page on the company website creates visibility and a focal point for program activity. (For examples of well-done landing pages, see those of Merck, Oracle, Johnson & Johnson, IBM, Morgan Stanley, Facebook, Credit Suisse, and Raytheon Technologies.)

Use The Program To Engage With Company Alumni. Some companies refer to high-performing employees who left for a career break as “regrettable losses.” Most lose track of them after they leave. But some, such as consulting firms, systematically track departing employees, partly because they may be potential clients. (See “Turn Departing Employees into Loyal Alumni” HBR, March–April 2021.) Companies should target their alumni for participation in their return-to-work programs, because they are already known internally, they understand company culture, and they may be more inclined to come back to a familiar place than to look elsewhere. Make sure your company identifies in exit interviews who is taking a career break and tracks that person carefully so that employer and employee will be top of mind to each other when the former employee wants to return to work.

Leverage Employee Referrals. A strong internal campaign to educate employees about the program can create word of mouth and drive referrals, which are often the top source of candidates. Some companies include return-to-work referrals in their paid referral programs. Current employees who relaunched and people with a personal connection to someone who did so can be critical allies (as well as managers, speakers, and mentors) for a program.

Highlight Success Stories. Relaunchers at the most senior

levels, inside and outside a company, can provide powerful examples of career paths following a break. Jacqueline Welch, the CHRO of the New York Times Company, is a relauncher, having taken four years off earlier in her career, and she regularly talks about her nonlinear career path. (Disclosure: Welch is on the board of my company.) Similarly, Annette Rippert, a mother of five who took an eight-year break from Accenture, returned in 2012 and is now group chief executive for Accenture’s strategy and consulting business. She tells her story when promoting Accenture’s return-to-work program.

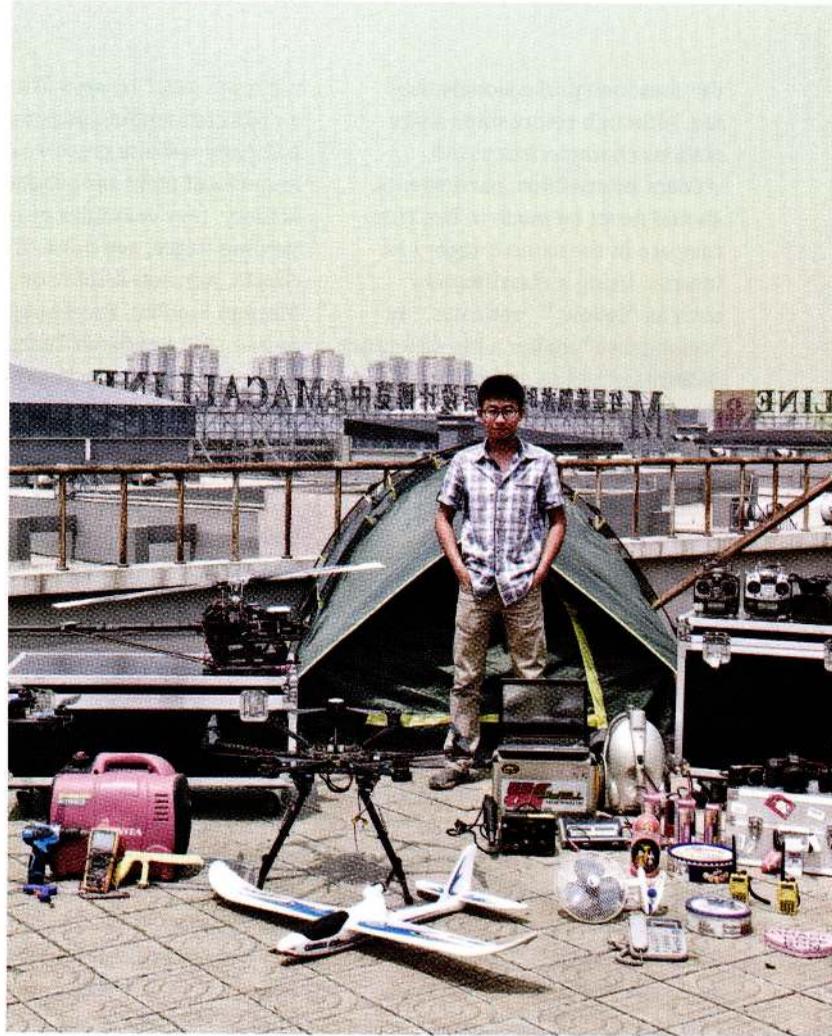
The Global Pandemic has changed perceptions about the way people work. Managers have come to recognize that working remotely can be more productive than working in an office. Companies that would not have considered recruiting, hiring, and onboarding an employee without an in-person meeting had to immediately start doing just that—and many will continue to do so. Companies should reexamine their attitudes toward relaunchers as well. Return-to-work programs provide access to a high-quality, diverse talent pool while simultaneously signaling to current employees and alumni that their company is forward-thinking and employee-centric. These programs have grown dramatically over the past 20 years, and many more companies can benefit from launching one. 



CAROL FISHMAN COHEN is the CEO and a cofounder of *iRelaunch*, a career-reentry consulting, training, and events firm. She writes regularly for HBR on return-to-work topics. Nearly all the employers named in this article are clients of her firm.

How Chinese Retailers Are Reinventing the Customer Journey

Five lessons for Western companies



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China is both a large and a fast-growing retail market—worth about \$5 trillion in 2020—and highly digitized.

Given that the pandemic has made digital every retailer's strategic priority, it's not hard to see why the Economist opened 2021 with a cover story headlined "Why Retailers Everywhere Should Look to China."

In China online sales have grown about 25% in each of the past seven years and reached about \$1.9 trillion in 2020, when they amounted to some 25% to 50% of total retail (compared with 10% to 20% in the United States). More than 90% of those sales are on

mobile devices, compared with less than 50% in the United States. So it should be no surprise that Chinese companies and individuals have led the way in developing video retail, social commerce, community retail, retail-as-a-service, and many other new digital channels, including the super app, which provides an all-in-one experience for consumers by accessing various services and offerings.

Who are these leaders?

There's Douyin—known in the West as TikTok—which started as

an entertainment app for sharing short videos and soon discovered that many users were commenting on popular videos by creating their own versions. Douyin encouraged participation by welcoming content creators, who often featured their favorite products and clothing styles, making the app a marketing tool. China's livestreaming market has reached \$16.3 billion and is now integral to how people shop—which is why Walmart invested in Douyin.

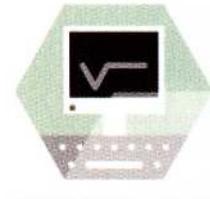
Pinduoduo, the largest agriculture-focused platform in China, was founded in 2015 and is currently worth \$175 billion. Sometimes described as “Groupon on steroids,” it has gamified the shopping process, enabling groups to haggle with merchants, often via WeChat.

Then there's Li Jiaqi, a 28-year-old influencer who pioneered digital cosmetics retailing and is known as the Lipstick King. He boasts more than 7 million followers on Weibo and close to 40 million on Douyin. He once sold 15,000 lipsticks in just five minutes and tried on 380 lipsticks in a seven-hour livestreaming show. Li Jiaqi is the only male key opinion leader (KOL) for cosmetics and the best salesperson for beauty products in China. A former beauty adviser at L'Oréal, he has phenomenal influence: His recommendations can make or break a product launch. He demonstrates and recommends the products of multiple companies

and is paid according to the sales he generates.

These innovators owe much of their success to the massive ecosystems of Alibaba, JD.com, Tencent, and, increasingly, Pinduoduo, ByteDance, and Meituan, which serve as key touchpoints for consumers. They attract Chinese retailers and international brands by leveraging ever more data in innovations such as Alibaba's Tmall Smart Selection (a product recommendation algorithm) and Meituan's highly sophisticated logistics routing algorithm. As Tencent's founder, Pony Ma, put it in an internal presentation in early 2020, “The era of smart retailing ignited by ‘super connectivity’ just kicked off.” (That said, China's government is taking a harder line with its biggest online enterprises. In late 2020 it blocked the IPO of Ant Group, a fintech company spun out of Alibaba, at the last minute. Alibaba was also fined some \$2.8 billion in April 2021 under the PRC's antitrust law.)

Retailers in Europe and the United States don't have access to such integrated ecosystems, but they can still usefully borrow from China's innovators. To identify how, we studied 25 Chinese digital retail companies, including the giants Alibaba, JD.com, Meituan, and Tencent; the emerging platforms ByteDance, Pinduoduo, and Ele.me; and successful brands such as Peacebird, Forest Cabin,



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Babytree, Soufeiya, and Xtep. In addition, our research benefited greatly from discussions with dozens of executives from Western companies, including Amazon, Apple, Daimler, Luxottica, Nestlé, Nike, PayPal, Philips, Siemens, Starbucks, and Walmart, along with Japan's Sogo & Seibu (department stores) and Russia's X5 Retail Group (a leading food retailer).

In this article we draw on that research to explain five lessons that Western companies can learn from China as they develop their own digital market offerings.

1 CREATE SINGLE ENTRY POINTS

A single point online where customers can access all their potential purchases is the holy grail for retailers. China's digital giants have come close to achieving it by creating commerce ecosystems, general platforms offering portals for independent brands, and proactive automated product recommendations.

ECOSYSTEMS. For most digital retail consumers in China the first port of call is Taobao (Alibaba's mobile C2C portal) or Alipay, both of which give access to Alibaba's

IDEA IN BRIEF

THE CHALLENGE

Retailers in Europe and the United States are far behind China in digital retail.

WHY IT EXISTS

China's large and fast-growing market not only is highly digitized but also takes advantage of the massive ecosystems of Alibaba, Tencent, and others.

THE SOLUTION

To catch up, Western retailers can take five lessons from the Chinese experience: Create single entry points, embed digital evaluation in the customer journey, don't think of sales as isolated events, rethink the logistical fundamentals, and always stay close to the customer.



full ecosystem. Alipay, which is on almost every smartphone in China, integrates the platforms and service offerings of companies in Alibaba's huge retail network, enabling consumers to pay for any product or service they may find there, from Nike shoes to wealth management. Tencent's WeChat Pay provides similar benefits. Although users may not go online intending to make a transaction, WeChat Pay's deep integration with external platforms and specific brands means that they often end up doing just that. WeChat has pioneered a concept that allows any brand to develop dedicated but simple subapplications within the WeChat ecosystem. These typically fulfill functions such as e-commerce, coupons, and task management and are searchable on WeChat's home page. After the initial success of this innovation, most other super apps adopted it.

GENERAL PLATFORMS. In China's B2C e-commerce market, the world's largest, most independent retailers access customers through platforms provided by Tmall, which accounted for 64% of China's total B2C e-commerce market in 2020, and by JD.com (26%). But players such as VIP.com, Xiaohongshu (RED), and Ymatou are increasingly winning share with specialized platforms: Ymatou focuses on cross-border commerce in high-quality branded products, and RED, often dubbed a lifestyle sharing platform, targets Generation Z and combines social media and e-commerce. China's increasingly sophisticated digital consumers go to these sites for information and to

access a community of like-minded customers.

PROACTIVE PRODUCT RECOMMENDATIONS. Digital has shifted power relationships in retail. Recommendation algorithms, livestreaming by KOLs, and "native" (embedded online) e-commerce stores in TikTok have changed the traditional dynamic whereby a purchase begins with the customer's search for a product. For instance, Tmall Smart Selection uses an AI-powered algorithm backed by deep learning and natural language processing to recommend products to shoppers; it then communicates consumer interest to retailers so that they can increase inventory to keep up with demand. That kind of functionality reflects the growing power of retailers relative to manufacturers.

Chinese retailers go further than Amazon does in aggressively leveraging partners and third-party providers (including for logistics, which Amazon mostly manages itself), rather than building in-house capabilities. The result is that Chinese retailers are already profitably offering at scale most of Amazon's newer, not yet scaled-up offerings, such as health care, insurance, online groceries, smart home devices, and fashion.

OPTIONS FOR THE WEST. The main challenge for established Western retailers is to get closer to where the consumer is online rather than direct digital traffic to where products can be purchased. To be sure, this is simpler in China because of its less-stringent data privacy rules. But Western companies could do more with the

data available to them—for example, by using blockchain to guarantee privacy.

Companies in Europe, given their experience with the EU's tight General Data Protection Regulation, are well-placed to build an early advantage. The Otto Group, in Germany, is a case in point. A catalog retailer for decades, it initially struggled with the arrival in 2008 of Amazon and Zalando, a German online shoe and fashion company. But Otto made early moves into digital solutions, in particular leveraging ventures such as Risk Ident (fraud prevention) and Picalike (visual search) to build a platform with thousands of partners. Its online revenue for the fiscal year ending in February 2021 reached \$17.8 billion.

Another example is Lydia, an emerging financial-services super app from France, which offers peer-to-peer payment, flexible subaccounts, virtual cards for Apple Pay and Google Pay, and many other functions typically associated with Chinese super apps. To be sure, Europe and the United States have always had well-developed credit card services. But the real potential of super apps is not that they can replace credit cards or cash; it is that they provide a single entry point for consumers, incorporating financial services (lending, investment, insurance); e-commerce; goods delivery and tracking; ticketing for movies, live shows, airplanes, and trains; health care services (hospital reservations, medical consultations, pharmacies); taxi hailing; bike sharing; and a wide range of government functions, including taxation.

- ● In China online sales have grown about 25% in each of the past seven years and reached about \$1.9 trillion in 2020, when they amounted to some 25% to 50% of total retail.



The same potential exists in Europe and the United States. Beyond privacy, we see few economic, political, or social barriers to one-stop solutions in the West. The cost to establish comprehensive platforms is relatively low, so new entrants will seize the opportunity if incumbents don't.

2 EMBED DIGITAL EVALUATION IN THE CUSTOMER JOURNEY

A key challenge for retailers is ensuring that consumers can efficiently and effectively evaluate their products in a transparent and unbiased way. With its strong emphasis on influencers and social media, Chinese retail evaluation is highly sophisticated and provides content much richer than what is available in the West.

CUSTOMER REVIEWS. Simple scoring or comments on Tripadvisor and Amazon are no longer the standard for Chinese consumers, who provide thousands of detailed comments about products, brands, and shops on JD.com, Tmall, and Taobao, often with photos or videos attached.

INFLUENCERS. In the United States people follow key influencers such as Taylor Swift and Kylie Jenner primarily on Instagram, whereas China's opinion leaders have a presence on Weibo, WeChat, TikTok, and other platforms. A common criticism directed at Chinese influencers is that many of them are sponsored—but their neutrality isn't highly valued in Chinese culture. The relationship of an influencer and a consumer is that of a celebrity and a fan, and consumers often consult several influencers before making a decision.

VIDEO LIVESTREAMING. Chinese consumers also frequently consult livestreamers, who consist of three main types: CEOs such as Dong Mingzhu of the appliance manufacturer Gree Electric and Li Bin of the electric car company NIO; movie actors and musical artists such as Li Xiaolu and Liu Tao; and professional sellers such as Li Jiaqi, who sold products worth \$145 million on Singles' Day in 2019, and Viya, known as the number one "sister" of Taobao Live.

INDEPENDENT PLATFORMS. In reaching a purchasing decision, Chinese consumers rely far more on independent knowledge platforms such as Zhihu and Zhishi Xingqiu (which are similar to Wikipedia and Quora) than do Western consumers, who might consult Consumer Reports for high-value products.

OPTIONS FOR THE WEST. As Chinese consumers have become more-sophisticated users of tech products, they've started consulting multiple data sources. Western companies need to establish a presence on all the channels where consumers evaluate products—particularly video-based social media. That way they can overcome mistrust of promotional messaging and positive reviews on company sites. Currently the most popular livestreaming in the West runs on gaming platforms such as Twitch, whose tie-in with Amazon makes it a platform for influencer sales. Meanwhile, NTWRK, a mobile-first video shopping platform, features limited-edition products of brands such as Adidas, Guess, and Vans. On its platform the video game company Rooster Teeth and other popular influencers drive sales through product collaborations. Other Western retailers might consider this approach.

3 DON'T THINK OF SALES AS ISOLATED EVENTS

Providing a seamless experience when and where the consumer chooses can radically increase the chances of purchase. In the digital realm China has achieved this in three ways.



TECHNOLOGY

● ● ● In times of crisis it's tempting for companies to slash training and development budgets. But that's not a smart move.

DEEPLY INTEGRATED ONLINE AND OFF-LINE SALES CHANNELS. At Alibaba's Hema Fresh supermarket, for example, consumers can make purchases while sitting at home, on the way to the market, or in the store. They might have fresh food delivered or decide to pick it up while shopping for other products. After JD.com invested in the supermarket chain Yonghui, in 2015, it connected Yonghui's off-line supermarkets to the JD Daojia ("JD to Home") application, which was launched that year in collaboration with Dada, a local on-demand delivery company. (The two merged the following year.) This level of integration brings big advantages. For instance, when the billion-dollar fashion retailer Peacebird closed down its brick-and-mortar stores during the pandemic, it could quickly pivot to online selling, because its sales system no longer differentiated between online and off-line.

