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NEWSLETTER

The European Chamber of Commerce of Sri Lanka

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ABOUT US

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The European Chamber of Commerce of Sri Lanka was founded in 1996. Its primary objective is to stimulate, strengthen and promote economic and business relations between Sri Lanka and the 50 member countries of Europe. ECCSL broadly seeks to provide, inter-alia, efficient and professional information, advisory, consultative, promotional and representative linkages between Sri Lanka and European business entities.

ECCSL has today emerged as a dynamic association of European and local companies conducting business in Sri Lanka. The quality and scope of commercial interests represented in the membership reflects the consolidation of its strong presence in Sri Lanka.

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To stimulate, strengthen and promote economic and business relations between Europe and Sri Lanka.

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- To be the most valued European Business support partner in Sri Lanka.
- To be the representative body for the European businesses in the country.
- To be the most valued lobbying force in Sri Lanka.
- To be a trusted discussion partner for Sri Lankan Institutions and the Government.

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NEWS UPDATES FROM SRI LANKA

Sri Lanka Tourism Triumphs at ITB Berlin 2024

The ITB Berlin Convention, the world's leading travel industry think tank, recently concluded its 2024 event, where over the course of three days, top international Travel and Tourism industry thought leaders gathered to discuss the latest trends, innovations, and developments, and to debate the major challenges facing the global travel industry.

In a significant moment for Sri Lanka Tourism, the new Island destination positioning 'You'll Come Back for More' was unveiled at the convention, along with the new logo and global tourism campaign.

This pivotal event took place under the auspices of the Honourable Minister of Tourism Harin Fernando, with the participation of key industry leaders. The unveiling served as a platform to showcase the unique attributes of Sri Lanka at a global stage, highlighting the country's unparalleled diversity.

Minister of Tourism Harin Fernando speaking at the event said, "Sri Lanka Tourism is launching its destination brand campaign globally with a new positioning and a tagline: 'You'll come back for more'. What inspired us was the simple fact that 33% of our travellers are repeat visitors. We have people from across the world returning to Sri Lanka, some as many as 100 to 150 times. When you listen to their stories and experiences in our island, you will realise that there is something special about Sri Lanka. It's not just a bucket list country. There is a deep bond Sri Lanka creates with our visitors and as a result they keep coming back for the people, the places, and moments. We want to share this unique story of our Island with the world. Under the new destination positioning, we have a 360-degree approach to tell our story. But while we communicate all that we have to offer the world, we will also ensure the quality of the experiences each traveller has with us is also rich."

The Minister highlighted that Sri Lanka Tourism aims to attract 2.3 million tourists in 2024 and earn over USD 4 billion. The long-term target is even more ambitious, with plans to welcome 5 million arrivals and generate USD 21.6 billion in revenue by 2030. The country is taking a holistic approach to its Global Marketing and Promotion campaigns, in addition to product development. This strategy aims to position the island as a destination that travellers could visit all year round.

The Minister concluded his address by stating that "Sri Lanka's tourism bounced back after many challenges in the few past years, and it is nothing short of a miracle how it happened. But Sri Lankans are a very resilient people, and we enjoy being hosts to visitors. So naturally tourism recovered fast, and we are seeing a record number of visitors to the island today as a result."

Sri Lanka Tourism was represented by 68 exhibitors at the 2024 edition of the convention, demonstrating commitment by the industry to aggressively promote the country as a premier tourist destination.

Chalaka Gajabahu, Chairman of the Sri Lanka Tourism and Promotion Bureau (SLTPB), reflecting on the significance of the event said, "Given that Germany has historically been one of the key source markets for Sri Lankan tourism, and considering the encouraging growth we witnessed in 2023 from Germany, our presence at this trade exhibition was crucial. It provided an opportunity for the Sri Lanka Tourism brand to showcase our unique destination and leverage the international visibility the event offered to our tourism industry".

The ITB Berlin Convention attracted significant media attention, drawing around 3,000 journalists from 73 countries and 333 bloggers from 32 countries, with media visibility estimated to reach over 5 billion people worldwide.

Capitalising on the large number of journalists and bloggers attending the event, a sucessful media conference was hosted by the Sri Lanka Tourism contingent at the Convention.

