

# Daily News Business

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PEOPLE'S BANK PROMOTES  
LANKAQR FACILITY IN GAMPAHA

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## Jaffna entrepreneurs should take products to Indian market - NE Governor

Wake up and help implementing projects

Do away with lethargic attitudes or leave peninsula



Governor Northern Province Jeevan Thyagaraja and EDB Chairman Suresh De Mel with officials at the event

**SHIRAJIV SIRIMANE IN JAFFNA**  
The Governor Northern Province Jeevan Thyagaraja lashed out at several sectors and said that those people who don't contribute to the current development initiatives of Jaffna can immediately leave the peninsula. Several new development projects have been launched to develop the Northern Province and some of these projects are forced to be stalled due to the lethargic attitude of many. "I want them to wake up and help in implementing these projects and if they don't cooperate they can leave Jaffna."

Speaking further at a special event organised by the Export Development Board in Jaffna library to provide knowledge on EDB activities, the governor said that he sees a lot of potential in the North for investments in several sectors. "We must encourage Jaffna entrepreneurs to take their products to the Indian market and I will work with the Indian consulate in Jaffna in this regard. We must also look at promoting Joint Venture companies between North and specially South Indian companies. My aim is to create at least 100 such JV's this year."

He also said that another area that he is pursuing is to arrange for low interest loans to the Northern SME sector which will help the current companies to move up the ladder by investing in new technology and machinery. "Low interest loans will also help to create more startups and new businesses. I am hoping to have a series of meetings with all banks in the

Northern province in this regard and I need assistance from the EDB in this initiative as well." The governor also appealed to the EDB to also assist in trying to find new overseas markets for northern entrepreneurs which will also help them to bring in Forex to Sri Lanka. The Governor also said that Vietnam too started developing by creating 30,000 new entrepreneurs who were

given soft loans and opening a new foreign market to export their products. "South Korea too followed this example. Suresh De Mel, Chairman EDB said that he saw the tremendous potential of Jaffna entrepreneurs at the Jaffna International Trade Fair and said the EDB would pay special attention to promote the SME sector in the North.



Senarath Bandara, Managing Director /CEO, Cargills Bank, Ranjit Page - Deputy Chairman / Group CEO, Cargills (Ceylon), D Kumaratunge - Assistant Governor, Central bank, Ajith Nivard Cabraal - Governor, Central Bank, Yohan Samuel- Delivery Agent, Cargills Online, Sanjeeva Premawaradana - General Manager / IT, Cargills (Ceylon), Asanka Mahanama, Senior Manager, IT, Cargills (Ceylon) and Roshan Dilruk, Operations Manager, Cargills Online at the event

## Cargills Online becomes first ecommerce platform to integrate LANKAQR

Cargills Online has become the first and currently the only e-commerce platform in Sri Lanka to integrate LANKAQR for delivery thereby providing greater convenience to its customer base together with its wide merchandise offering. LANKAQR is a project initiative from the Central Bank of Sri Lanka to ensure all QR codes and QR based transactions in Sri Lanka are standardised and interoperable. Cargills Online revolutionised the grocery supply chain in Sri Lanka by introducing the dark store to solve this issue. Cargills Online offers the freshest produce and one of the range of products, providing a convenient, hassle-free delivery where customers can order weekly groceries in less than 2 minutes. Deliveries are efficiently carried out by professional delivery agents with consistent on time delivery. The dedicated customer experience team ensures that higher customer satisfaction at all times. In addition to LANKAQR, Cargills Online also offers cash and card on delivery and online payments. Cargills Online can be accessed via the App available on Android & iOS.

Ajith Nivard Cabraal - Governor of the Central Bank commented, "The Central Bank of Sri Lanka introduced LANKAQR in partnership with LankaClear to fast track Sri Lanka's journey towards becoming a cashless society while also boosting financial inclusion. SMEs are the engine of growth in the country and it is important for us to give them all the resources and support necessary to achieve their fullest potential. I thank Cargills Ceylon for joining hands with us to take this technology to its large, island wide customer base." Asoka Pieris, Managing Director Cargills Foods Company (Pvt) Ltd, "Cargills' continued commitment and passion to improve the lives of all Sri Lankans led us to Cargills Online and ensured that customers can continue to purchase groceries at home while still enjoying the supermarket experience. By integrating LANKAQR, our valued customers will have even more flexibility when it comes to paying for their goods. We are proud to be the first and currently the only e-commerce platform in Sri Lanka to integrate LANKAQR for delivery."

## Sri Lanka Insurance posts record Rs. 43 bn GWP in 2021

Sri Lanka Insurance closed the year 2021 with a positive note recording a staggering combined GWP of Rs. 43 billion amidst the turbulent time. In the year 2021 Sri Lanka Insurance reported 14% growth in life insurance premium increases to Rs.21.9 billion whilst general insurance reported 5.4% growth in premium, for a total value of Rs. 21.2 billion amidst the stagnant market conditions. The company achieved a combined Gross Written Premium (GWP) growth rate of 9.7% during the year. Life insurance contributed 51% towards the total GWP whilst General Insurance contributed 49%. Marking 60 years of excellence as the protector of the nation, Sri Lanka Insurance recorded many remarkable achievements during 2021. Sri Lanka Insurance yet again declared the highest Life Insurance bonus in the industry of Rs. 8.6 billion. The insurer was able to produce 189 MDRT members with 5 COT and 1 TOT member for the MDRT conference 2021 marking a historic milestone as the highest ever representation from Sri Lanka Insurance. In 2021 Sri Lanka Insurance managed to uphold the leadership position of the General