CONTINUOUS PURCHASING OPPORTUNITIES. In China a purchase can be made at almost any point in an individual's entire online experience. A consumer might buy directly from an official WeChat account while chatting with friends or in one of WeChat's "mini program malls" or Alipay's mini program for a brand that has advertised in a friend's circle or been recommended in an alumni group. Entertainment and shopping are fully integrated as well. A Chinese consumer watching a TikTok video can click on clothes she likes and end up in a native store. Or she might follow a friend's recommendation on WeChat to

buy a product at a discount via Pinduoduo.

AI-ENABLED INTERFACES. AI-powered chatbots such as Dianxiaomi, which can understand more than 90% of customers' queries, are widely used in China; they did most of the talking during its "Singles' Day" on November 11, 2020, when Alibaba's online transactions exceeded \$74 billion. After-sales service, in terms of delivery, returns, and warranty, was conducted primarily online. According to recent statistics, 94% of online service at Alibaba is AI-enabled, and it earns customer satisfaction ratings 3% higher than service delivered by staffers.

OPTIONS FOR THE WEST. Legacy businesses that are embracing digital approaches need to cut across the silos of online and off-line selling that have been traditional in the West. Even General Motors, the granddaddy of off-line manufacturing, now has more than 100 social media channels. Walmart, the archetypal bricks-and-mortar retailer, announced in February 2020 that it would combine its store and online buying teams in one omnichannel merchandising group. As Zeina Belouizdad, Google's omnichannel product lead for Europe, the Middle East, and Africa, said in late 2018, "We are living in an omnichannel world. Nothing is linear anymore." Consumers don't distinguish between off-line and online, and it is only for legacy reasons that the distinction still exists. Executives outside China should therefore consider aligning and centralizing their sales systems as part of digital transformation efforts.

The United States and large parts of Europe have digital platforms and promising new ventures that could facilitate such integration. Global retailers could potentially enhance their existing digital solutions by partnering with those businesses. For example, in the Netherlands, one of the largest European e-commerce markets, Jumbo supermarkets and the seafood retailer Schmidt Zeevis are taking advantage of the online supermarket Picnic. Consumers can choose where to buy their products and when, with smooth home delivery or in-store pickup options.

Although France's super app Lydia and other new ventures are promising, companies need to do much more to broaden purchase options. In China, QR code payment and facial recognition scans are now common on Alipay, WeChat Pay, and many other payment apps. In Europe, however, most retailers use contactless card payment or require payments to go directly through a bank app.

4 RETHINK THE LOGISTICAL FUNDAMENTALS

China combines old-fashioned methods and high-tech software to deliver faster and at lower cost than almost any Western retailer can. A same-city order with a retail chain takes less than half a day to arrive in a large urban center like Shanghai, while local supermarkets can usually deliver orders in under 60 minutes. This speed is due primarily to large-scale, born-digital logistics integrators like Cainiao. A smart network, Cainiao leverages independently owned hardware and infrastructure such as warehouses


ABOUT THE ART

Inspired by the booming popularity of online sales, Huang Qingjun asked people from across China to assemble everything they've ever bought online.


TECHNOLOGY


and delivery vans and optimizes them across the country. These operations have several key features.

GIG WORKERS. Last mile or local delivery to a customer's door, which is usually expensive, is a major challenge. In China this link in the supply chain is supplied by migrant workers (from the provinces) on bicycles or electric scooters. They are typically employed on a piecework basis by third-party logistics companies such as Meituan, which serves small grocers and restaurants, or by large online-off-line chains such as Hema Fresh. These workers constitute a large and cheap labor pool that few other countries can match.

SOPHISTICATED ROUTING TECHNOLOGY. They may be riding bikes, but the workers are

guided by routing software that speedily provides a large quantity of information. Once an order is placed, a middleware system subtracts it from the inventory, puts the information into the company's CRM system, chooses the nearest outlet for fast delivery, and alerts the nearest delivery worker. The delivery worker's app will even specify which stairs to take inside a building to get to the right floor, as instructions are passed on by the customer. As a result, delivery in China is extremely fast. Such efficiency enables workers to earn a good living, while employers can track each employee's contribution.

FREE TO THE CUSTOMER. The scale effects and highly efficient logistical operations keep delivery costs so low that most merchants can afford to cover them completely. (Fresh-

food delivery is an exception: It costs six times as much as regular delivery in China.) If a purchase exceeds a certain amount (typically \$15), or if a customer has brand membership through a loyalty program or for a token enrollment price, he or she can enjoy free delivery with speed.

OPTIONS FOR THE WEST. Again, Western companies do not have access to an equivalent workforce, and navigating urban layouts can be challenging (imagine bike deliveries in Los Angeles). What's more, stricter labor regulation may make it harder to rely on gig workers. (That can be overcome, as evidenced by California's passage in November 2020 of Proposition 22, which preserved the non-employee status of ride-share drivers.)

Companies will have to compensate by leaning more into tech. Many could digitize the back-end supply chain by deploying cloud-based warehouse management systems that are integrated across stores, enabling faster and more-flexible delivery services. Big data analytics will also contribute—subject to privacy constraints. In time, technology may even make it possible to take labor out of the equation, as autonomous vehicles and drones become feasible for physical delivery. For example, Ericsson, Einride, and Telia have partnered to launch 5G-powered driverless and environmentally friendly trucks. Nuro, a self-driving delivery start-up, is teaming up with Domino's, Walmart, and CVS. And in the field of logistics competitors are working together to build huge data pools that will enable faster, better predictive analytics—as seen in the partnership of the rival vehicle telematics companies Geotab and Webfleet Solutions.

5 ALWAYS STAY CLOSE TO THE CUSTOMER

In China customer loyalty in digital retailing is generated in large part by extraordinarily high levels of after-sales engagement by companies and loyalty programs that are integrated into both e-commerce channels and social media. Companies also work with influencers and cultivate fan communities of their own.

RADICAL ENGAGEMENT. Chinese retailers truly treat the customer as royalty. Most online shops allow free returns with no explanation within seven days of a purchase (excluding fresh produce). Customers may choose a convenient pickup time for their returned products. Retailers offer



instantaneous personal assistance via chatbots. Free hotline support is readily available, often 24/7. For products that require on-site services (such as installation), customers may choose days and precise time slots. These services are often supplied by local shops that carry the brand. For example, the wooden-door producer Tata Pravesh treats its traditional distributors as after-sale service providers for customers purchasing from the online store. The distributors get the same financial return they would if the products had been sold in their off-line shops.

INTEGRATION ACROSS ENTRY POINTS. Customers have as many touchpoints with loyalty programs as they do with brands. Coupons and digital red envelopes (traditionally exchanged by relatives and friends during celebrations) are daily offerings on large platforms such as Taobao, Tmall, JD.com, and Meituan (for restaurant food order and delivery). Online shops offer deep discounts every day during certain hours to attract return customers and discounts for customers who make successful recommendations to friends on

social media. Loyalty programs are integrated across all digital channels.

INFLUENCER RELATIONSHIPS. As noted, the Chinese rely heavily on key opinion leaders' recommendations; in many cases KOLs command more loyalty than the brands they recommend. Chinese retailers piggyback on that relationship by cooperating with these KOLs, who often become associated with a particular brand. Some KOLs cut across product categories, representing brands for each. For example, Viya sells everything from makeup and shoes to rice and even houses. She sold goods worth \$4.5 billion in 2020 with a team of just 500 people.

FAN MARKETING. The home electronics company Xiaomi has created a huge base of loyal users who help promote the brand. Its fans will buy anything Xiaomi sells. Now the company has its own online ecosystem, having partnered with more than 300 producers to sell their products to its fans under the Xiaomi brand. On April 1, 2021, Xiaomi announced that it would invest \$10 billion over the next 10 years to produce smart electric cars. The company has sharpened



its industrial and project design capabilities to give products under its brand name a similar look and feel at an affordable price. This type of fan economy is steadily growing in China.

OPTIONS FOR THE WEST. Western companies should leverage digital platforms to offer loyalty rewards more often, more explicitly, and in more places. They can also use their various channel partners to improve delivery and service. And continuous tech-enabled tracking of service delivery processes and customer engagement will motivate sales agents and other employees to attend to customers' needs.

In other aspects of customer engagement, Western retailers are not so far behind. The U.S.

exercise equipment company Peloton's creation of an online community of users has been a major driver of its success and a source of innovative ideas. And at least one fast-fashion retailer, Shein, based in the United States but founded in China in 2008, uses influencers as its main channel to customers. It is hugely successful with this approach, generating multibillion-dollar revenues and challenging even Zara, the longtime leader in the sector.

WESTERN RETAILERS LAG their Chinese counterparts in leveraging customer data to make better business decisions, increase operational efficiency, and reduce costs. They need to integrate that data with off-line businesses so that customers are visible, identifiable,

and traceable both online and off-line. Retailers need to establish contact with customers online through multiple touchpoints, including social media ecosystems, to increase their stickiness, loyalty, and activity. Digital retailing is an organizational transformation in the making. A famous Chinese saying has it that "a journey of a thousand miles begins with a single step." The new customer journey begins with many steps. ■



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HNB Upgrades SOLO with Robust Bill Payments and Biometric Features



HNB's efforts to accelerate the digital transformation of Sri Lankan banking passed another critical milestone with the addition of extensive new utility bill payment capabilities and biometric features for its flag-

ship mobile payment app, HNB SOLO.

With its latest upgrade to the app, HNB now offers users the option of settling all of their actual utility bill payments – from water and electricity to telephone, mobile, and internet bills, as well as insurance premiums – quickly and conveniently through SOLO.

“In today's environment, it was imperative to provide customers with a convenient and secure mode of payment for their daily transactions. This is a role which SOLO is perfectly designed to serve. We have already been experiencing exponential growth in users and merchants coming on board with

SOLO or who can make or accept digital and QR-code payments. With the addition of our new utility bill payments feature, we are expanding choice and convenience for SOLO users and giving them an unprecedented new level of control when it comes to their finances. This is another important milestone for SOLO and another small but vital step forward for the Sri Lankan economy,” Sanjay Wijemanne, Deputy General Manager, Retail Banking, HNB said.

Also included among the new upgrades is a biometric security system that now adds facial recognition technology and fingerprint scanning options for users, in addition to their

customized four-digit pin. Commercial Bank also offers customers who do not wish to log out of their account daily a 60-day login option. As SOLO is not restricted only to HNB customers, any individual can link their savings/current account and debit/credit cards to register and make use of the facilities available on the app.

Having already linked LANKA QR to SOLO, the bank was among other financial institutions and telecommunication partners in joining efforts to make cashless QR-code-based payments the standard for mobile phones and digital payments countrywide, in moving towards a cashless and digitally-savvy Sri Lanka.

'Global Business Outlook' Honors ComBank Sri Lanka and Bangladesh



The Commercial Bank of Ceylon has been declared the 'Best SME Bank' in Sri Lanka and the 'Best Foreign Bank' in Bangladesh in 2021 by the UK-based Global Business Outlook (GBO) magazine, which recognizes and rewards business excellence around the world, across industries.

The 'Best SME Bank' award was presented to the Commercial Bank to recognize the needs of the hour of small and medium enterprises in the country and provide tailor-made products and services to cater to this segment.

Meanwhile, the 'Best Foreign Bank' award presented to Commercial Bank Bangladesh recognizes growth achieved in new accounts, deposits, and advances, services offered to corporate and personal banking customers, new products, and the growth of the Bank's Online Banking services in that market. CBC Bangladesh has recorded

consistent growth in business, especially by catering to multinationals and large local corporates by offering better services and commitment.

S Renganathan, MD of Commercial Bank, said: “We are delighted to receive awards for both Sri Lanka and Bangladesh. It is particularly pleasing to be recognized for our support to SMEs, specially during these pandemic-linked economic conditions, which are very tough to navigate. Commercial Bank has consistently proved that it is with them in good times as well as bad. We are also elated to be once again adjudged the best foreign bank in Bangladesh, which is a very competitive market.”

In terms of its commitment to the SME sector in Sri Lanka in 2020, Commercial Bank supported SMEs affected by the global pandemic with, among others, the disbursement of a substantial amount in COVID-19

support loans by the close of the year under multiple relief schemes to provide working capital loans to affected businesses. These included loans provided under the Central Bank mandated 'Saubagya COVID-19 Renaissance facility' program and the Bank's support schemes.

The Bank completed its SME Banking Transformation operation in 2020, which included the launch of a Centralized Credit Processing Unit that paved the way for Commercial Bank to become the largest lender to the SME sector among private sector banks in 2020 via the 'Saubagya' scheme.

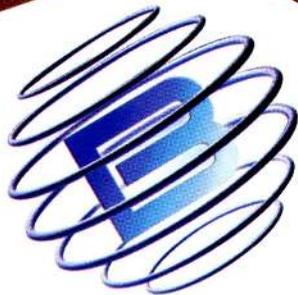
The Bank's 'Arunella' – a Financial Support Scheme includes 12 initiatives designed to assist and provide concessions to SMEs. This consists of a moratorium scheme, relief to non-performing borrowers, reduction of lending rates, concessions for credit cardholders, concessions and fee waivers, and free digital services, to name a few. It also included two special loan schemes, one for SMEs affected by COVID-19 and the other the 'Dirishakthi COVID-19 Support Loan' scheme to assist

microenterprises disrupted by the pandemic.

Commercial Bank is one of the largest lenders to the SME sector in Sri Lanka. Apart from specialized savings accounts, loan products, and personalized service offered to SME customers, the Bank has taken the initiative to launch a credit card for SMEs and also launched ComBank Biz Club, to provide SMEs with extensive networking opportunities, support beyond lending and a range of other benefits including special bank concessions and a personalized Biz Club Debit Card.

Commercial Bank's 'Bank on Wheels' initiative aim was to encourage banking habits in remote areas and provide convenience to existing customers. It introduced an 'Automated Field Cash Collection' process to accept deposits and loan repayment proceeds in the Jaffna Peninsula. It also conducted three Entrepreneur Skills Development programs in the North, East, and Southern provinces with over 300 customers and reached its SMEs, women entrepreneurs, and export clients via webinars.

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Sampath WePay Presents Sri Lanka's First Digital Man of the Match Award



Avishka Fernando, Man of the Match in the first ODI of South Africa's tour of Sri Lanka, showing the digital transfer he received through Sampath WePay during the presentation ceremony.

Sampath Bank became the first bank in Sri Lanka to digitally present a Man of the Match

award at a cricket match, giving away a prize purse of 300,000 rupees through its widely popular digital wallet, Sampath WePay at the first ODI of South Africa's tour of Sri Lanka. Sri Lanka's Avishka Fernando, who has adjudged the Man of the Match, received this sum through an electronic fund transfer made in real-time, using Sampath WePay during the presentation ceremony.

This is quite possibly the first instance of a digital transfer being done by a bank for a Man of the Match award anywhere in the world.

Sampath Bank is the co-sponsor of South Africa's tour of Sri Lanka. As part of the partnership, the Bank sponsors the Man of the Match award prize money and digitally transfers the sum to the award

winners through Sampath WePay. Furthermore, the Bank has also invited all Sri Lankans to predict the Man of the Match in each of the games in the series and stand a chance to win exciting cricket memorabilia. This initiative is part of Sampath Bank's continued efforts to raise greater awareness about digital payment solutions like Sampath WePay and drive the adoption of the same in line with the Government and the Central Bank of Sri Lanka's vision for digital payments.

"At Sampath Bank, we share the nation's passion for the game of cricket. As a bank that has been committed to offering innovative digital payment solutions such as Sampath WePay, we view the sport as a great vehicle to engage and educate all Sri Lankans about

digital payments and their added significance during this global pandemic. Hence, it is our privilege to be the first Bank in Sri Lanka, and possibly the world, to digitally present the Man of the Match award prize money through Sampath WePay. Going beyond digitizing the Man of the Match purse, we are also inviting cricket fans around the island to predict the Man of the Match winners for each game and stand a chance to win cricket memorabilia. As part of our efforts to add greater value to the nation and present its future, we will continue to transform the nation's financial services landscape with more such innovative solutions," said Tharaka Ranwala, Senior DGM – Operations/Group Chief Marketing Officer, Sampath Bank.

SLT-MOBITEL Empowers Health Heroes with 'Suvaviru Upahara' Connectivity Offers



In recognizing the hard work and untiring dedication by the front-line health workers, SLT-MOBITEL, the National ICT Solutions Provider, announced the launch of 'Suvaviru Upahara', free connectivity offers designed to empower health heroes. Embarked in collaboration with Manusath Derana, this tribute to their service offers health workers and their families free SLT-MOBITEL connectivity solutions, including voice and data, for three months.

Healthcare workers at 14 selected locations, including PHI Officers, Nurses, Attendants, and Crematorium Workers, can avail of this offer for SLT-MOBITEL

home or mobile connections. SLT-MOBITEL and Manusath Derana are working closely with healthcare and local authorities to ensure all health care officials at these locations can benefit from this initiative.