Speaking at the media event, Minister of Tourism Harin Fernando, shared his vision for the future. Ambassador of the Sri Lanka Embassy in Berlin, Varuni Muthukumarana meanwhile highlighted the strengthening of ties between Sri Lanka and Germany, and the potential for increased tourism. Chairman of the Sri Lanka Tourism Promotion Bureau Chalaka Gajabahu further outlined the strategic plans for promoting Sri Lanka as a premier tourist destination.

In the first few months of 2024 the Island saw unprecedented growth in arrivals. February recorded a total of 218,350 tourist arrivals, marking the third consecutive month with over 200,000 arrivals. This is the highest number of tourist arrivals reported since January 2020, prior to the pandemic.
(13th March, 2024, bizenglish.adaderana.lk)

Sri Lanka to improve commercial dispute resolution through mediation

Sri Lanka ratified the UN Convention on International Settlement Agreements Resulting from Mediation, popularly known as the Singapore Convention on Mediation, last Thursday on 28 February. This Convention is to Mediation what the 1958 UN Convention On Enforcement of Foreign Arbitral Awards (the NY Arbitration Convention), is to Arbitration.

Legislation to give effect to the Convention was enacted by the Sri Lankan Parliament in January, 2024 and is titled 'Recognition and Enforcement of International Settlement Agreements Resulting from Mediation, Act No. 5 of 2024'. The Act will come into force and the Convention will apply to Sri Lanka with effect from six months from the date of ratification, i.e. from 28 August 2024.

UNCITRAL's work was a response to a need for a uniform framework to enforce mediated international agreements. Mediation was becoming popular as a commercial dispute resolution method and uniformity of cross border arrangements was a dire need. The UN Convention recites in its preamble that mediation is increasingly used in international and domestic commercial practice as an alternative to litigation and that the use of mediation results in significant benefits such as reducing the instances where a dispute leads to the termination of a business relationship, facilitating the transaction of commercial business and producing savings to States in the administration of justice.

The Convention applies to settlement agreements that are the result of mediation; are international in nature at the time of the entering into the agreement; resolve a commercial dispute, and are in writing.

How does ratification benefit Sri Lanka?

The enactment of domestic legislation and the ratification of the Convention will contribute to Sri Lanka offering an improved dispute resolution regime that will be attractive to investors and to business partners engaged in cross border trade and business. Importantly, it signals to investors that Sri Lanka has a universally accepted regime for the enforcement of international mediated settlement agreements. Efficient contract enforcement is vital to attract foreign investment and to facilitate domestic commercial activities.

This development comes at a time when Sri Lanka's dispute resolution regime is unattractive. Riddled with delay, expense and unpredictability litigation is a nightmare. These weaknesses that were predominantly a feature of litigation has crept into the practice of Arbitration as well, with a few exceptions. In past years Sri Lanka struggled to improve its ease of doing business performance with no success. The scene is however changing.

The changing Sri Lankan scene

The Sri Lankan scene is however changing due to private sector efforts to introduce mediation for higher value commercial and other civil dispute resolution. The International ADR Center, Sri Lanka (IADRC) was established in 2018 to provide ADR services including Arbitration and Mediation for commercial dispute resolution. It is currently engaged in training Mediators and also training Lawyers in Mediation Advocacy with donor assistance from The Asia Foundation (TAF) and the UNDP through funding from the EU's Support to Justice Sector Project (JURE) and with support from the Commercial Law Development Programme (CLDP) of the Department of Commerce, USA. The USAID has supported mediation for private sector dispute resolution, through its Efficient and Effective Justice Activity (EEJ). The IADRC is also supported by the JURE project and private sector corporates to maintain infrastructure of international standards at their Centre located at the WTC, to provide mediation services in compliance with its own Rules or other Rules opted for by disputants. The donor support is extremely valuable in introducing mediation to the commercial community and awareness programs are held in the provincial commercial capitals as well.

Currently, legislation is being prepared to establish a legal regime for mediation of civil and commercial disputes. The envisaged law will provide for principles and standards that will apply when parties refer disputes to mediation voluntarily to private mediators, and seeks to ensure quality and integrity of the mediation process. The law will not establish Boards or provide for mandatory reference to mediation. Although institutionalised Mediation for the resolution of minor community disputes has been available since 1988, there is no legal regime for mediation in respect of higher value commercial and other civil disputes outside of State managed Boards. The new law will fill this lacuna.