Insurance sector and Motor Insurance sector while introducing multiple innovative motor insurance products that cater to the unique needs of customer segments in the motor insurance market. SLIC Chairman Eng. Vijitha Herath noted, "The past year has been a testing time which compelled us to embrace changes and respond to challenges. As a State-owned insurer and the pioneer of the insurance industry, we have been contributing to the country's development since inception and we have aligned our corporate goals with the country's development goals." Chief Executive Officer of Sri Lanka Insurance Chandana L. Aluthgama opined, "Operating in a very competitive landscape we have demonstrated our resilience again with the excellent and sustainable achievements during the year 2021. We have evolved to be a beacon of light during the turbulent times safeguarding the nation. As we celebrate the 60 years of excellence we are gearing up to keep the positive momentum with our prudent and sustainable strategic initiatives. We are heading towards an era of transformation



Vijitha Herath



Chandana L. Aluthgama

where we will continue to grow through strategic investments and diversifications, internal efficiencies and productivity improvements." Sri Lanka Insurance was recognized with many awards and accolades in the year 2021. Also, SLIC Life recorded the highest brand value growth among the Life Insurance brands in Sri Lanka. Exploring the avenues to broaden the protection to communities SLIC served different segments, age groups and different affinity groups through product and market development initiatives. SLIC has been making steady progress in transforming its operational architecture and front end customer interfaces to ensure digital integration. **TO PAGE 14**

## Weak economic indicators may force tighter monetary policy

In 1H-2022, the extremely weak economic indicators may force the Monetary Board to further tighten monetary policy. Thereby, FC Research expects two rate hikes in 1H-2022 while one rate hike was already announced in January-22. "In 2H-2022 we expect one more rate hike to take place to balance the overall economic outlook. Cumulatively, we expect 3 rate hikes for 2022." According to FC Research Investment Strategy 2022. Resulting from the uncertainty over access to creditors, continued high budget deficit and negative liquidity, 1H-2022 bond yields are likely to rise by 150bps-200bps and in second half, a further 100 bps-150



bps upside is expected; But with no IMF or inflows, yields could just skyrocket. Altogether Bond Yields are expected to rise sharply by 250-350bps within the period 1Q2022 - 4Q2022. In January 2022 policy rates were increased again while a significant negative liquidity portion continued. Demand for private sector credit is also continuing at a

similar pace. With the expected rise in bond yields, FC Research expects AWP to follow a similar suit with a similar accelerated pace as witnessed in 2H-2021 to reach 10.0%-11.0% by June-22 and 11.0%-12.5% by December-22. "Taking the weak macro situation into consideration, we expect a strong depreciation of the currency over the

forecasted period. We further downgrade our January-22 target from Rs 225-240 to Rs 230-245 while targeting Rs 240.-270 for December-22." With strong Dec-21 earnings and negative real interest rates, we expect ASPI returns to be strong in the shorter term resulting in the ASPI potentially rising to the 15,000 mark within 1Q2022. "We believe that Sri Lanka could be in for a major shock within the next 3-12 months, thereby, our long-term view is to reduce risk by aggressively shifting to defensive counters while we expect possible negative return in the broader market in 2H-2022."

## "Kuwait Airways to fly to Colombo soon"

Kuwait Airways says that the suspension of Colombo Kuwait flights are only temporary and operations will resume soon. Manager - Sri Lanka and Maldives, Sudesh Rupasinghe, making a statement said that they inform all stakeholders, including the Government of Sri Lanka, The Civil Aviation Authority and the public at large that they temporary suspended the flights to Colombo (effective January 2022) only due to COVID-19 pandemic consequences. "Since 1975 Kuwait Airways has always been one of the most active airlines operating into Colombo and we are proud of what has been accomplished since our first operation to Sri Lanka. It is with great regret that a decision has been made to temporarily sus-



pend our operations. Sri Lanka has been a very important route to the Airline and supported by our local representative (GSA) Delmege Air Services and the excellent cooperation between our two friendly countries, has experienced great success. He also emphasised the higher management's sincere appreciation towards the Government of Sri Lanka and Aviation Authorities for the cooperation and assistance extended to date and stressed that they are committed to offering its services to the island nation sooner rather than later.

**MONEY MARKET ACCOUNTS**  
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FROM 25/01/2022  
TO 31/01/2022  
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COMMERCIAL BANK

**Hotel Service Providers**  
Rules make mandatory accepting payments only in foreign exchange

The Monetary Board of the Central Bank of Sri Lanka issued rules making it mandatory for hotel service providers to accept payments from persons resident outside Sri Lanka, only in foreign exchange. These Rules are published in the Gazette Extraordinary No. 2263/41 dated January 21, 2022.

With the issuance of the Rules, hotel service providers registered with and licensed by the Sri Lanka Tourism Development Authority are required to; accept payments for services rendered to persons resident outside Sri Lanka only in foreign exchange; deposit such foreign currency into a Business Foreign Currency Account of the hotel service provider or sell to a licensed bank within three business days; credit payments into a Business Foreign Currency Account of the hotel service provider, in the event such person resident outside Sri Lanka makes payments using an Electronic Fund Transfer Card (Credit Card, Debit Card, Travel Card, etc.).

At the same time, hotel service providers may accept payments in Sri Lanka Rupees from persons resident outside Sri Lanka provided they submit original documentary evidence to prove that such Sri Lanka Rupees represent the foreign currency brought into Sri Lanka and converted through a licensed bank or an authorised money changer.

**An alternative to Savings Accounts**  
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