"SLT-MOBITEL admires and appreciates the untiring efforts of health care workers who risk their lives daily in this prolonged pandemic situation. As the National ICT Solutions Provider, it is our responsibility to pay tribute to these heroes and contribute towards making their lives better during this challenging period by providing uninterrupted connectivity to stay in touch with their loved

ones. We invite all beneficiaries to avail of this offer and accept our contribution celebrating your commitment," stated Lalith Seneviratne, Group Chief Executive Officer of SLT-MOBITEL.

The mobile connectivity offer from SLT-MOBITEL includes 1000 free SMS to any network, 1000 minutes of outgoing calls free to any network, and 2 GB anytime data free of charge, each month, for the next three months starting from the date of activation. The beneficiaries will be able to obtain two mobile connections equipped with all these facilities. Existing SLT-Mobitel home Voice and

Broadband customers can avail of an offer for 10 GB Data for YouTube, 100 GB Meet Max Bundle, and 10 GB Messenger Bundle free every month for three months, in addition to free unlimited local calls to any network. Data offers are valid for customers using SLT-Mobitel Fibre, ADSL, and 4G LTE connections.

The inauguration ceremony was held at the National Institution of Health Services (NIHS) Nagoda. Dr. Thamara Kalubovila, Director, NIHS, Dr. Pradeep Ratnasekara, Director, General Hospital-Kalutara, Health staff, and SLT-Mobitel Officials were present.

SLT-MOBITEL Donates Fourth PCR Machine to Matara District Hospital



PCR machine donated to the District General Hospital in Matara.



Rohan Fernando, Group Chairman of SLT-MOBITEL handing over the donation to Upali Rathnayake, Deputy Director of the Matara District Hospital accompanied by Dr. Thushara Vidanaoathirana, Dr. Deepika Priyanthi and Lalith Seneviratne, Group CEO of SLT-MOBITEL.

Recognizing the importance of enhancing Sri Lanka's PCR testing capacity to curtail the spread of COVID-19 and protect citizens, SLT-MOBITEL continues its support by donating yet another vital PCR machine to the District General Hospital in Matara.

The donation of the PCR machine valued at over 5.7 million rupees is part of SLT-

MOBITEL's 'Sabandiyawe Sathakaraya' CSR initiative to strengthen the nation's healthcare systems further and assist communities in need.

The equipment was handed over to Dr. Upali Rathnayaka, Deputy Director of the Matara Hospital, in the presence of Rohan Fernando, Group Chairman, SLT-MOBITEL;

Lalith Seneviratne, Group Chief Executive Officer, SLT-MOBITEL; Kiththi Perera, Chief Executive Officer, SLT; Shashika Senarath, Chief Marketing Officer, Mobitel along with Regional General Manager, SLT; Regional Head, Mobitel and Hospital Staff.

Previously, PCR machines were donated to the Base Hospital, Karawanella, District

General Hospital, Matale, and the University Hospital of the Kotelawala Defense University.

SLT-MOBITEL appreciates the support from all Sri Lankans towards 'Daana Paaramitha', which was conceptualized as a platform to increase further community involvement in relief efforts to support families affected by the pandemic.

Rajah Jayendran Appointed as COO by RHI Magnesita



Rajah Jayendran, COO, RHI Magnesita.

Stefan Borgas, CEO of RHI Magnesita, emphasizes: "Rajah Jayendran has proven in and outside our company that he is an excellent operations manager, holding the reputation of a reliable and accurate partner. His track record and experience make him the right choice to follow Gerd Schubert as Chief Operations Officer (COO). Gerd will withdraw from

the Executive Management Team but continue to work for RHI Magnesita, driving initial Projects until he takes his well-deserved retirement. I want to thank Gerd for 30 years of passionate engagement on behalf of our company."

Born in 1969, Rajah Jayendran is a German national who holds an engineering degree from the Ruhr-Universität Bochum. Mr. Jayendran began his career in 1995 as a Senior Project Manager at multinational conglomerate Thyssen-Krupp Uhde GmbH. In 1999 he moved to Bayer MaterialScience AG, where he last held the position of Senior Vice President Site Operations in Shanghai, China. This was followed, in 2009, by a two-year stint as Executive Vice President Strategy and Business Development at ChemChina-Bluestar Group Co in Beijing, China. In 2011, Mr.

Jayendran assumed the position of Senior Vice President Strategic Projects at Lonza AG, a Swiss multinational chemicals and biotechnology company, before moving on, in 2013, to Linde Gas Asia in Singapore as Senior Vice President Commercialization. From 2014-2016 he joined the Stora Enso Group Co., a global provider of renewable solutions in packing, biomaterials, wooden construction, and paper, as Senior Vice President MD China Investments & Operations.

This was followed by a role with the Linde Group in Munich as Senior Vice President Performance Management in 2016-2017. Since 2018, Mr Jayendran has been a key team member at RHI Magnesita, the global leader and driving force of the refractory industry, holding the position of Senior Vice President Operations

Europe/CIS/Turkey. Effective October 1st, he will replace Gerd Schubert in the company's Executive Management Team as Chief Operations Officer.

RHI Magnesita is the leading global supplier of high-grade refractory products, systems, and solutions critical for high-temperature processes exceeding 1,200°C in a wide range of industries, including steel, cement, and non-ferrous metals and glass. RHI Magnesita intends to build on its leadership in revenue, scale, product portfolio and diversified geographic presence to expand further in high growth markets. The Group maintains a premium listing on the official list of the London Stock Exchange (symbol: RHIM) and is a constituent of the FTSE 250 index, with a secondary listing on the Vienna Stock Exchange (Wiener Börse).

HOW WE DID IT

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From the Magazine (September–October 2021)



The CEO of UPS on Taking the Reins Amid Surging Pandemic Demand

by Carol B. Tomé

When I decided to accept the role of chief executive officer of UPS, in the late winter of 2019, it seemed like a straightforward choice. Having recently retired from Home Depot after 24 years of service, nearly two decades of them as CFO, I wasn't necessarily looking for a new job. But I'd been a UPS board director since 2003, and when the board started searching for a successor to the outgoing CEO, the directors created a leadership profile that matched my experience and skills. Up-and-coming internal candidates needed more time to develop, and as an outsider-insider, I could lead the company until they were ready.

I knew that UPS was an amazing organization with a powerful brand, a culture and values perfectly aligned with my own, operations in more than 220 countries and territories, and roughly half a million talented employees whom I hoped to inspire around a shared purpose. Because the company's stock had been flat for six years, there was also an opportunity to create value for shareholders. And, frankly, my husband was keen to get me out of the house and working again.

So at the time, it was easy to say yes to the position. I formally accepted at the beginning of March 2020 with a plan to officially



transition in June. Quickly, however, the job became a whole lot more complicated. On March 11 the World Health Organization declared the Covid-19 outbreak a global pandemic, forcing many of us to shelter in place and UPS and its employees to step up its essential service as never before.

Not only did we need to keep our sorting facilities operational and our vehicles and airplanes moving but we had to meet a surge in demand that quickly matched peak holiday-shipping volume and never abated. I'd planned to spend my first few months as CEO on a listening tour, traveling to a number of our more than 2,000 operating facilities around the world and talking to employees. Instead I found myself in a whirlwind of activity, working with the rest of the leadership team to push our way through the pandemic while also planning our future.

Over the past year we've done just that. In fact, the Covid-19 crisis became a great crystallizer. Even as we did everything necessary to maintain our current business, we honed our purpose. We strategized. We reorganized. We prioritized. We divested. We invested. And I believe we've come out of it with a stronger, more engaged team.

PRINCIPLES AND PURPOSE

As a 114-year-old company that moves the equivalent of 2% of the world's GDP and 6% of the United States' GDP each day, UPS has a long and positive legacy that any CEO would want to build on. When I officially took the reins of the company, I started with that

premise. I invited our top team to a two-day, Covid-safe offsite at my farm in north Georgia. In that bucolic setting, and with help from a third-party facilitator, we candidly debated which aspects of the company we should carry forward and which might need to change.

We eventually settled on five key principles and priorities to which UPS would adhere. First, we'd stay grounded in the values of our cofounder Jim Casey, including integrity, efficiency, constant learning and improvement, and a strong focus on both customers and employees. We would also maintain our brand relevance, keep our balance sheet and credit rating solid, protect our dual-class ownership structure, and continue to pay a dividend. Everything else would be up for review.

Our purpose statement was the next focus. UPS has always been very clear about what it does, but the why was a little vague. As the Cheshire Cat explains in Lewis Carroll's *Alice's Adventures in Wonderland*, when you don't know where you're going, any road will take you there. We needed to clarify our mission. I didn't come in with a preconceived notion about what that should be, however. Instead I listened to my top team at the retreat and to others in Zoom meetings, since I couldn't meet everyone face-to-face as I'd intended. We decided on "Moving our world forward by delivering what matters." Specifically, we wanted to grow our global business by serving customers, offering excellence and value, inspiring our

people and partners to do their best, and leading by example as a responsible company.

One other big part of UPS that we decided to revamp was our decision-making structure. Prior to 2020, when employees or teams had an idea, they had to present it to one of 21 committees, which would then push the proposal up the ladder to a final sign-off by the "management committee," often including the CEO. We scrapped all that. Now we have six review boards, which have the power to approve some new projects even without input from the most-senior executives. When we do get involved, we do so as a "leadership team" not a "management committee." We move much faster now.

A related move—symbolic but important—was to change the name of our executive offices in Atlanta from the Plaza (cold, intimidating, and formal) to Casey Hall (warm, inviting, and casual). Again, we wanted to emphasize a shift from top-down management to collaboration across levels, functions, and departments.

The leadership team also did an eye-opening strategic exercise: Together in a conference room, we forced ourselves to review a whiteboard of top projects in progress at UPS and put colored stickers next to each one—red for stop, green for continue. Green dots went up immediately, but people seemed hesitant to dole out red ones. I told them they couldn't leave the room until they did. And lo and behold, once all the stickers had been placed, we realized that



we were pursuing some initiatives and activities (our wholly owned freight business, for example) that didn't promise to add a lot of value. Meanwhile, one of our most important (and most green-dotted) projects—a plan to speed up time in transit, which is the holy grail of delivery company metrics—wasn't scheduled to finish for another year. Similarly, our efforts to gain market share among small- and medium-size enterprise (SME) clients, a growing customer category especially during the pandemic, weren't yielding enough fruit.

We realized that we should shift money away from the reds and into the greens, and doing so paid off. We were able to improve time in transit within four months, and in the first quarter of 2021 our U.S. average daily volume among SMEs grew nearly 36%—to an all-time high. We also significantly ramped up our technology and digitization investments and our efforts to reduce the heavy carbon footprint associated with our fleet of more than 500 leased and owned aircraft and thousands of package-delivery vehicles, which combine to travel billions of miles a year. We're leaning into offset programs and green technologies, including our rolling laboratory of more than 13,000 alternative-fuel and advanced-technology vehicles—and we recently committed to be carbon neutral in all our operations by 2050.

With our mission, structure, and priorities in place, we next identified meaningful metrics for tracking progress toward our goals. Yes, even in the middle of a pandemic, we senior leaders felt

this was important. Demand for our business was surging, so this was the time to pursue what we cared about most.

To measure our commitment to putting customers first, we now focus on our Net Promoter Score, which had been in the 30s (on a scale of 0 to 100). Our aim is to lead the industry in end-to-end customer experience with a score above 50. We're doing this by listening, learning, and acting across 16 key customer journeys, including account setup, package pickup, and claims resolution. On the innovation front, a relentless focus on productivity and effective capital allocation will result in both operating margin expansion and a higher return on invested capital in 2021. And to determine whether we're delivering on our promise of being people-led, we now routinely review surveys showing how many employees are likely to recommend UPS as a place to work. Since I started as CEO, we've seen improvement in that number: It has climbed from 51% to 57%, and we're working hard to raise it above 80%.

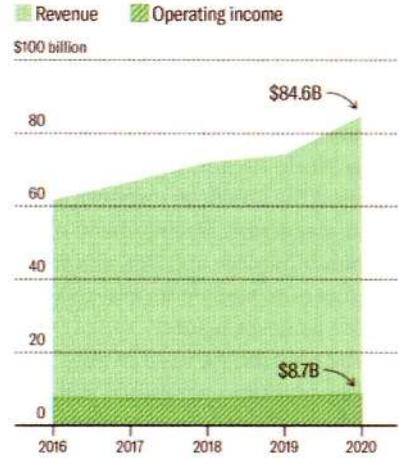
AN IMPRESSIVE WORKFORCE PERFORMANCE

The fortitude and engagement of UPS employees are what move the company forward. Consider their can-do reaction to the pandemic. Once we changed our hub and delivery procedures to keep everyone distanced and safe, our people donned their personal protective equipment and soldiered on, ensuring that our business clients could ship to one another

FACTS & FINANCIALS

UPS

Founded: 1907
Headquarters: Atlanta
No. of employees: 543,000



Source: UPS

and that end users received all their must-haves, from masks to new freezers, cat food to diabetes medication. The step change in e-commerce demand was immediate, and our teams' response was impressive.

Because of our global footprint, every day brought a new challenge. Countries would start to open and then shut down, so we were always working with various authorities to make sure that our pilots could land and our employees could operate on the ground. We had one situation in China when a sorting-facility security guard tested positive for Covid, so 200 UPS employees were confined to the building for three days. We scrambled to provide food and water and keep them comfortable until they could leave.

In the United Kingdom we were also dealing with new cross-border trade restrictions as a result of Brexit. And although our aircraft hub-and-spoke system could accommodate the huge spike in demand and the increasing complexity of delivery, we needed

- ● We're on track to deliver at least one billion doses of the Covid-19 vaccine globally
- ● by year's end—with 99.9% reliability of service.



more staffers, fast. In the second quarter of 2020 alone, we hired 40,000 people to help us manage the new normal of year-round holiday-level volume.

That expanded workforce kept us going—despite personal upheavals and additional political crises in the United States. In the days before I was set to officially take over as CEO, the gruesome video of the slaying of George Floyd appeared. I had videotaped a speech that shared my excitement about taking the reins of UPS and my enthusiasm about its future. The message—basically, “We’re going to kick ass and have some fun doing it!”—had now become entirely inappropriate. So I replaced it with a letter in which I described my emotions—anger, shame, sadness—and explained that I wanted to turn all of that into values-led action. UPSers would step up, just as they had at the onset of Covid-19.

To that end, the company has since committed millions of dollars to the National Urban League

and other activist organizations, commissioned an enterprise-wide salary review and pledged to support pay equity, changed some antiquated employee-appearance policies to allow for natural and facial hair, and implemented new programs to train team members in bias avoidance, respect, and professionalism.

I promoted Laura Lane to be chief corporate affairs, communications, and sustainability officer (I call her our chief purpose officer), and I chose Charlene Thomas to take on the new role of chief DEI officer, reporting directly to me. Since I started, we’ve added five new board directors: three women, one of whom is Asian, and two African American men. Perhaps most striking, given the unique circumstances and heavy workloads we saw in 2020, our employees, with our encouragement, committed to another million volunteer hours in underserved Black communities.

Our people rose to further challenges last winter, first by managing our holiday peak season (a period for which we added

another 100,000 temporary workers) on top of pandemic volumes, and then, as 2021 began, playing a crucial role in delivering the newly developed Covid-19 vaccines. UPS has been in health care logistics for 15 years, and now we have three freezer facilities—in Louisville, the Netherlands, and Singapore, that enhance our cold-chain distribution. We’re on track to deliver at least one billion doses of the vaccine globally by year’s end—with 99.9% reliability of service. Within 24 hours we can pick up a shipment with an 18-wheel truck, drive it to a local airport, load it onto an aircraft, fly it to our Worldport hub in Louisville, process it, load it onto another feeder plane, fly it to a destination, put it on a smaller truck, and drive it to a hospital or a pharmacy.

Our people make that kind of performance possible, fueled in part by the mission and strategy work that our senior leaders and I—with help from their teams and input from the wider organization—did at the beginning of my tenure. Instead of competing priorities, they have clarity of purpose, which helps them both do their jobs effectively and enjoy the work. This has led to record profits and a double-digit operating margin in our U.S. business, along with record profits in our international segment.

When I decided to become the CEO of UPS, I could never have predicted the upheaval the company and the entire world would face over the following 15 months and beyond. But I wouldn’t have taken the job if I hadn’t been confident that our people and our organization could push through whatever challenges come our way. [\[E\]](#)

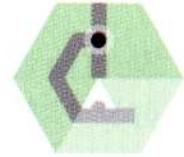


Paul Polman
Cofounder and chair, Imagine

Andrew Winston
Business adviser, writer, and speaker



ILLUSTRATOR
GUILLAUME KURKDJIAN



STRATEGY

The Net Positive Manifesto

Is the world better off because your company is in it?

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Society's expectations of business have changed more in the past two years than in the previous 20. A pandemic, expanding and ever-more-expensive natural disasters, George Floyd's murder, attacks on democracy, and more: All moved us past a tipping point. Both practically and morally, corporate leaders can no longer sit on the sidelines of major societal shifts or treat human and planetary issues as "someone else's problem." For their own good, companies must play an active role in solving our biggest shared challenges. The economy won't thrive unless people and the planet are thriving.