Why mediation?

The universal buzz about mediation stems from the benefits the process offers. Mediation is a non adversarial process, where a third party (the Mediator) facilitates better communications and understanding between disputants to identify their interests and decide on how those interests can be satisfied. The Mediator has no power to impose a solution. There is no judgment of past actions and omissions nor a determination of right and wrong. Rather, it is a process that helps disputants identify and satisfy their needs and interests. The role of the Mediator is extremely important and hence proper training is vital. The mediation process is informal but disciplined and structured and disputants engage directly with the Mediator and with each other. Lawyers play a role which is distinct from that of the adversarial Lawyer in litigation. Mediation advocacy is starkly different and requires a different focus that supports a settlement. Confidentiality of matters discussed is ensured and is a key feature of the process. All statements made during the process are made without prejudice ensuring that concessions made and proposals submitted are not permitted to be used against the party making them in any other dispute resolution process. The independence and neutrality of the Mediator is ensured through an obligation to disclose real or perceived conflict of interest situations. Party autonomy is ensured in several ways. The disputants have the discretion to select the mediator; disputants stay in mediation only if they wish to and have the option to leave at any time if dissatisfied with any aspect; disputants enter into a settlement agreement only when fully satisfied that the terms and conditions are acceptable to them; until disputants place their signature to a settlement agreement nothing is binding.

A mediated settlement agreement is as valid and binding and enforceable as any other written agreement between parties. It is a myth that such an agreement is not enforceable. Breach of any obligation in a settlement agreement can either be mediated again or enforced as a breach of a contractual obligation in a court of law. It is well known that the instances of breach is very insignificant given that such an agreement is the result of consensus reached through a process that affords the opportunity for a full, fair and exhaustive discussion of issues, concerns and interests. Mediation is a smart business option.

Global initiatives

In addition to the work of UNCITRAL, other International Organisations are expanding their services to include mediation to resolve disputes and to adopt Institutional rules. Some of these initiatives are the following:

- **The International Bar Association –** adopted Investor-State Mediation Rules in 2012.
- **The International Chamber of Commerce –** adopted its Mediation Rules in 2014.
- **The World Intellectual Property Organisation (WIPO) –** adopted its Mediation Rules in 2021.
- **The International Center for Settlement of Investment Disputes (ICSID) (World Bank group) –** adopted its Mediation Rules in 2022.
- **The European Parliament and the Council –** adopted Directive 2008/52/EC on 'Certain aspects of mediation in civil and commercial matters' in May 2008.

Sri Lanka's challenge

The challenge to Sri Lanka is to provide for a comprehensive ecosystem for the delivery and sustenance of quality mediation services. This requires many things – a legal regime that adopts universally accepted principles; a judiciary that appreciates the vision; infrastructure that meets with international standards; service providers of excellent quality; awareness by stakeholders of the distinguishing features that offer benefits of value and very importantly policy acceptance at the highest levels of Government. It is the country that will benefit from better and smarter dispute resolution options. A push from the private sector alone is inadequate.

(4th March, 2024, www.ft.lk)

NEWS UPDATES FROM SRI LANKA

Merchandise trade deficit expands in Jan. 2024

The merchandise trade deficit recorded an expansion in January 2024, mainly due to higher import expenditure. With regard to services trade, notable inflows were observed in January 2024 into sea transport, air transport, and computer and IT/BPO related services compared to January 2023. Meanwhile, major outflows were recorded in the form of air transport, sea transport, and management and consulting services.

Workers' remittances recorded an improvement in January 2024, compared to the corresponding period of the previous year.