The good news is that addressing those challenges presents the greatest economic opportunity of our time. Multitrillion-dollar markets are in play across all major sectors of the economy, including building technologies, transportation, food and agriculture, and green finance. A two-year study by the Business and Sustainable Development Commission found that meeting the UN's Sustainable Development Goals, which cover everything from eliminating hunger to providing livelihoods and tackling climate change, could unlock trillions in value and create hundreds of millions of jobs

this decade. The world can reap those benefits with moderate investment, especially when compared with the cost of global disruptions from climate change (the estimated \$22 trillion loss to the global economy from the pandemic shows how costly planetary crises can be). In addition, it's never been easier or more profitable to shift a business to low-carbon operations. The core technologies of a clean economy—renewable energy, batteries, smarter AI, big data, and so on—have become radically cheaper and are being implemented at scale (90% of new energy put into the global grid in 2020 was renewable).

Companies that have embraced action on environmental, social, and governance issues are outpacing their competitors. More than 80% of ESG funds outperformed their benchmarks in 2020. Stock price is not a perfect indicator of business success, but good returns demonstrate that sustainability is not an antibusiness plot to undermine free markets (a long-held and outdated view).

Investors are a new addition to the list of stakeholders pushing for action. Financial regulators are demanding more disclosure and transparency. Business customers are setting nonnegotiable climate and diversity targets for suppliers. And the most powerful stakeholders of all may be employees—especially Millennials and Gen Zers, who seek employers that share their values. They will stage walkouts or speak up to support or criticize employer actions on social issues—as half of U.S. Millennials say they have already done.

Businesses that thrive in this new environment will look different from those of the past. Traditional corporate social responsibility and philanthropy are inadequate for our times. Leaders must rethink what a business is, how it grows and profits, what its purpose is, and how it drives change in the world. In our new book, *Net Positive: How Courageous Companies Thrive by Giving More Than They Take*, we lay out the core dimensions of a business that unlocks lasting value and grows by helping the world prosper. We define a net positive company as one that "improves well-being for everyone it impacts and at all scales—every product, every operation, every region and country, and for every stakeholder, including employees, suppliers, communities, customers, and even future generations and the planet itself."



Traditional corporate social responsibility and philanthropy are inadequate for our times. Leaders must rethink what a business is and how it drives change in the world.

No company has yet reached this lofty goal. But a growing number have begun the journey. Their leaders are pressuring governments to go faster on climate policy, setting goals to become carbon-positive, making ambitious commitments to racial equity, and speaking out against laws that restrict voting or infringe on the rights of LGBTQ citizens. They're forming broad partnerships with suppliers, customers, peers, NGOs, and governments to tackle systemic issues and shared problems. The concept of "stakeholder capitalism" and the idea that business has a responsibility to society are becoming conventional wisdom in C-suites around the globe.

Those who miss this seismic shift will face a raft of existential risks. The economics of business as usual will not favor them, society won't accept them, and younger generations won't work for them. We offer a perspective from Unilever, which one of us (Paul) led for a decade. The consumer giant is widely acknowledged as a leader in the shift to net positive: For 11 years straight, sustainability experts have ranked it number one in the world. That success was not at odds with financial performance; in fact, it drove profits and growth. Across Paul's tenure, Unilever's total shareholder return was close to 300%—well above that of its peers.

Unilever is not alone. Virtually all the world's 500 largest companies have set energy or carbon targets, for example, and the rhetoric from leaders is shifting. When the CEO of Walmart talks about becoming a "regenerative company," you know something is up. Rhetoric is not action, of course, and too few companies are shooting high enough, but the work has begun.

Many, however, seem to be playing to not lose. This article is about playing to win.

We see four critical paths businesses can take to thrive today and win in the future. They can:

- operate first in service of multiple stakeholders—which then benefits investors (as opposed to putting shareholders above all others)
- take full ownership of all company impacts
- embrace deep partnerships, even with critics
- tackle systemic challenges by rethinking advocacy and the relationship with governments

We'll explore the paths one by one.

SERVE STAKEHOLDERS, THEN SHAREHOLDERS

The economist Milton Friedman famously wrote that the sole purpose of business is to generate shareholder value. For 50 years that doctrine created tremendous growth in material well-being—but at a severe cost to equality and the planet. We must address those costs or risk all that we have gained.

To move forward to something better, we can draw from the past. Before the era of shareholder obsession, companies were multistakeholder by nature. For example, in 1943 Johnson & Johnson published its Credo, which put patients, doctors, and nurses first, followed by mothers and fathers, business partners, employees, and communities—and only then would the company serve stockholders, whom J&J said should earn a "fair return" (note that it wasn't promising the maximum return possible).

A net positive company rewards investors, but as a result of running a business that serves others, not as a

IDEA IN BRIEF

THE PROBLEM

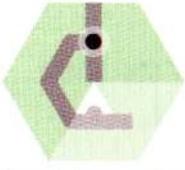
Current efforts by business to address planetary challenges such as climate change are inadequate.

THE SOLUTION

Corporations should strive to become net positive, improving well-being for everyone they affect—every product, operation, and stakeholder, including future generations and the planet itself.

FIRST STEPS

No company is yet net positive. To get started, firms should think about stakeholders, not just shareholders; take full ownership of all company impacts; embrace partnerships and work with critics; and rethink their approach to lobbying and other forms of advocacy.



STRATEGY

primary goal. That shift in focus can create tension with traditional short-term shareholders. At Unilever, Paul's solution was to tell investors—when he had been on the job all of three weeks—that he would no longer provide quarterly reporting or guidance. The company would pursue long-term value while maintaining intense business discipline. If investors didn't like it, they could take their money elsewhere.

We are not saying businesses should create value for everyone else while crossing their fingers and hoping investors do well too. We believe a business that serves the world does better over time. The value it builds compounds, and investors see healthy returns. And if done skillfully, those efforts aren't entirely at the expense of short-term returns.

Early in Paul's tenure at Unilever, to bring purpose and broader thinking to the organization, he launched the Unilever Sustainable Living Plan. That groundbreaking initiative, which has been emulated many times, set aggressive targets to improve a billion people's lives, slash the firm's environmental impact in half, and improve livelihoods for millions of women and smallholders in the supply chain.

Those were company-level goals; Unilever also made a commitment to drive business results by serving multiple stakeholders at the brand level. The largest of its "purpose-led" brand initiatives is the global handwashing campaign led by the company's Lifebuoy soap. Working closely with UNICEF, Lifebuoy has taught hundreds of millions of children and new mothers about the health benefits of washing hands, helping to avert millions of deaths from easily preventable diseases.

Such efforts may sound like philanthropy, but they're about businesses filling unmet needs. In one of Paul's earliest meetings as CEO, the executive director of UNICEF asked him to donate soap to neonatal kits, to help reduce the rate of death in childbirth. Paul said he was happy to donate bars, but they would be Lifebuoy-branded, not generic. A net positive company can help solve a social problem and see brand and sales benefits. The two goals are not at odds.

For years Unilever has made its larger mission an integral part of its brands and messaging. Employees in the Lifebuoy business are not just selling soap; they're helping save lives. Business results have followed. More than a century after its founding, Lifebuoy was not a

vibrant business. But in the 2010s, as the handwashing program rapidly expanded, its revenue started growing at a double-digit percentage rate—a torrid pace for soap. It's now one of the company's 13 brands that bring in more than a billion euros annually. Putting purpose at the core of your strategy drives growth. You reap profits through purpose.

TAKE OWNERSHIP OF ALL COMPANY IMPACTS

Many companies have long operated with little regard for the social and environmental consequences of their actions, especially those they see as beyond their control. They have outsourced not only their supply chains, logistics, and investments but also their sense of responsibility. The focus has been on externalizing costs and internalizing profits.

Every sector has unintended consequences and ripples, and business leaders either choose to face them or willfully ignore them. For example, tech companies connect billions of people and bring all human knowledge to our fingertips; new technologies will play a leading role in solving our biggest challenges. But those benefits have come at great cost. Misinformation has spread through social media like wildfire, undermining truth, science, and human bonds. It has slowed the fights against the pandemic and climate change. Easily spread lies on Facebook and other platforms have subverted democracy in the United States and elsewhere and have mainstreamed extremist views and radical content. Tech giants are unimaginably profitable in part because their products create divisiveness. Research shows that their algorithms purposely put inflammatory stories in front of people to enrage them, which makes them more inclined to click.

Tech isn't the only offender. For instance, every sector relies on cheap fossil fuels, but nobody has paid for the climate-destabilizing impacts of their carbon emissions. Similarly, businesses in many sectors draw on cheap labor—even slave labor—in supply chains around the world.

Taking full ownership of all your impacts is a revolutionary act; after all, aggressively not taking ownership helped drive short-term profits over the past century. But an expanded view of ownership has been building for years. After high-profile incidents of child labor in supply chains, for example, many sectors implemented codes of conduct that partly address the issue. Serious problems remain, but the days of pretending they don't exist are over.

Clearly, companies must think more broadly about how they affect the world. New tools can help. The Greenhouse Gas Protocol provides standards for taking responsibility for carbon output in three "scopes" of

● ● When companies partner with peers on low-risk efforts that make everyone more efficient and sustainable, they create space for tackling harder, more systemic problems.

emissions: (1) those from fossil fuels burned on-site, (2) those from the generation of electricity purchased from the grid, and (3) those from the operations of value chain partners (suppliers, logistics, and customers). A fast-growing number of companies are including scope 3 emissions in their measurements and goals, sometimes in response to the demands of activist investors.

The scopes are just the beginning. Environmental and social impacts extend far beyond what traditional accounting methods can measure. Stakeholders increasingly expect companies to understand all the ways they affect people and the planet. If your firm has aggressive carbon-reduction goals but you lobby against policies to reduce emissions, what's your real impact on climate? It's not net positive, no matter how well you manage your own footprint.

At the largest scale of impact, the marketing efforts of many companies, including Unilever, have helped create a consumption-based society that overuses resources and reinforces damaging stereotypes. Businesses influence how carbon-intensive our lives are by shaping how we eat, get around, communicate, use shared resources, and more—and those impacts are increasingly being laid at their feet.

Some big brands are holding themselves to account for their wider impacts and acting to reduce them. IKEA makes more energy from renewables than it needs and sells some back to the grid—more than zeroing out its own footprint. Apple helped fund a technology joint venture with the mining giants Rio Tinto and Alcoa to manufacture aluminum in a way that slashes energy use, produces no carbon, and, at scale, should be cheaper than conventional methods. The new process not only cuts Apple's supply chain emissions but also creates an option others can take advantage of; for example, Audi is now using that low-carbon aluminum in a new electric vehicle. Those are net positive ripples.

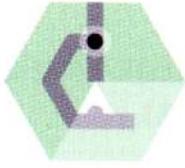
The idea of taking full responsibility makes many business leaders uncomfortable. Are energy and auto executives personally driving climate change? Should apparel and food leaders be on the hook for child labor in the supply chain? Should the heads of social media outlets be held accountable for attempted coups and loss of faith in the voting process?

Yes and no. No organization, no matter how large or powerful, completely owns those problems or could possibly solve them alone. But it's absurd to abdicate all accountability. As the scholar Rabbi Tarfon wrote nearly 2,000 years ago, "It is not your responsibility to finish the work [of perfecting the world], but you are not free to desist from it either."

EMBRACE PARTNERSHIPS AND WORK WITH YOUR CRITICS

The Consumer Goods Forum brings together over 400 of the world's largest consumer goods retailers and manufacturers to collaborate on issues such as reducing food waste, tackling human rights abuses in supply chains, developing sustainable packaging, and avoiding deforestation. The group, and a predecessor organization with similar members, has worked to standardize the sizes of shipping pallets. An operational change like that may sound minor, but with more pallets than people in the world, and with billions of shipments coming in and out of factories, distribution centers, and stores, efficiencies add up. With standard sizes, companies can pack trucks more than 50% more tightly, saving money and fuel and reducing carbon emissions.

When companies partner with peers on low-risk efforts that make everyone more efficient and sustainable, they create space for tackling harder, more systemic problems. Successful partnerships lessen the perceived risk of taking bold action. And because they improve the economics for all, such collaborations help counter the first-mover disadvantage, which often stops individual companies from doing the right but harder thing. For instance, in 2019 the apparel sector launched the Fashion Pact. It was aided by Paul's company, Imagine, which facilitates industrywide cooperation on the burning issues of climate change, environmental degradation, and inequality. The pact drives members to set science-based carbon goals, seek 100% renewable energy by 2030, get out of single-use plastics, and develop biodiversity plans to increase the use of regenerative agriculture, which sequesters carbon rather than releasing it. Managing those issues together improves the resilience of the fashion industry as a whole and lowers everyone's risk; collective, courageous action pays off. Of course, pacts are not acts, and there is a long way to go, but it's impossible to envision companies moving as far, or as quickly, in piecemeal fashion.



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Industry partnerships often need civil society’s help, which means doing something companies find uncomfortable: working with critics. NGOs can make life difficult; for example, Greenpeace is known for climbing corporate buildings to protest environmental wrongdoing. But pressure groups closely follow technical issues, such as alternatives to plastics, and often have deep knowledge. It’s important to distinguish between productive critics and cynics who just want to undermine business. The latter don’t trust business to do anything right, let alone serve the world. But helpful skeptics bring good ideas to the table, serve as an early warning system for new problems, and can make your business better—if you don’t get defensive.

Under Paul’s leadership, Unilever opened up its Vietnamese business to an audit of human rights issues by Oxfam. The company invited the nonprofit into its facilities with no restrictions and allowed it to issue a stand-alone report on its findings. It knew that attending to human rights is more than a matter of doing the moral thing; a focus on people and their well-being also guards against potentially costly reputational and operational risks. Executives at Unilever found it unnerving to be transparent about such a sensitive issue with a skeptical NGO. But the report helped them identify ways to improve the company’s human rights performance that they hadn’t thought of on their own.

Solving tough issues together builds trust and fosters partnership. And isn’t it wiser to have critics in the room, working productively, than outside the building, holding demonstrations and hanging banners in protest?

CHANGE SYSTEMS WITH NET POSITIVE ADVOCACY

The partnerships we’ve discussed so far generally solve problems within the current system. But to tackle humanity’s biggest challenges and unlock greater business and societal value, we need to change the system itself—to work on the forest, as it were, not in the forest. For that effort, all three legs of the societal stool—the for-profit sector, civil society (such as consumers, nonprofits, and other advocacy groups), and government—will need to be in the room.

The traditional relationships among those groups must evolve. Companies have long viewed “government relations” as a way to resist regulation or fight for

tax breaks and other special treatment. We propose, instead, that businesses approach governments openly and transparently, to improve the rules, help policy makers reach *their* goals, and solve larger problems for the benefit of all. We call this approach *net positive advocacy*.

For example, Unilever has maintained a consistent presence in Brussels in order to stay involved in EU policy making. It has offered its deep knowledge on a range of issues important to the Continent, including climate change, food security, hygiene and sanitation, and the empowerment of women. Policy makers have said that whereas most companies come in only reactively, to complain or ask for a handout, Unilever meets with them proactively, trying to help Europe thrive. Working for the benefit of all builds trust and earns a seat at the table.

And consider the actions of Unilever Russia. After building its own recycling infrastructure to increase the availability of recycled plastics for use in packaging, the company wanted to scale the effort up and improve its economics. But Russia’s regulations weren’t helping. The country charged manufacturers for each ton of plastic used, no matter the source. So the Unilever Russia team worked with academics to propose a policy that would incentivize the use of better materials: basing fees not on weight but on the type of plastic used, with lower fees for recycled or sustainable materials. In a traditional lobbying approach, Unilever would have asked for tax breaks or write-downs to pay for its investments in recycling infrastructure—measures that would help the immediate bottom line and provide a short-term competitive advantage but would not solve the systemic problems of the cost and availability of recycled materials. Net positive advocacy is not selfless; Unilever benefits from a larger recycling system with lower costs. So does every other firm in the country—a scale often needed to achieve systemic change.

Sometimes large firms can foster systemic change through the audacity of their actions alone. For instance, Microsoft has pledged to be carbon-negative by 2030, meaning that it will remove at least as much carbon from the atmosphere as it emits. The company will also, by 2050, remove sufficient carbon to compensate for all its emissions since its founding, in 1975. Its retroactive carbon-neutrality pledge—the first we’re aware of—has spurred it to invest in carbon sequestration projects, such as technology that buries the element in geologic formations far underground. Carbon capture is a nascent industry, but it has the potential to be a game changer for efforts to meet climate targets—and the software giant is driving systemic change by helping new technologies get to scale.



Google is attacking the problem from a different angle, having set an unusual “24/7” goal. By 2030 it wants to be operating carbon-free every hour—not offsetting emissions by building renewables in a different part of the grid, as lots of companies do, but operating truly carbon-free. That means using only renewables and energy storage on-site; if the company plugs into a grid at all, that grid will have to be clean. Rather than “just” being 100% renewable—a commitment hundreds of companies have now made—Google is seeking systemic change. It has said that its 24/7 goal “encourages full-scale transformation of electric grids.”

Achieving ambitious goals like these demands broad cooperation. Transforming energy systems requires bringing together policy makers, utility commissions, NGOs, communities, and big energy buyers. Companies will need to advocate for policies that accelerate investment in clean energy, storage, and the grid itself, which will expand everyone’s options. Net positive

companies propose solutions rather than wait for (or complain about) regulations that tell them what to do. They advocate for broad answers to shared problems, reaping the benefits along with everyone else. The system is healthier and stronger for their efforts.

NET POSITIVE PURPOSE

All this may sound like tough work—and it is. One thing makes it easier: purpose. When you know why your business exists and when that purpose reflects your values, becoming net positive is a natural step—even an inevitable one.

Unilever’s first mission statement, from the 1890s, was “to make cleanliness commonplace and to lessen work for women.” The Unilever Sustainable Living Plan, launched 120 years later, vowed “to make sustainable living commonplace”—an expanded purpose that’s grounded solidly in the original vision of serving people. Not every company can draw a clear line from founding to the present, but all have a reason for being. Unearthing that reason can inspire you.

Heading toward net positive does not mean being perfect or doing everything at once. There will be short-term trade-offs in service of larger goals. A company might build a facility to expand the business and serve a community by providing jobs and enhancing livelihoods. But the region might have limited renewable energy capacity, requiring the company to take a short-term step back from its net-zero carbon goal. That’s OK, as long as the work continues—almost always with partners—to move all dimensions of the business toward positive outcomes. (In this case, that would mean helping design policies to add renewables to the grid.)

The world’s challenges are great, and they cannot be solved without unleashing the vast human, financial, and innovative resources of business. We need the willpower to change how business is conducted and to proactively choose to improve well-being for all. The net positive model allows companies to thrive because of their efforts to serve the world. Business leaders today face an essential question: Is the world better off because we’re in it? ☐



PAUL POLMAN is a cofounder and the chair of Imagine, a for-benefit organization and foundation that mobilizes

businesses around the UN Global Goals. He was the CEO of

Unilever for 10 years. **ANDREW WINSTON** is a speaker, writer, and adviser, helping business leaders build companies that thrive by serving the world. They are the coauthors of *Net Positive: How Courageous Companies Thrive by Giving More Than They Take* (Harvard Business Review). This article is adapted from the book.

Sampath Bank Restores Tenth Tank Under Its 'Wewata Jeewayak' Program



The Memorandum of Understanding (MoU) for the restoration of the Athawetuna Wewa under Sampath Bank's Wewata Jeewayak initiative being exchanged between G. K. S. Pushpakumara, Assistant Commissioner, Puttalam District, Department of Agrarian Development (left) and Ravindra Gunawardena, Regional Manager, Sampath Bank.



Members of the Perakum Govi Sanvidanaya, Athawetuna Wewa breaking ground and inaugurating the tank restoration work.

Sampath Bank embarked on restoring the Athawetuna Wewa in Divulwewa, Anamaduwa, under its flagship community outreach initiative, Wewata Jeewayak. This is the tenth tank (wewa) in the country to be restored under the program.

This is yet another timely initiative by the Bank to support the nation and empower its farming communities to overcome the challenges brought about by the global COVID-19 pandemic and rebuild their lives. The 20-acre Athawetuna Wewa is the primary source of irrigation for over 60 acres of paddy fields. It also plays a crucial role in animal husbandry and other livelihood development activities in the Divulwewa and neighboring villages, serving over 500 people. With no significant maintenance work having been carried out for over

20 years, the Athawetuna Wewa's bund has suffered considerable damage. Its waters have become shallow due to the accumulation of sludge. Its irrigation canal, sluice gates, and spill too need repairs. The current dilapidated state of the tank has limited paddy cultivation in the area to one season alone, thereby affecting the livelihoods of the entire community.

Sampath Bank will be working together with the Perakum Farmers Association (Perakum Govi Sanvidanaya), the Department of Agrarian Development, Puttalam District Office, Chilaw, and members of the local community to renovate the tank completely. Rituals were conducted to invoke blessings on the project, and the community before members of the Farmers Association commenced work on it.

"At Sampath Bank, we have always appreciated the significance of tanks (wewa) built by our kings. Being instrumental in protecting the environment, they also enable farming and other economic activity sustainably. As a Bank that takes great pride in our Sri Lankan roots, we seek to play an active role in restoring these invaluable treasures and have been working on restoring them through our 'Wewata Jeewayak' initiative. We have had the opportunity to transform the lives of thousands of families around the island through the program. It is our privilege to partner with the people of Divulwewa and the Department of Agrarian Development on the renovation of the Athawetuna Wewa. Projects such as this are part of our ongoing efforts to empower all Sri Lankans to

reach their true potential as we continue to present their future," said Nanda Fernando, MD, Sampath Bank.

R P D K Jayarathna, President, Perakum Govi Sanvidanaya, Athawetuna Wewa, said, "The Athawetuna Wewa has been the lifeblood of our community, supporting agriculture, dairy farming, and other economic activity. Its deterioration due to years of neglect has affected our ability to grow crops throughout the year and hence had an adverse impact on our livelihoods. We are delighted to see responsible organizations like Sampath Bank come forward to empower rural communities. Their work on restoring our tank will go a long way in helping us rebuild our lives. I would like to thank the Bank on behalf of all of us in Divulwewa for this meritorious act of benevolence."

People's Bank Buddhist Society Hands Over Newly Renovated Home



Ranjith Kodituwakku, Chief Executive Officer/General Manager of People's Bank, and other officials of People's Bank at the occasion.

In celebrating People's Bank's 60th Anniversary and the Bank's ongoing housing project, the People's Bank Buddhist Association renovated A M Sudharmika's home. The renovated home was officially handed over by Ranjith Kodituwakku, CEO/GM, People's Bank.

Mahinda Premanath, DGM – Channel Management, Buddhika Ranatungage, Regional Manager – Kandy, Tissa Thennakoon, Anusha

Alahakoon and Kumari Dayananda, Kandy Assistant Regional Managers, K.G.P.P. Kulathunga, Peradeniya Branch Manager, all from People's Bank, together with Samanmalee Halangoda, Wathukumbura Grama Niladhari, Gunarathna Meemure, Development Officer and Rohana Kumara and Disna Subhashini, who requested the renovation and coordinated the project, were present at the occasion.

Sampath Bank Payment Gateway Accepts UnionPay Cards



Darshin Pathinayake, Assistant General Manager – Card Center, Sampath Bank (third from left) exchanging the MoU with Crispin Wijesekera, Country Manager – Sri Lanka & Maldives, UnionPay International in the presence of (L-R): Chirath Samarasekera, Manager – Card Promotions, Loyalty & Product Strategy, Card Centre, Sampath Bank; Buddhika Amunugama, Manager – Card Portfolio, Sales & Merchant Relationships, Card Centre, Sampath Bank; and Benzy Fernando, Head of Products and Business Development – Sri Lanka & Maldives, UnionPay International.

Sampath Bank announced that the Sampath Bank Payment Gateway now accepts UnionPay credit and debit cards. This new development in the eCommerce industry of Sri Lanka will further empower merchant websites and consumers alike, with a broader range of customer experiences.

UnionPay International (UPI) focuses on the growth and support of UnionPay's global business. In partnership with more than 2,400 institutions worldwide, UPI has enabled card acceptance in 180 countries and regions with issuance in 70

countries and regions. UPI provides high-quality, cost-effective, and secure cross-border payment services to the world's most extensive cardholder base and ensures convenient local services to a growing number of global UnionPay cardholders and merchants. Hence, the acceptance of UnionPay cards will benefit many merchants who transact online through Sampath Bank's services.

"As a key financial intermediary, with thousands of merchants depending on our

services to keep their eCommerce operations running, the acceptance of UnionPay cards through our portal will further enhance the service experience of both our merchants and their customers. As Sampath Bank boasts a high penetration in the eCommerce industry, developments such as these are in line with our mission to connect the merchant and consumer across many avenues, enabling them to transact with greater ease," said Darshin Pathinayake, AGM – Card Center, Sampath Bank.

"UnionPay is very honored to co-operate with Sampath Bank, and we are confident that Sampath Bank will open up new doors for Sri Lankan merchants who wish to partake in eCommerce activities. This partnership will benefit us both. UPI's presence in Sri Lanka will become even more diversified, and our large number of global cardholders will bring more business to local merchants," said Michelle Shao, GM,

UnionPay International, Hong Kong branch.

The acceptance of UnionPay cards through the Sampath Payment Gateway addresses the need of the hour. The number of customers who use UnionPay cards keeps increasing due to the growing number of Chinese expatriates in Sri Lanka and Sri Lankans. They obtain the UnionPay card from local issuers. As the current market conditions in Sri Lanka are favorable for an eCommerce-based business, merchants and sellers will be elated to know that Sampath Bank has developed a competitive pricing strategy for this offering. This opens up new avenues for businesses in Sri Lanka to sell their products to online buyers in China. Chinese consumers will now be able to purchase sought-after Sri Lankan products including spices, tea, and gems online from their home country, using their very UnionPay card. Entrepreneurs and SME's will be able to tap into the vast market that is China.

eChannelling Introduces 'Home Care Service'



eChannelling, has launched 'Home Care service' as a safe and trusted solution to help home quarantine management of COVID-19 patients.

With hospitals operating at optimum levels to diagnose, treat and manage patients navigating the various waves of the pandemic, eChannelling's Home Care service offers patients expert care at home with the best possible ways to

receive treatment, with continuous medical monitoring. The eChannelling solution is offered to both the corporate sector and the general public. Companies need to implement new procedures to ensure business continuity and safeguard their employees, who in turn seek a sense of security and comfort that their immediate family is also being looked after by a caring team

outside a hospital setting. eChannelling's Home Care provides a convenient service to assist and monitor COVID-positive patients with mild to moderate symptoms, deemed fit for home quarantine by government healthcare authorities, with support and resources at home to manage their care. Through this service eChannelling provides dedicated doctor consultation and remote monitoring of the patient's health conditions via audio/video facilities. Based on the patient's requirements and preference the necessary devices will also be delivered to their doorstep. eChannelling offers several 14-day home quarantine packages depending on the needs of the patients. In addition, wellness packages are also available to ensure those at home are able to safeguard their

health. Providing staff eChannelling Home Care service is simple and convenient. Once the staff member alerts the company's HR department of the need to quarantine, the company can directly contact eChannelling to select the package and activate the service.

The basic 14-day home quarantine packages include thrice-daily dedicated doctor consultations and monitoring via audio/video and access to a General Practitioner (GP) from 7am to 10pm daily. The patient also has unlimited access via messaging platforms to share monitoring stats with the GP reducing anxiety and improving quality of life. More comprehensive and customized packages are available including approved oximeters depending on the patient's requirement and severity.

SLT-MOBITEL and eChannelling Power Sri Lanka's First National Pharmacy Helpline



Chandika Vitharena, Chief Executive Officer of SLT-MOBITEL Mobile handing over the MOU to officials representing the Society of Government Pharmacists.



(L-R): Dr. Asela Gunawardana, Director General of Health Services; Dr. S.H. Munasinghe, Secretary Ministry; Keheliya Rambukwella, Minister of Health; Ajith Thilakarathna, Society of Government Pharmacists; and Rohan Fernando, Group Chairman of SLT-MOBITEL.



Keheliya Rambukwella, Minister of Health initiating the maiden call of the National Pharmacy Helpline.

In commemoration of the National Pharmacist Day observed in September, SLT-MOBITEL and eChannelling together with the Ministry of Health and Society of Government Pharmacists (SGP), launched the nation's first

National Pharmacy Helpline, reinforcing its commitment to improving healthcare facilities in the country during these unprecedented times.

With over 120 dedicated government pharmacists trained by SLT-MOBITEL to facilitate calls and provide medical advice, the joint endeavor will enable Sri Lankans to obtain optimal health care services by dialing the NPH hotline 071 622 2555 from the safety of their homes.

SGP's vision is to offer the best pharmacy service to the nation, delivering patient-centered care. SLT-MOBITEL and eChannelling support SGP in this timely initiative to enhance connectivity

towards an optimal healthcare experience to the public island-wide. As the first step, the project will target Colombo (1-15) and will further expand throughout the country in the coming months.

Patients can contact the dedicated NPH as the first point of contact and receive prescription advice and information online from a pharmacist. Through the helpline, dedicated trained pharmacists will assist the callers. Following that, an SMS link will be provided to the caller to upload their prescription to ensure home delivery of Osusala medicine. The service is available trilingual for the convenience of the public.

Helping SGP in its digital transformation, SLT-MOBITEL and eChannelling has powered the dedicated National Pharmacy Helpline (NPH) and the addition of the government hospital pharmacy service to facilitate any further assistance required by patients.

SLT-MOBITEL ensures that the public can upload an image of the prescription online via the eChannelling Prescription Upload page, echannelling.com/echannelling-prescription-view, which undertakes to ensure Osusala medicine delivery to the patients' doorstep through government registered pharmacies.

SampathCards Extends Support to Cardholders

SampathCards
The responsible choice

SampathCards continues to extend more significant assistance to cardholders at a time when people in Sri Lanka and around the world are faced with unprecedented financial challenges brought about by the global pandemic. Providing much-needed support to cardholders, SampathCards seeks to assist them in meeting essential expenses such as healthcare, education, and many more that cannot be deferred.

SampathCards offers Sampath Mastercard, Visa credit cardholders, and Sampath Bank

American Express Credit cardmembers a convenient 'Call and Convert' facility. It will enable them to call and convert any applicable Hospital, Insurance, Education, and Automobile transaction they make with their Sampath Bank credit cards into zero percent interest extended settlement plans. Enabling them to pay these expenses off in smaller installments, the zero percent interest extended settlement plans are also set to free up their savings, making it available to them for other expenses. Cardholders can make the

payments using Sampath Mastercard, Visa, or Sampath Bank American Express credit cards by dialing their customer service hotline within 14 days of the transaction date and requesting these transactions to be converted into zero percent interest extended settlement plans. Cardholders can obtain further inquiries related to discounts via their service hotline.

Sampath Mastercard, Visa Credit Cardholders, and Sampath Bank American Express Credit Cardmembers can avail themselves of six and 12 months zero percent interest extended settlement plans for transactions of over 25,000 rupees made at any local hospitals and COVID-19

Intermediate Care Centers from now until December 31, 2021.

The 'Call and Convert' zero percent interest extended settlement plans are part of the extensive suite of benefits and privileges that SampathCards has continued to offer its cardholders all through the year.

Sampath Mastercard and Visa Credit Cardholders can avail themselves of special discounts for dining/delivery from selected star hotels.

Furthermore, in light of the global health and financial crisis, SampathCards has stepped up its efforts to support cardholders by offering additional assistance as well as a wide range of shopping discounts and benefits.



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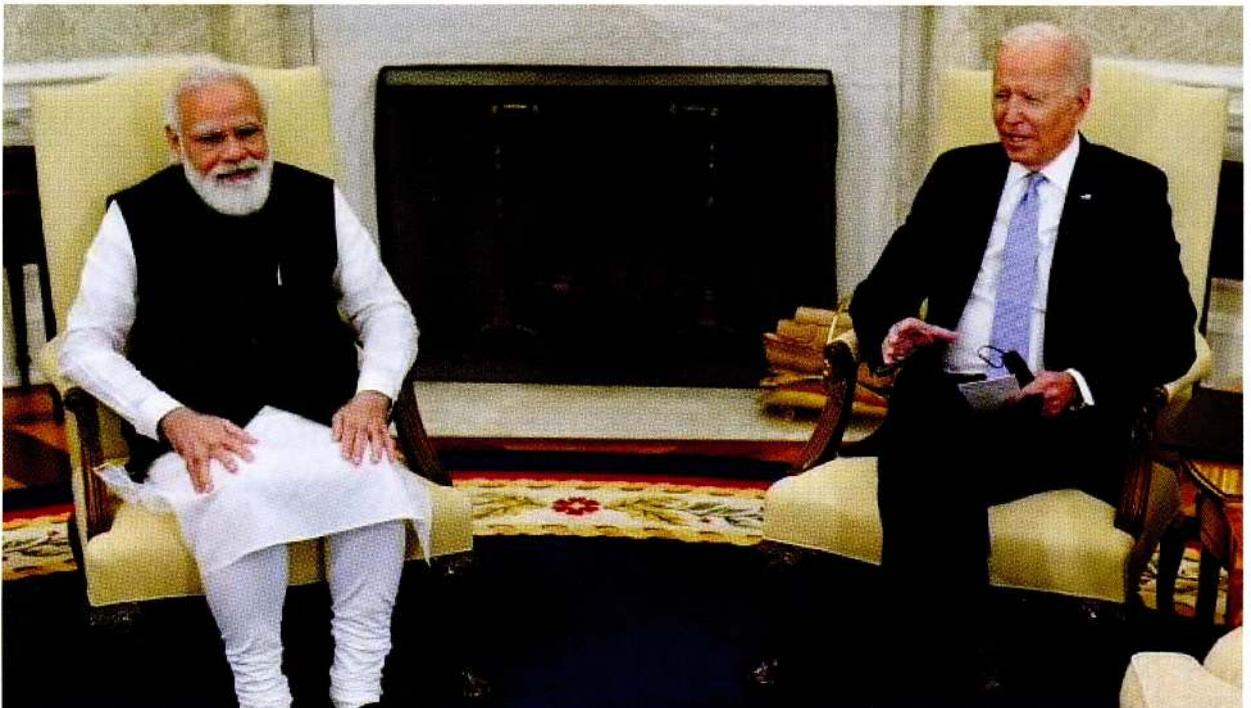
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Joe Biden & Indian PM Narendra Modi Meeting Press Briefing

President Joe Biden and Prime Minister of India Narendra Modi met at the White House.