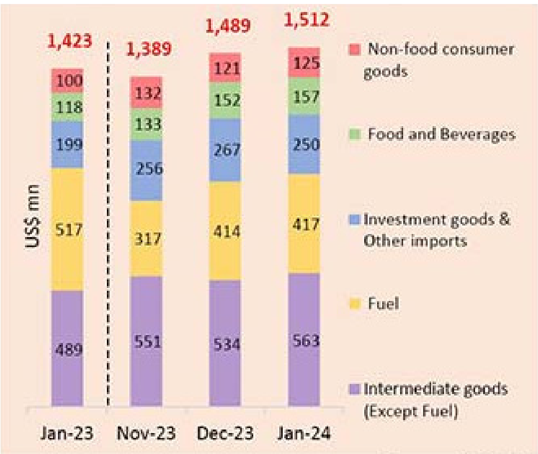
Earnings from tourism recorded the highest monthly value in January 2024 since January 2020.Foreign investments in the government securities market recorded a net outflow in January 2024.

Gross Official Reserves continued to improve to US dollars 4.5 billion by end January 2024 and the Sri Lanka rupee recorded an appreciation of 4.4 per cent during the year up to 29 February 2024.

Figure 1: Composition of Exports

Sources: SLC, CBSL

Figure 2: Composition of Imports



Sources: SLC, CBSL

The deficit in the merchandise trade account widened to US dollars 541 million in January 2024 from US dollars 445 million recorded in January 2023, mainly with higher increase in imports. In addition, trade deficit in January 2024 widened compared to the deficit of US dollars 487 million in December 2023.

Earnings from merchandise exports recorded a marginal decline of 0.8 per cent to US dollars 971 million in January 2024 compared to US dollars 978 million in January 2023. A decline in earnings was observed in industrial exports and mineral exports, while agricultural exports increased in January 2024. The decline in industrial goods exports in January 2024 compared to January 2023 was mainly contributed by garments, resulting from lower exports of garments to most major markets.

However, earnings from petroleum products increased due to the increase in volumes of bunkering and aviation fuel exports. Earnings from the exports of agricultural goods improved in January 2024, compared to a year ago, mainly contributed by minor agricultural products, coconut related products, and tea. Meanwhile, earnings from mineral exports declined due to the base effect of higher exports of zirconium ores in January 2023.

(2nd March, 2024, www.island.lk)

Govt. unveils ambitious agricultural modernisation program

In a significant move aimed at reinvigorating the agricultural sector, the Government unveiled plans to modernise and transform the industry earmarking a budget of Rs. 650 million.

The Cabinet of Ministers at its meeting on Monday cleared to implement the program, which aims to revolutionise the agricultural sector by introducing modern techniques and technologies, drawing inspiration from successful models adopted by other countries.

As per the approved proposal, in the first phase Rs. 25 million will be allocated for each Agricultural Modernisation Centre in the selected Divisional Secretariats. Additionally, a sum of Rs. 175 million will be distributed among key departments including Agriculture, Export Agriculture, Animal Production and Health, Cinnamon Development and the Sri Lanka National Aquaculture Development Authority. These centres will serve as hubs for knowledge exchange, training and technology dissemination, empowering local farmers with the tools and resources needed to embrace modern agricultural techniques.

In its initial phase, the program will kick-start pilot projects in 26 selected Divisional Secretariats spanning across the 25 districts. Subsequently, the second phase will witness the expansion of agricultural modernisation projects to 75 Divisional Secretariats, with three Secretariats earmarked from each district.

“These pilot projects will serve as testing grounds for innovative agricultural practices and technologies, paving the way for broader implementation in subsequent phases,” Cabinet Co-Spokesman and Minister Bandula Gunawardena said at the post-Cabinet meeting media briefing yesterday.

He also said the primary focus of the program is to modernise the agricultural practices, leveraging state-of-the-art technology and contemporary knowledge. Drawing insights from global examples of agricultural transformation, the initiative aims to enhance productivity and efficiency across the sector.

A total of Rs. 2.5 billion from the 2024 Budget has been allocated for strengthening agriculture and fisheries modernisation boards. These funds will be utilised to establish Agriculture Modernisation Centres and roll out the program countrywide. The multifaceted initiative will be implemented through strategic short, medium and long-term plans aimed at modernising agricultural practices and enhancing productivity.

“The Government aims to unleash the full potential of its agricultural sector, paving the way for sustainable development, increased productivity and enhanced livelihoods for farming communities across the country,” Gunawardena added.