Prime Minister Narendra Modi and President Joe Biden.

President Joe Biden: Well, welcome. I want to welcome my friend, and we've known each other for some time, back to the White House. And Mr. Prime Minister, we're going to continue to build on our strong partnership.

When I showed the Prime Minister to his seat, I pointed out that the seat is occupied almost every day by an Indian American.

The Vice President's mother was from India, a scientist, and a remarkable woman.

As I think you know, Mr. Prime Minister, I've long believed that the U.S.India relationship can help us solve an awful lot of global challenges.

And in fact, back in 2006, I set that hope out where I said that by 2020, when I was Vice President, 2020, India and the United States would be among the closest nations in the world with one another. And maybe I shouldn't... These are not part of my prepared

remarks, but when I was in Mumbai as Vice President, I finished meeting with the equivalent of the Chamber of Commerce.

And afterwards the Indian press asked me, do I have any relatives in India.

Prime Minister Narendra Modi: Yes.

President Joe Biden: And I said, "I'm not sure," but when I was elected as a 29-year-old kid in 1972, before I was sworn in, I got a letter from a person named Biden, last name, from Mumbai.

And I said, "Well, I never was able to follow up."

Next morning, I had a press conference going away and the Indian press said... Someone spoke and said, "You have five Bidens in India."

And although we never admitted it, jokingly, I found out that there was a Captain George Biden, who was a captain in the East India Tea Company.

That's hard for an Irish man to admit. I shouldn't be so casual with you all but I hope you understand the humor here, but... And the end result was that he apparently stayed and married an Indian woman, and I've never been able to track it down. So the whole purpose of this meeting is for him to help me figure out.

But all kidding aside, I think that the relationship between India and the United States, the largest democracies in the world, is destined to be stronger, closer and tighter. And I think it can benefit the whole world.

And I think that's begun to come to pass, and today we're launching a new chapter in the history of the U.S.-India ties and taking on some of the toughest challenges we face together, starting with a shared commitment to ending the COVID pandemic.

The Prime Minister and I are going to be talking today about what more we can do to fight COVID-19, take on the climate challenges that the world face and ensure stability in the Indo-Pacific, including with our own Quad partners.

Of course, our partnership is more than just what we do. It's about who we are. It's rooted in our shared responsibility to pull democratic values, our joint commitment to diversity, and it's about family ties, including four million, four million Indian Americans who make the United States stronger every single day.

As the world celebrates Mahatma Gandhi's birthday next week, we're all reminded that his message of non-violence, respect, tolerance, matters today maybe more than it ever has. So I'm looking forward to my discussions with the Prime Minister and thank you.

Prime Minister, the floor is yours.

Prime Minister Narendra Modi: Thank you.

First of all, Mr. President, I would like to express my gratitude for this very warm welcome, full of friendship, not only to me, but to my delegation.

Mr. President in 2016, and even before that, in 2014, we had an opportunity to have discussions in detail. And at that time, Mr. President, you had laid out your vision for the relations between India and the United States, and you have enunciated that in great detail, and really

that was a vision that was inspirational. And today, Mr. President, as president, you are making all efforts and taking initiatives to implement that vision and I warmly welcome that.

Mr. President, you have today spoken in detail about the Biden surname in India and in fact, you had mentioned that to me earlier, too. Well, after you mentioned it to me, I hunted for documents and today I have brought along some documents. Maybe we'll be able to take this matter forward and maybe those documents could be of use to you.

President Joe Biden: We're related?

Prime Minister Narendra Modi: Yes.

Mr. President, I firmly believe back in our summit talks and summit meetings today what I see is that this is the third decade of the 21st century, this is the first year of the third decade, and I see that when I look at the entire decade. I find that under your leadership, the seeds have been sown for the Indo-U.S. relations to expand. And for all democratic countries in the world, this is going to be a transformative period. I can see that very clearly.

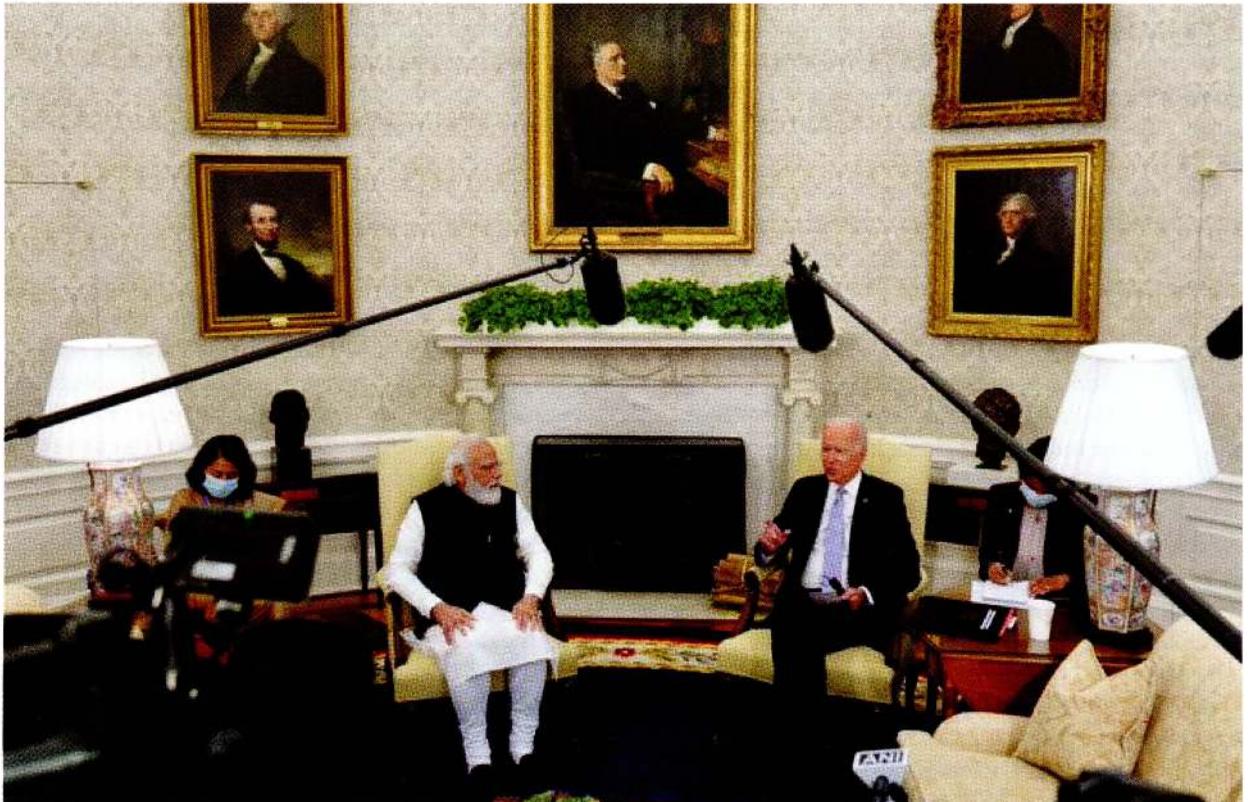
And this is when I see that this transformative period is in Indo-U.S. relations. And when I talk about traditions, I'm talking about democratic traditions, democratic values, traditions to which both countries are committed. And I find that the importance of these traditions will only increase further.

In a similar vein, Mr. President, you mentioned the more than four million Indian Americans who are participating in the journey of progress of America. And when I look at the importance of this decade and the role that is going to be played by this talent of Indian Americans, I find that these people to people talent will play a greater role, and Indian talent will be a full partner in this relationship. And I see that your contribution is going to be very important in this.

Mr. President, in similar lines, the most important driving poles in the world today would be that of technology and the technology that is going to be for the service and for the use of humanity. And I find that opportunities for this are going to be tremendous. Similarly, Mr. President, between India and the United

Our partnership is more than just what we do. It's about who we are. It's rooted in our shared responsibility to pull democratic values, our joint commitment to diversity, and it's about family ties, including four million, four million Indian Americans who make the United States stronger every single day.

This sentiment of trusteeship is going to assume more and more importance globally, but also between the relations between India and the United States.



States, trade will continue to assume importance. And we find that the trade between our two countries are actually complimentary. There are things that you have and there are things that we have, and then we in fact compliment each other. And I find that in the area of trade during this decade, that is also going to be tremendously important.

Mr. President, you just mentioned that the celebration of birth anniversary of Mahatma Gandhi, and Mahatma Gandhi always used to talk about the principle of trusteeship, trusteeship of the planet. And this decade, Mr. President, from that point of view, is also going to be important as this entire principle of trusteeship, it means that the planet that we have, we have to bequeath it to the following generations. And this sentiment of trusteeship is going to assume more and more importance globally, but also between the relations between India and the United States. And it is these ideals that Mahatma Gandhi has passed where he talked about trusteeship of the planet and where the

responsibility of global citizens is only going to go up. Mr. President, you mentioned very important issues, and after assuming charge as President of the United States you have taken very unique initiatives, whether that be COVID-19, climate change, or even Quad. And in the days after that, after taking this initiative, you have made and deployed great efforts to bring them to implement your vision. And also today, we have this opportunity to discuss all these issues in great detail, how and after our discussions we will look towards how we can work further together, not only for our respective countries, but for the entire world, how we can take positive action. And I'm absolutely convinced that under your leadership, whatever we do, it will be extremely relevant for the entire world.

Once again, Mr. President, let me thank you profusely for this very warm welcome.

President Joe Biden: Thank you.

Prime Minister Narendra Modi: Thank you.

President Joe Biden: Thank you, everyone. 🙏

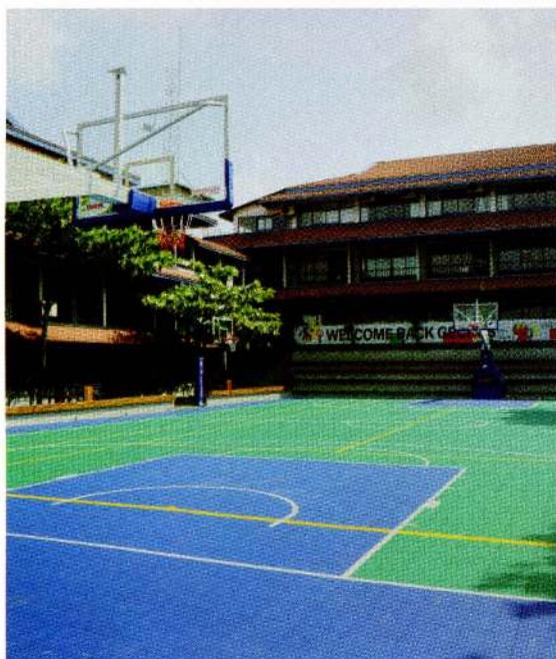
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The Overseas School of Colombo: 64 and Going Strong



The Overseas School of Colombo, Sri Lanka's oldest internationally accredited educational institution, celebrated its 64th anniversary on the 23rd of September. "Never erase your past. It shapes who you are today

and will help you to be the person you will be tomorrow," said Ziad Abdelnour. Looking back at the past, the journey began in 1957, and the original name was 'The Colombo School for Overseas Children'. In 1967, the school was

granted 'accredited' status by the International Schools Association in Switzerland. In 1982, the school changed its name to 'Overseas Children's School'. In 1983, the school gained accreditation from the International Baccalaureate

Organization, and in 1984, the school was moved to its present location at Pelawatte, Battaramulla. In 1990, the school received further accreditation from the European Council of International Schools and the Middle States Association of Colleges & Schools. In 1996, the school took its present name: The Overseas School of Colombo.

The school follows the International Baccalaureate program from grades one to 12, and current student enrollment is around 350, with a very healthy teacher-student ratio of 1:7. The students represent over 40 countries, and aptly, the school motto is 'Unity in Diversity. It has always harnessed its diversity as a significant strength.

Its mission is a commitment to guiding the community toward international and intercultural understanding and to develop the whole person as a responsible learner, striving for personal excellence within a culturally diverse environment.

The school has also been offering scholarships to deserving Sri Lankan students to pursue their secondary education. It is heartening to note that these students have done well in their academic courses and continue to shine in their chosen universities or professions.

In January 2020, recognizing that a pandemic was growing worldwide, the school's management started working on a Distance Learning Plan. It was implemented in March with the closure of all schools in Sri Lanka. The school has prioritized a child's well-being over academics, with the understanding that optimal learning cannot take place without a healthy body, healthy mind, and a sense of belonging. Five areas have been identified as the reasons for the success of the distance learning plan offered by the school.

- Clear policies and expectations for all staff
- Caring, innovative and invested teachers
- Healthy parent-school partnership
- Efficient technology systems to support continuous education
- Valuing and embracing ambiguity

In line with the school's vision of being a model of excellence in education through nurturing and empowering its community of learners to achieve global success, the present Head of School - Dr. Michelle Kleiss, has spearheaded developing a strategic plan viewed through five lenses as given below:

WORLD: Leveraging collective efficacy for the benefit of our students

PURPOSE: Prioritizing high quality learning experiences for everyone
POWER: Unleashing empowered thinking across the school community

CHANGE: Committing to an ethos of continuous improvement
STORY: Developing the story of the school as a learning community and build & nurture trust

The Overseas School of Colombo is blessed with a green and spacious campus. Over the years, the school authorities have contributed immensely towards developing its infrastructure and classroom facilities and creating an environment where all stakeholders feel safe, supported, and respected. Even if these physical resources cannot be used at present due to the restrictions caused by the pandemic, the distance learning plan is implemented with the belief that a positive impact on student achievement can be gained despite all other influences in their lives that challenge their success. The Overseas School of Colombo is a culturally diverse community with students, parents, and staff working in harmony. Our wish is that The Overseas School of Colombo will continue to be a success story where attributes such as love, care, togetherness, trustworthiness, innovation, and positive energy will sparkle and glow. ☑

The Overseas School of Colombo is a culturally diverse community with students, parents, and staff working in harmony. Our wish is that The Overseas School of Colombo will continue to be a success story where attributes such as love, care, togetherness, trustworthiness, innovation, and positive energy will sparkle and glow.

DFCC Bank Supports Digital Payment Acceptance Through LankaQR and VisaQR



DFCC Bank has extended further support to delivery vendors by facilitating the acceptance of digital payments, through platforms such as LankaQR and VisaQR at Remarko Bakers Mobile Outlets.

This is aligned with the Bank's digital transformation drive, and its decision to move away from cash transactions and to place more focus on digital payment acceptance mechanisms towards ensuring greater customer satisfaction and safety.

The prime objective of the move is to ensure a secure, efficient payment mechanism that enhances the safety of transactions. Instead the onus is placed on contactless electronic transactions, with digital confirmations to both the merchant and customer, thereby reducing the costs and hassle of needing to handle cash. The speed and efficiency of the digital transactions is also of significant importance when compared to manual transactions, with automated,

easy-to-access being benefits received by both customers and merchants alike. This benefits the entire public, as any customer with a local bank current and/or savings account can use their bank-of-choice's app to make payments by simply scanning the QR code. The move stands to enhance the productivity and profitability of businesses, while aligning with the national efforts to conduct business while following all necessary health and safety protocols.

One such avenue is the enablement of QR-based payments at Remarko Bakers Mobile Outlets. Remarko Bakers' newest addition in expanding their reach is with mobile delivery units delivering their bakery goods from door to door.

Speaking on the introduced digital payment facilities, Lakshman Silva, CEO, DFCC Bank stated, "Creating avenues that enhance the conduct of safe, efficient business during these

difficult times is one of our main goals. Enabling the use of digital payment mechanisms such as LankaQR and VisaQR is DFCC Bank's latest effort to digitize processes towards ensuring customer satisfaction, while securing their safety. The initiative allows vendors to conduct their business smoothly while removing certain risks associated with manual cash transfers, related to the ongoing pandemic. This contactless payment mode will assist the economic growth and resilience while enhancing the financial capabilities of our citizens."

Any interested vendor can obtain this facility from DFCC Bank by simply opening a DFCC Bank account at a branch of their choice, through which payments will be directed. The DFCC Pay merchant App will be set up to accept both LankaQR and VisaQR for all payments and service-related transactions.

DFCC Bank was ranked amongst Business Today's Top 30 Corporates in Sri Lanka.

SLT-MOBITEL Provides Special Offers for Galaxy Z Fold3 5G and Z Flip3 5G



SLT-MOBITEL offered an abundance of gifts for customers who pre-ordered the new sleek, fashionable and powerful Samsung Galaxy Z Fold3 5G or Z Flip3 5G smartphones.