The proposal to this effect submitted by President Ranil Wickremsinghe was approved by the Cabinet of Ministers.
(6th March, 2024, www.ft.lk)

Revised policy framework for customs bonded warehouses

Recognising the need to adapt to evolving warehousing technologies and enhance competitiveness in the supply chain process the Cabinet of Ministers approved enhancing the policy framework governing Customs Bonded Warehouses.

The approved proposal empowers the ‘Revised and Updated Policy Framework for Appointing Common Bonded Warehouses’ laid down under section 69 of the Customs Ordinance.

A Customs Bonded Warehouse serves as a crucial storage facility, ensuring the safety and quality of imported goods before the payment of applicable taxes and their transportation. Governed by section 69 of the Customs Ordinance (Chapter 235), the Finance Minister, upon the recommendation of the Director-General of Customs, has the authority to appoint such warehouses.

In response to changing industry dynamics and technological advancements in warehousing, it has been acknowledged that the mandatory minimum space requirements for common customs bonded warehouses need to be revised.

The proposal put forth by President Ranil Wickremesinghe, in his capacity as the Finance, Economic Stabilisation and National Policies was approved by the Cabinet of Ministers at its meeting held on Monday.
(6th March, 2024, www.ft.lk)

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NEWS UPDATES FROM EUROPE

First-ever European defence industrial strategy to enhance Europe's readiness and security

With Russia's unjustified war of aggression against Ukraine, high-intensity conflict has returned to our continent. This is why a new, first-ever European Defence Industrial Strategy has been put forward. It sets a clear, long-term vision to achieve defence industrial readiness in the European Union. We need to have the defence systems and equipment ready when they are needed and in the quantities that are needed.

The Strategy sets out several new actions to achieve this:

- encouraging EU countries to **invest more, better, together and European.** This will be promoted thanks to new programmes to buy and work more easily together at the European level.
- making European defence industry **stronger, more responsive and more innovative.** Steps will also be taken to support research, boost investment and work on issues along supply chains. As part of this, an Office for Defence Innovation will open in Kyiv.
- funding to ready the defence industry, through a new European Defence Industry Programme worth €1.5 billion and discussing defence needs for the next long-term EU budget
- **teaming up with partners** across the globe - Ukraine will for instance be able to take part in EU defence industry programmes.

The Strategy also sets out a number of targets. By 2030, EU countries should:

- buy at least 40% of the defence equipment by working together
- spend at least half of their defence procurement budget on products made in Europe
- trade at least 35% of defence goods between EU countries instead of with other countries

This will help make the EU safer and more resilient. It will not only benefit all of us in the EU, but also key allies including NATO and Ukraine.
(5th March, 2024, www.commission.europa.eu)

Deal on EU ban on products made with forced labour

Early Tuesday, negotiators from Parliament and Council reached a provisional agreement on new rules that ban products made with forced labour from the EU market.

The new regulation would create a framework for enforcing this ban, including through investigations, new IT solutions and cooperation with other authorities and countries.

Investigations

According to the agreed text, national authorities or, if third countries are involved, the EU Commission, will investigate suspected use of forced labour in companies' supply chains. If the investigation concludes that forced labour has been used, the authorities can demand that relevant goods be withdrawn from the EU market and online marketplaces, and confiscated at the borders. The goods would then have to be donated, recycled or destroyed. Goods of strategic or critical importance for the Union may be withheld until the company eliminates forced labour from its supply chains.

Firms that do not comply can be fined. However, if they eliminate forced labour from their supply chains, banned products can be allowed back on the market.

High-risk goods and areas

At Parliament's insistence, the Commission will draw up a list of specific economic sectors in specific geographical areas where state-imposed forced labour exists. This will then become a criterion to assess the need to open an investigation.

The Commission can also identify products or product groups for which importers and exporters will have to submit extra details to EU customs, such as information on the manufacturer and suppliers of these products.

Digital tools and cooperation, including with third countries

A new Forced Labour Single Portal would be set up to help enforce the new rules. It includes guidelines, information on bans, database of risk areas and sectors, as well as publicly available evidence and a whistleblower portal. A Union Network Against Forced Labour Products would help to improve cooperation between authorities.

The rules also foresee cooperation with third countries, for example in the context of existing dialogues or implementation of trade agreements. This may include information exchange on risk areas or products and sharing best practices, in particular with countries with similar legislation in place. Commission acting as a lead competent authority may also carry out checks and inspections in third countries, if the relevant company and the government of the third country agree to it.