Customers had the opportunity to win data benefits from SLT-MOBITEL Mobile, including one month of free

anytime data of 100GB for the Galaxy Z Fold3 5G and 50GB for the Z Flip3 5G, in addition to attractive offers of a free special gold category number along with a Master unlimited voice and data package. Consumers who pre-ordered Galaxy Z Fold3 5G were eligible to receive a free UV Sterilizer, wireless charger

trio, Smart Keyboard Trio, and Galaxy SmartTag. While for Galaxy Z Flip3 5G, customers were eligible to receive a free UV Sterilizer, Wireless Charger Duo, and Galaxy SmartTag.

Additionally, consumers were eligible to receive a one-year Samsung Care Pack valued with screen replacement for free for both products. Customers can truly enjoy the next chapter in mobile innovation with Samsung's third generation of foldable devices, the Samsung Galaxy Z Fold3 5G and the Z Flip3 5G. Both devices are equipped with an improved foldable screen with the revolutionary Hideaway Hinge, which allows the screens to stay in place at any angle while in their flex mode.

The Samsung Galaxy Z Fold3 5G boasts an uninterrupted 7.6-inch Infinity Flex main display with the new under-display camera.

It is also the first foldable device to be compatible and fully optimized with the S Pen, allowing on-the-go multitaskers to take notes on the wide main display while opening other apps.

The Samsung Galaxy Z Flip3 5G comes with a more extensive cover screen for easier reading of notifications and messages, with apps accessible even when the phone is folded. The device has upgraded stereo speakers with Dolby Atmos for a much clearer sound and a more immersive experience for entertainment lovers.

DFCC Bank Partners with Quickmed.lk



Sujeewa Samaraweera, CEO, Quickmed.lk

DFCC Bank has partnered with Quickmed.lk to ensure greater accessibility and affordability concerning the health and wellness pharmacy services for all DFCC credit cardholders.

DFCC Bank will provide a zero percent, 12-month Easy Payment Plan for all healthcare transactions through the online pharmacy above 6,500 rupees. DFCC Cardholders will also benefit from an exclusive 15 percent discount on their total bill, with a one percent cashback



Denver Lewis, Vice President/Head of Card Centre, DFCC Bank.

on all products purchased at Quickmed.lk, allowing them to save with every swipe.

Quickmed.lk, a health and wellness online pharmacy in Sri Lanka, delivers all healthcare needs safely and soundly to customers' doorsteps island-wide.

The prime objective of the partnership is to reduce the financial burden cardholders face when purchasing premium, high-quality wellness products. The newly introduced schemes increase the affordability of

such, allowing cardholders to obtain products that secure their health and wellbeing while more efficiently managing their cash flows. DFCC Bank cardholders can avail themselves of these benefits by visiting the online Quickmed.lk store to purchase their products of choice.

Denver Lewis, Vice President/Head of Card Centre of DFCC Bank, stated, "We are happy to announce our new partnership with Quickmed.lk, which brings a multitude of benefits for all DFCC Bank credit cardholders. This enables cardholders to secure their health and safety by purchasing premium wellness products at reduced costs and eases their financial burden when doing so. Promoting affordability is a key value that drives our activities as a premier commercial bank. The easy payment and cashback schemes introduced through this partnership are yet another indication of our commitment to add value through innovative and impactful financial solutions continuously."

Sujeewa Samaraweera, CEO, Quickmed.lk commented, "Our new partnership with DFCC Bank allows us to more effectively deliver the best possible healthcare solutions to all of society. The partnership enables us to achieve our goal of ensuring all customers have access to more affordable health and wellness products of their choice, all from the safety of their homes. With the current economic conditions due to the ongoing pandemic, the affordability and financial inclusivity brought about by the partnership stands to benefit all parts of society during these testing times."

DFCC Bank once again strives to build partnerships that ensure constant value-additions for all stakeholders, with this partnership marking the next step of its long-term value creation journey.

DFCC Bank was ranked amongst Business Today's Top 30 Corporates in Sri Lanka.

"THE PLACE TO BE"

Arugambay ROCCOS

Arugambay Roccos is a chic and modern cube-style hotel. The 22 Cubes (upper and lower) provide air-conditioning and offer either balconies or verandahs. The restaurant, The Square and The Space, upstairs, offer panoramic views of the Water Cube (swimming pool) and the Indian Ocean.



Arugambay Roccos, Main Street, Arugambay, Pottuvil
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Arugambay PodBay

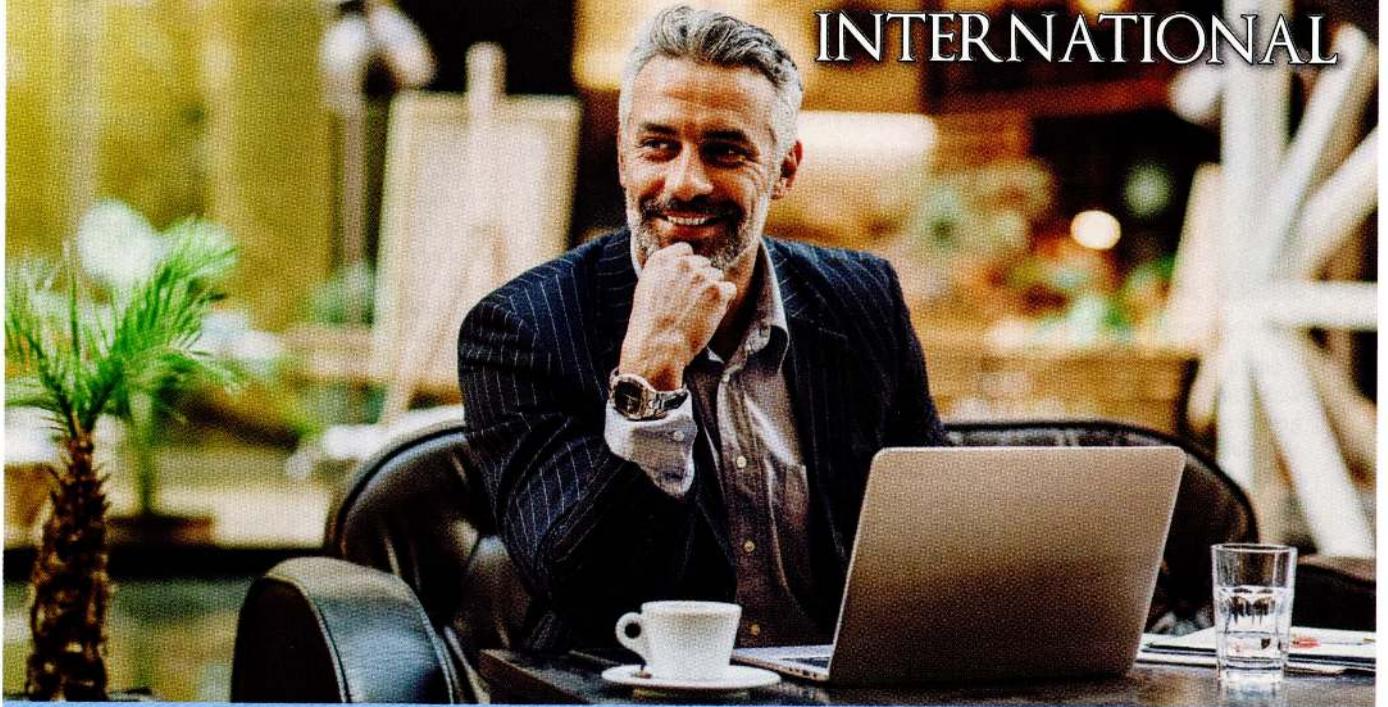
Arugambay PodBay is a novel concept that comprises compact convertibles (NapPods) in pastel hues, HomePods and Bay rooms. The seaside hotel has one of the largest swimming pools in the area (WaterPod), and the restaurant PotPod serves a range of cuisine and beverages in an area ideal for relaxation.



Arugambay PodBay, Main Street, Arugambay, Pottuvil
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Initial Statement by Governor Ajith Nivard Cabraal upon taking office on the September 15, 2021



Ajith Nivard Cabraal receiving his letter of appointment from President Gotabaya Rajapaksa.

I am extremely privileged to lead the Central Bank once again and deeply humbled by the trust and confidence reposed in me by the President, Prime Minister and Finance Minister to take up this responsibility. I also deeply appreciate the good wishes that I have received from thousands of our countrymen.

I will assure all of them that they will not be let down, and the economy will be steered towards continued stability. I also look forward to the close cooperation of the wonderful team of persons at the Central Bank as well the support from all stakeholders with whom I will have early consultations.

The government, bankers, importers, exporters, lenders, borrowers, investors, developers, service providers, industrial businesses, exchange houses,

retailers, wholesalers and most importantly, the people of Sri Lanka must experience economic stability. It is then that undue fears are allayed, and damaging expectations are not escalated. To achieve that objective, the Central Bank will need to provide clear and firm guidance to all economic stakeholders particularly at turbulent times, such as the current times. Therefore, the Central Bank's first and urgent priority under my watch, will be to provide clarity with regard to the movement of Sri Lanka's macro-economic fundamentals in the desired path and thereby ensure stability in the financial sector.

Towards that goal, the Central Bank will need to take the required steps that will reflect its own commitment towards that objective, and will therefore soon announce a policy package in the form of a

short-term Road Map, that could then be followed by all stakeholders.

Ajith Nivard Cabraal is the 16th Governor of the Central Bank of Sri Lanka with effect from September 15, 2021. Prior to the appointment, he was the State Minister of Finance, Capital Markets, and State Enterprise Reforms since August 12, 2020. He was the Senior Advisor to the Prime Minister on Economic Affairs from November 2019 to August 2020. Cabraal was also the 12th Governor of the Central Bank of Sri Lanka from July 2006 to January 2015. During that period, he functioned as Alternate Governor of the International Monetary Fund, Chairman of the South East Asian Central Banks (SEACEN) Board of Governors, and Chairman of the SAARC Central Bank Governors Forum. He is a Chartered Accountant by profession, having



Ajith Nivard Cabraal assuming duties as the 16th Governor of the Central Bank of Sri Lanka.

qualified as one of the youngest Chartered Accountants in Sri Lanka, winning many prizes at the CA examinations. During the period he served as Governor, he transformed the Sri Lankan economy from a GDP of USD 24 billion to USD 79 billion

and a safe, stable, and fast-growing middle-income emerging-market nation. He also provided leadership to several heavily over-subscribed International Sovereign Bond issues. Under Governor Cabraal's guidance, Sri Lanka maintained sound and stable macroeconomic fundamentals, with inflation contained to low levels and financial system stability achieved in a time of severe global uncertainties and turmoil.

Cabraal was previously the Presidential Advisor on Economic Affairs and Secretary, Ministry of Plan Implementation, and closely associated in developing the Policy Framework and Development Plan of the Government. He served on the Board of Strategic Enterprises Management Agency and as a

Member of the Government Team that participated in the Geneva talks with the LTTE in February 2006.

Before his state appointments, Cabraal functioned as a Consultant specializing in Business Revival and Turnarounds, Planning, and Corporate Governance. He has also served as the President of the Institute of Chartered Accountants of Sri Lanka and the South Asian Federation of Accountants.

Cabraal was an Eisenhower Fellow in the year 2000 Multi-Nation Program, as well. From 1997 to 1999, he served as the St. Peter's College Old Boys Union president. In 2019, he was honored by the Ramanya Maha Nikaya with the title "Desha Keerthi Lanka Puthra" for his outstanding services to the country and the economy. ☐

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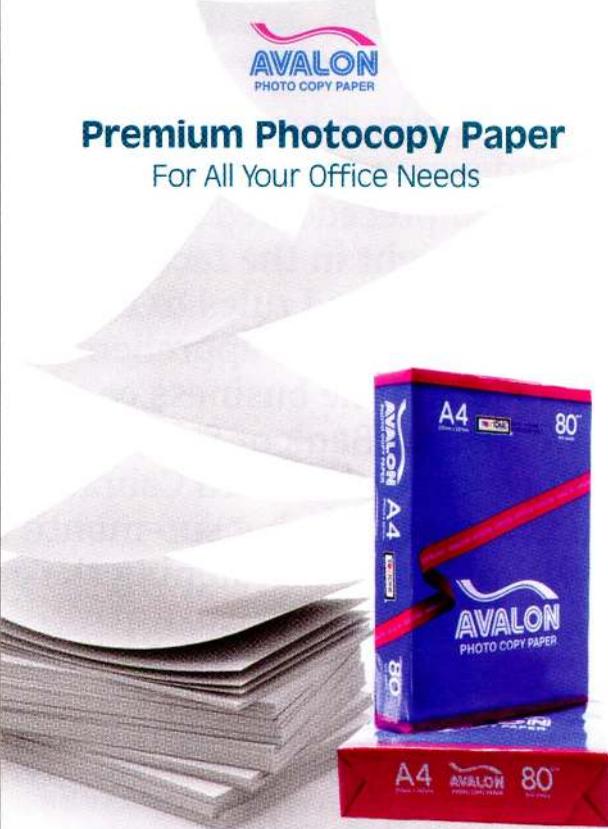


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Mapping a Short-term Plan for Economic Stability



Ajith Nivard Cabraal, Governor, Central Bank of Sri Lanka (CBSL).

The country opened up to another ‘new normal’ after an extended lockdown to tackle a severe surge of COVID-19 that resulted in an unprecedented number of casualties. The government is staring right in the face of an economy in peril. Intermittent regulations and rules to mitigate anticipated downturns have only added to the apprehension and uncertainty among the people and the business community. In this background, the Central Bank of Sri Lanka (CBSL), being led again by its alumnus Ajith Nivard Cabraal is planning to steer the country’s economy through a six-month road map to focus on the critical issues threatening the economy with a to-do list.

By Jennifer Paldano Goonewardane.

The status

Pundits are wondering whether Sri Lanka would be the next Argentina. News space is full of stories of Sri Lanka’s economic woes amid the pandemic that has affected the island badly. They paint a very bleak future

for Sri Lanka. Some think tanks have even predicted that as Sri Lanka’s foreign debt crisis worsens in 2021, the country may fail to meet its debt obligations in the future. Leading up to 2021, several rating agencies downgraded Sri Lanka’s sovereign credit ratings as

reserves fell. S&P global ratings downgraded Sri Lanka's sovereign credit ratings to negative. Moody's downgraded Sri Lanka's long-term foreign-currency issuer and senior unsecured ratings to CAA1 from B2. Fitch Ratings downgraded Sri Lanka's Long-Term Foreign-Currency Issuer Default Rating (IDR) to CCC from B. All these moves indicate concerns about Sri Lanka's ability to fulfill foreign debt repayments. That helped fuel concerns that Sri Lanka will not be able to service \$ 1.5 billion of debt due next year, as well as speculation that Colombo may turn to the IMF for support. But Sri Lanka is very firm on not going to the IMF for help.

Amid depleted foreign exchange reserves, the tourism industry was impacted hugely by the pandemic, generating a mere \$ 2 million a month in 2021, accompanied by rising foreign exchange rates. The country is struggling to pay for imports, whose volume and value exceed those of its exports. Imports have been increasing tremendously. So far in 2021, exports indicate an increase of \$ 7.9 billion, while imports outdo it by a \$ 13.3 billion increase in value. Despite mounting concerns about the government's ability to meet its debt service obligations, it managed to save face by paying \$ 5.3 billion this year, consisting of forex capital repayments and forex interest payments. In this environment, government expenditure for 2021 has ballooned over its revenue.

The government turned to its South Asian and Asian neighbors for deals in currency swaps supplemented by borrowings from the World Bank and the ADB on concessionary terms. Since last year, the government has been curbing imports of automobiles and other non-essential items, requiring importers to obtain a special license or being banned altogether to reduce the outflow of forex. The prices of commodities and other goods have increased, especially the market price of goods banned from importing. Amid rising inflation, the government declared a food emergency to stabilize price increases in essential food items.

Naysayers are warning that the country's foreign debt will likely increase to \$ 29 billion in the next five years.