Quote

Co-rapporteur Samira Rafaela (Renew, NL) said: "This law is ground breaking in the field of human rights. It will prevent forced labour products from entering our market. And it has several references to remediation. It is a step forward in achieving fair trade and cleaning up supply chains, while prioritising human rights. To combat forced and state-imposed labour, we must work with like-minded partners and become a strong ally in the global fight against forced labour."

Co-rapporteur Maria-Manuel Leitão-Marques (S&D, PT) said: "Forced labour has been a reality for too long, and it remains a reality for too many. There were an estimated 27,6 million people affected by it in 2021, mostly in the private sector, but also victims of so-called state-sponsored forced labour. The deal we reached today will assure the EU has an instrument to ban products made with forced labour from the Union market as well as to tackle various forms of forced labour, including when it is imposed by a state."

Next steps

The European Parliament and Council will now both have to give their final green light to the provisional agreement. The regulation will then be published in the Official Journal and enter into force the following day. EU countries will thereafter have 3 years to start applying the new rules.

Background

The forced labour regulation focuses on products and will not place additional due diligence requirements on companies that do not use forced labour in their supply chains. Nevertheless, it is often associated with the directive on Corporate Sustainability Due Diligence that was provisionally agreed between Parliament and Council, but that has so far not been given a final OK from the Council.
(5th March, 2024, www.europarl.europa.eu)

Packaging: Council and Parliament strike a deal to make packaging more sustainable and reduce packaging waste in the EU

Today, the Council presidency and the European Parliament's representatives reached a **provisional political agreement** on a proposal for a regulation on packaging and packaging waste. The aim is to tackle the increase in packaging waste generated in the EU, while harmonising the internal market for packaging and boosting the circular economy.

The proposal considers the full life-cycle of packaging. It establishes requirements to ensure that packaging is safe and sustainable, by requiring that all packaging is recyclable and that the presence of substances of concern is minimised. It also lays down labelling harmonisation requirements to improve consumer information. In line with the waste hierarchy, the proposal aims to significantly reduce the generation of packaging waste by setting binding re-use targets, restricting certain types of single-use packaging and requiring economic operators to minimise the packaging used.

The deal reached today is provisional, pending formal adoption by both institutions.

Main elements of the agreement

Sustainability requirements and recycled content in packaging

The text of the provisional agreement maintains most of the sustainability requirements for all packaging placed on the market and the headline targets proposed by the Commission.

It strengthens the requirements for substances in packaging by introducing a restriction on the placing on the market of food contact packaging containing per- and polyfluorinated alkyl substances **(PFASs)** above certain thresholds. To avoid any overlap with other pieces of legislation, the co-legislators tasked the Commission with assessing the need to amend that restriction within four years of the date of application of the regulation.

The provisional agreement maintains the 2030 and 2040 headline targets for **minimum recycled content in plastic packaging.** The co-legislators agreed to exempt compostable plastic packaging and packaging whose plastic component represents less than 5% of the packaging's total weight from those targets. The Commission will have to review the implementation of the 2030 targets and assess the feasibility of the 2040 targets. The agreement also calls on the Commission to assess, three years following the entry into force of the regulation, the state of technological development of **bio-based plastic packaging** and, on the basis of that assessment, to lay down sustainability requirements for bio-based content in plastic packaging.

The new rules would reduce **unnecessary packaging** by setting a maximum empty space ratio of 50% in grouped, transport and e-commerce packaging, and requiring manufacturers and importers to ensure that the weight and volume of packaging are minimised, except for protected packaging designs (provided that this protection was already in force by the date of entry into force of the regulation).

Re-use targets and re-fill obligations

The text sets new binding **re-use targets** for 2030 and indicative targets for 2040. The targets vary depending on the type of packaging used by operators: alcoholic and non alcoholic beverages (excluding wine and aromatised wines, milk and other highly perishable beverages), **transport and sales packaging** (excluding packaging used for dangerous goods or large-scale equipment and flexible packaging in direct contact with food) and **grouped packaging.** Cardboard packaging is also generally exempted from those requirements.

The agreement introduces a general renewable five-year derogation from the attainment of the re-use targets under specific conditions, including that:

- the exempting member state exceeds by 5 percentage points the recycling targets to be achieved by 2025 and is expected to exceed by 5 percentage points the 2030 recycling targets
- the exempting member state is on track to achieve its waste prevention targets
- the operators have adopted a corporate waste prevention and recycling plans that contribute to achieving the waste prevention and recycling objectives set out in the regulation

The new rules also **exempt micro-enterprises** from attaining those targets and introduce the possibility for economic operators to form **pools** of up five final distributors to meet the re-use targets on beverages.

The co-legislators laid down an **obligation for take-away businesses** to offer customers the possibility of bringing their own containers to be filled with cold or hot beverages or ready-prepared food, at no additional charge. Additionally, by 2030, **take-away activities must endeavour to offer 10%** of products in packaging formats suitable for re-use.

Deposit return systems (DRS)

Under the new rules, by 2029, member states must ensure the separate collection of at least **90%** per annum of single-use plastic bottles and metal beverage containers. To achieve that target, they are required to set up **deposit return systems** (DRSs) for those packaging formats. The minimum requirements for DRS will not apply to systems already in place before the entry into force of the regulation, if the systems in question achieve the 90% target by 2029.

The co-legislators agreed to add an exemption from the requirement to introduce a DRS for member states if they reach a separate collection rate of **above 80%** in 2026 and if they submit an **implementation plan** with a strategy for achieving the overarching 90% separate collection target.

Restrictions on certain packaging formats

The new rules introduce restrictions on certain packaging formats, including **single-use plastic packaging** for fruit and vegetables, for food and beverages, condiments, sauces within the HORECA sector, for small cosmetic and toiletry products used in the accommodation sector (e.g. shampoo or body lotion bottles), and for very lightweight plastic bags (e.g. those offered at markets for bulk groceries).

Next steps

The provisional agreement will now be submitted to the member states' representatives within the Council (Coreper) and to the Parliament's environment committee for endorsement. If approved, the text will then need to be formally adopted by both institutions, following revision by lawyer-linguists, before it can be published in the EU's Official Journal and enter into force. The regulation will be applied from 18 months after the date of entry into force.

Background

Packaging production and packaging waste management is an economically complex and important sector, generating a total turnover of €370 billion in the EU. As such, it plays a significant role and has the potential to transform Europe into a clean, sustainable, circular economy, in line with the European Green Deal. However, even though recycling rates have increased in the EU, the amount of waste generated from packaging is growing faster than the amount recycled. Over the past decade, the amount of packaging waste has increased by nearly 25% and is expected to increase by another 19% by 2030 if no action is taken. For plastic packaging waste, the expected increase is 46% by 2030.

NEWS UPDATES FROM EUROPE

The current EU packaging and packaging waste directive was first adopted in 1994 and has been revised several times. It lays down rules for EU member states to ensure that the packaging placed on the EU market meets certain requirements and to adopt measures to prevent and manage packaging waste, in order to achieve recycling targets for different types of packaging waste. However, several assessments of the directive have shown that it has not succeeded in reducing the negative environmental impacts of packaging.

Against this backdrop, in November 2022 the Commission put forward a proposal for a regulation on packaging and packaging waste that would replace the existing directive. The Parliament and Council adopted their positions on the proposed regulation in November and December 2023, respectively. The Parliament's rapporteur for this file was Frédérique Ries.
(4th March, 2024, www.consilium.europa.eu)

Annual inflation in the EU and eurozone continues to show signs of easing, with January figures showing a fall in 15 of the EU countries. However, the remaining 11 countries recorded a rise

Inflation in the EU has been gradually and consistently falling since its peak at 11.5% in October 2022. In January 2024, the annual inflation in the EU was 3.1%, down from 3.4% in December according to Eurostat, the statistical office of the EU.

That was in sharp contrast to the same time last year when it was 10.0%.

At the same time, the eurozone area annual inflation rate was 2.8% in January 2024, down from 2.9% in December and considerably lower than the 8.6% seen in January 2023.

Prices are rising slowly

Falling inflation indicates that consumer prices are increasing more slowly than they were earlier, although they are still rising. Negative inflation, or deflation, happens when prices fall in an economy. In January, for example, energy prices in the EU were lower than a year earlier.