The Road Map

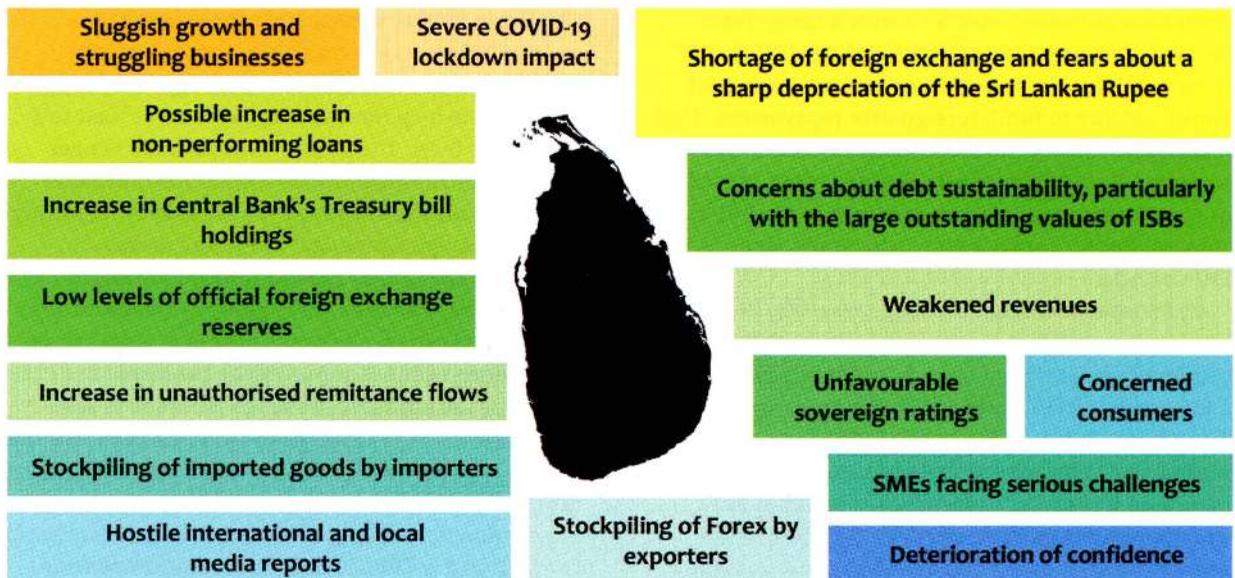
Realizing that we cannot steer the economy too long through stop-gap measures, the six-month road map seems to be a decisive strategy containing a to-do list to help the economy rebound at least to a manageable level. The government partially blames the hostile environment in the country and negative sentiments among the people on 'doomsday' reporting fueled by the opposition and interested parties. However, it does admit that economic progress in the last decade has been slow, going by the country's economic indicators. Of course, everyone would agree on the unprecedented impact of the pandemic in further weakening the economy, although economists also point to deeper structural issues having accelerated the decline.

To strengthen the economy and deliver macroeconomic stability, the three-pronged framework drawn up by the CBSL is a six-month roadmap from October 1, 2021 to March 31, 2022. A one-year horizon will follow the initial framework from January 1, 2022 to December 31, 2022 and a medium to long-term horizon. The next six months will be the primary focus of the CBSL to take immediate steps to rectify the crisis in the external sector to usher in some stability. The quick actions that the government is confident would result in an economic rebound are centered on a solid thrust to manage the debt and forex challenges in the short term. The expected cash flows would augment recovery from a refreshed tourism industry. The increase in FDIs expected from the take-off of the Port City, industrial zone projects, and the sale of non-strategic and underutilized state assets is ongoing.

The critical issues identified by the CBSL are resolving debt and forex concerns, financial sector concerns, and macroeconomic stability concerns. In the short term of six months, the CBSL, through the proposed measures, hopes to enhance the Gross Official Reserves to cover

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There is fear about the present economic challenges...



a minimum of four months of imports. It also seeks to achieve a diversified Sri Lanka Development Bond (SLDB) investor base, stabilize exchange rates and interest rates, and reduce weekly treasury bill auctions to below 50 billion rupees. The Central Bank will aim at achieving a stronger balance sheet with improved Net Foreign Assets and Net Domestic Assets Ratio while stabilizing inflation at mid-single digits of four to six percent target range. With the pandemic and its impact on businesses and the challenges for domestic financial services, measures are underway to ensure a more robust banking and non-banking sector in 2021 and beyond. All these measures aim to achieve real GDP growth of around six percent in 2022.

The CBSL also announced the government's short to medium-term target to secure \$ one billion financing from foreign governments, including short-term currency swaps. It hopes to get \$ 500 million in the next three months. A strategy hopefully will pay off as short-term borrowings are regarded cheaper in comparison to long-term. The Central Bank has said it will continue to provide forex liquidity to the market to part-finance energy bills. However, it would reduce the dependence of State-Owned Business Enterprises (SOBES) on borrowings from state-owned banks to fulfill financial requirements. In the future, SOBES will have to look for

auxiliary sources of borrowing outside their usual ambit of government banks. This rule would apply firmly to loss-making SOBES that continue to be buttressed by government bank funding.

Managing the forex market

The stringent monitoring of the forex market will continue, with guidelines to the financial services institutions to deal with the import and export trade. Other mechanisms include attracting investments into government securities and reduce the debt around International Sovereign Bonds (ISBs). If high discounts prevail in the market, the Central Bank may consider buying back the ISBs maturing in January and July 2022 in their entirety. The CBSL will diversify its investor base in SLDBs by attracting foreign government and private institutions and eligible domestic investors by selling in parcels of \$ 50 million and multiples of \$ 50 million.

The CBSL focuses on strengthening the forex market through heightened monitoring. And its daggers are drawn in the direction of the export ecosystem. By setting up an International Transaction Reporting System (ITRS), operational from January 2022, the CBSL is giving the banking system the legitimacy to track the performance of export-oriented sectors, fund

We propose a three-pronged framework to strengthen the economy and deliver macroeconomic stability...

#1

- **Six-month Road Map from 01 October 2021 to 31 March 2022**

- Focused efforts on Macroeconomic and Financial System Stability
- Near-term measures to ensure continued timely debt servicing
- Increase forex liquidity in the market
- Create framework for all enterprises to recover from the Pandemic-effect

#2

- **One-year horizon from 01 January 2022 to 31 December 2022 (to be announced on 04 January 2022)**

- Improve the external debt profile while concentrating on non-debt inflows
- Deliver the fiscal and external targets
- Promote a fast recovery in the real economy
- Improve the Sovereign ratings and Ease of Doing Business

#3

- **Medium- to long-term horizon**

- Build stable “cushions” in all macro-fundamentals to absorb any shock
 - Strengthen the domestic production economy
 - Strive for higher growth within a low inflation environment
 - Ensure the achievement of fiscal and monetary targets
-

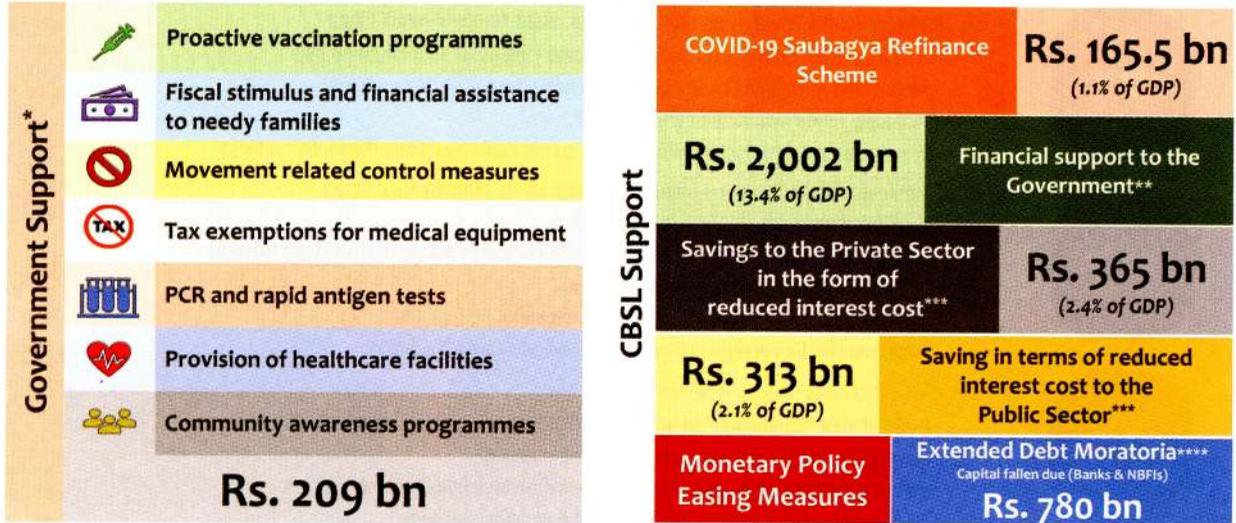
repatriations, and conversions. Simultaneously, the CBSL would direct the government to increase taxes on exporters' profits from 14 percent to 28 percent. It's crucial that while the government strives to attract FDIs through targeted investor forums and programs, and incentives, and new legislation, it should not contravene the assertions in the CBSL's road map. The government is intensely promoting dedicated industrial zones for FDIs, encouraging at the same time domestic investment with foreign partnerships. Hopefully, any incongruent areas on export earnings will not affect or interrupt the investment environment the government is promising or confuse potential investors.

Further, the CBSL plans to stop exporters from saving US dollars and borrowing in rupees by converting export proceeds into Sri Lankan rupees after retaining any required forex for intermediate and investment inputs. Exporters will also need to convert accumulated forex deposits from export proceeds with banks to the local currency. The CBSL is hoping to encourage this by introducing dedicated non-interest-bearing foreign currency accounts for export proceeds. On an optimistic note, the CBSL also added that none of the stringent conditions targeting the export community would bear upon holders of personal foreign currency accounts. That is good given that the country has an expatriate

community and hopes to attract many more to choose Sri Lanka to work and live in the future as the country opens up to responsible investment opportunities. In this light, the CBSL has listed in the to-do list the government's focus on improving the business environment for domestic and foreign investors by considering all the factors impacting the 'Doing Business' environment.

In the meantime, the vehicle import businesses cannot expect much change in their current status. The CBSL announced that any future consideration to ease the ban would be subject to conditions that would allow the process only through forex earnings or FDI, with relevant government taxes paid in forex. The cash margin deposit requirement imposed on non-essential and non-urgent imports creating a great deal of furor at home, has been withdrawn. The CBSL also said that it allows banks to continue to facilitate essential imports. However, businesspeople struggle to obtain US dollars from banks to clear their consignments, whether their goods are vital or not, forcing some to turn to the purchase of dollars from informal market sources. This trend will hopefully change by an undertaking from the Central Bank to restore licenses of money changers. In January 2022, the CBSL intends to lift the ceiling on outward investment and migration allowances. It will

When quantified, the official responses have been quite impressive and perhaps not received sufficient acknowledgement...



continue to encourage banks to pay special incentives and interest payments for inward remittances and special deposit accounts to attract more forex into the country.

Attracting investment

While the most significant emphasis in this endeavor is to confront exporters to ensure mandatory conversion of export proceeds, the government is pushing harder to sell off non-strategic and under-utilized assets to earn an envisaged \$ one billion. The much-plugged Port City is open for grabs. The government expects to attract record FDIs of great value and visibility into the country, given its commitment to providing special concessions and ease of doing business through the Colombo Port City Economic Commission Act. Further, the government is also pushing an investment portfolio of dedicated industrial zones and other opportunities for FDIs as immediate measures to increase its forex largess. Such an envisioned inflow, the CBSL hopes, will be bolstered by a business-friendly budget with detailed financing strategies and a tax structure for easy compliance.

Meanwhile, beginning in October 2021, the country will go head-on to attract investment into Sri Lanka by pitching to the Middle East and Asia on investment

opportunities. Europe and the USA are also within sight, as evidenced by the government's recent agreement to diversify its energy sector through a deal with a US-based energy infrastructure firm. The government is lunged in a situation where with the scaling down in imports, Sri Lanka's engagement with Europe and the USA in terms of two-way trade has become somewhat skewed, which may require the government to adopt alternative means of circumventing this situation. Further, the CBSL hopes to attract investments into the equity market and into listed corporate debentures, which some economists warn are highly volatile means of forex earnings.

Supervising the financial services sector

In trying to strengthen, safeguard and bring discipline into the financial system in Sri Lanka so that it has integrity, the CBSL has an enormous challenge in dealing with the financial services sector market. That includes banking and non-banking institutions. With a comprehensive plan to deal with six failed finance companies, the CBSL will ensure that all licensed finance companies are listed in the Colombo Stock Exchange before September 30, 2022 while looking to infuse more capital into their portfolio through mergers and acquisitions.

The country will go head-on to attract investment into Sri Lanka by pitching to the Middle East and Asia on investment opportunities. Europe and the USA are also within sight, as evidenced by the government's recent agreement to diversify its energy sector through a deal with a US-based energy infrastructure firm...The CBSL hopes to attract investments into the equity market and into listed corporate debentures, which some economists warn are highly volatile means of forex earnings.

The challenges to supervise banks in the new normal is enormous, acknowledges the CBSL. While the CBSL is always watchful of any 'warning signs,' responding the right way is easier said than done. The banking and non-banking players have to play an active role in managing the debt and forex issues by monitoring and screening forex flows and maintaining transparent transactions in forex. Based on the strength of the balance sheet of financial institutions, they are to mobilize fresh forex funding on competitive terms, targeted at \$ 1.5 billion. But the potential long-term impact of the crisis on the banks is not ignored, stressing the need to adopt a forward-looking approach and an increased supervisory regime to prevent financial institutions from resorting to unwarranted risks that would destabilize the economy. The ongoing flexible measures followed by banks concerning capital, liquidity, moratoria, and reporting, while being allowed to continue, will eventually be undone on time. To usher stability to the financial system, regulations such as provisions on adequate levels of capital and liquidity buffers will continue.

Stakeholders to the rescue

The CBSL will be actively engaged in stringently controlling the financial market for the foreseeable future. It depends heavily on the identified group of stakeholders to deliver the envisaged economic rebound. It's hoped that there would be new credit lines of \$ 500 million through the banking sector in the quarter of October-December 2021, while the projection is for that value to soar to \$ 1,000 million in the January-March quarter of 2022. Meanwhile, the forecast for forex deposits for the same periods is \$ 300 million and \$ 500 million, respectively. The government expects \$ 300 million of inflows into the Port City and \$ 200 million

from the Colombo Stock Exchange in the January-March quarter of 2022. Similarly, export earnings for the rest of 2021 are estimated at \$ 3,300 million, increasing to \$ 3,600 million in the first three months of 2022. The potential in services export has been evident during the pandemic. Therefore, the projected earnings will increase from \$ 1,000 million in the last three months of 2021 to \$ 1,200 in January-March 2022. According to estimates, tourism earnings will remain low at \$ 50 million for October-December of 2021. There is much optimism in the projection for 2022, with a forecasted \$ 300 million in revenues for January-March 2022. According to forecasts, inward remittances will grow to \$ 2,000 million in the first three months of 2022 from \$ 1,800 million in the October-December quarter of 2021.

As the Central Bank declares an outcome-oriented strategy, one hopes that the measures outlined in the road map will pay off, while ad-hoc decisions will not ruin the country's chances of recovering in the long-term. There seems to be a great deal that the government needs to do to attract foreign investors. Offering opportunities for investment is not enough. Investor confidence is what matters. In that regard, Sri Lanka can learn a lot from its Asian neighbors and realize that one has to walk the talk and not talk only. The road map spells for the first time a degree of rigorous effort on the part of the government to demonstrate its commitment to ride through the current crisis in one voice, unless, of course, someone utters something to the contrary soon. Through these measures and their positive spillover, the sovereign credit ratings will improve. And so will clarity regarding the internal business environment, thereby giving Sri Lanka the positive outlook, it requires to harness its tremendous investment potential to make it the "next miracle of Asia." ☐

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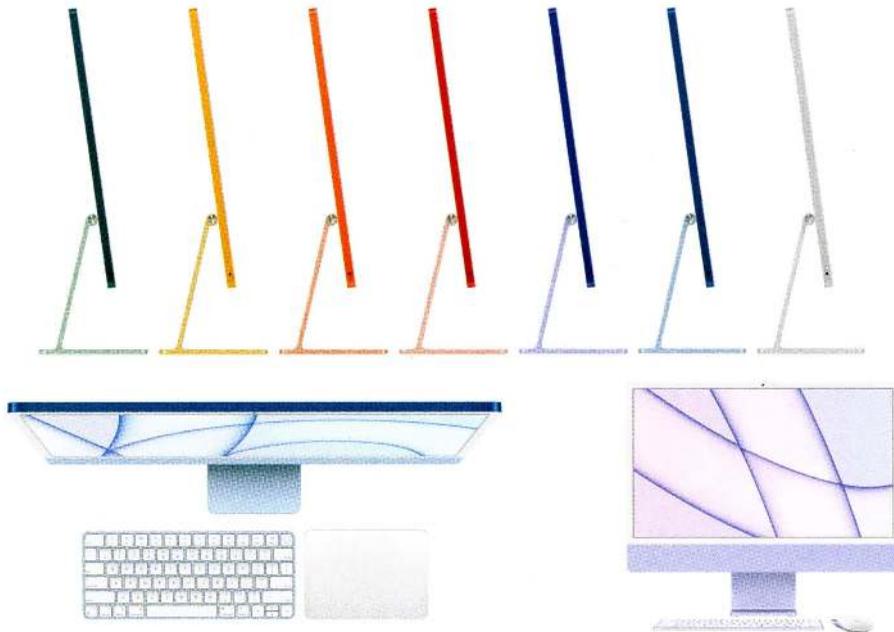
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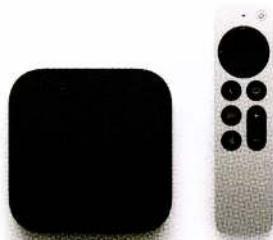
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