Eurostat's preliminary estimate, issued on 1 March, demonstrates that annual inflation in the eurozone area fell to 2.6% in February, down from 2.8% in January. However, it is still above the European Central Bank's (ECB) target inflation rate of 2%.

The inflation rate, measured by the Harmonised Index of Consumer Prices (HICP), largely differs across Europe. While it has been seen to cool in most of the EU countries, none of them showed a negative inflation figure in January year-on-year. The Eurostat's estimates for February do not show any sign for such a decline in any country yet.

How do inflation rates in the EU compare and how has the annual inflation changed since its peak?

Inflation hit its highest rate in the past four decades in October 2022.

The COVID-19 crisis was followed by a significant surge in consumer prices as the Organisation for Economic Co-operation and Development's (OECD) report of 2023 showed. Prices began to rise in 2021 because of the rapid rebound from the pandemic and related supply chain bottlenecks.

Russia's invasion of Ukraine also pushed inflation upwards again with its impact on energy prices bringing it, in October 2022, to levels not seen for 40 years.

NEWS UPDATES FROM EUROPE

Between 1997 and the end of 2021, the EU's highest annual inflation rate of 4.4%was recorded in July 2008.

Since that peak, the annual inflation rate in both the EU and eurozone area fell every month, with the exception of one month for each section.

Romania has the highest inflation

January 2024's figures show, the annual inflation ranged from 0.9% to 7.3% in the EU. Romania came in with the highest rate 7.3% among the EU members, followed by Estonia (5%), Croatia (4.8%) and Poland (4.5%).

Lowest inflation in Denmark and Italy

Denmark and Italy recorded the lowest annual inflation rates at 0.9%. Latvia, Lithuania and Finland followed them at 1.1%.

Among other EU's Big Four, the inflation rate was above the EU average for Spain (3.5%) and France (3.4%) while Germany (3.1%) reported the same level as the EU. Inflation in the UK was 4.2%.

When compared with December, annual inflation fell in 15 EU countries, remained stable in one and rose in 11 others.

Inflation is higher in candidates countries

All five candidate countries for which Eurostat provided data revealed higher annual inflation rates than the EU.

Turkey was an extreme outlier at 64.9%. In fact, the opposition parties and former head of TurkStat's claim that the official inflation figures have been manipulated. The annual consumer inflation rate was found to be 129% by the independent Inflation Research Group (ENAG).

Decline expected in 11 out of 20 countries in February

According to Eurostat's preliminary estimate, the annual inflation is expected to fall in 11 out 20 countries of the Euro area in February compared to January.

Slovakia had the highest decline by 0.7 percentage points (pp) from 4.4% to 3.7%, followed by 0.6 pp fall in Spain, Malta and Estonia.

It rose in four countries, namely Belgium (2.1 pp), Luxembourg (0.2 pp), Cyprus and Finland (both 0.1 pp) according to the estimate

In the euro area, Croatia recorded the highest annual inflation rate in February 2024 at 4.8%, while Latvia had the lowest rate at 0.9%, measured by HICP.

Looking at the main components of the eurozone, inflation, food, alcohol & tobacco is expected to have the highest annual rate in February (4.0%, compared with 5.6% in January). It is followed by services (3.9%, compared with 4.0% in January) and non-energy industrial goods (1.6%, compared with 2.0% in January).

The estimate shows that energy inflation will continue to be negative at -3.7%, a remarkable decline compared with -6.1% in January.

In January, unprocessed food inflation was 6.9%, while it eased to 2.2% in February. This might be good news in particular for the low-income households as real food inflation, which is the rate of food inflation minus overall inflation, is **putting** huge pressure on them.

Food and non-alcoholic beverages inflation was 5.4% in the euro area, resulting in 2.8% real food inflation in the eurozone in January.

Economic activity to accelerate in 2024

The European Commission's Winter 2024 Economic Forecast report, released in mid-February, shows that economic activity in the EU is expected to gradually accelerate in 2024. Consumers are also expected to spend more. As inflation continues to drop, real wages will grow. Falling inflation will help to keep rising food prices in check.

(5th March, 2024, www.euronews.com)

EU Policy. Ministers agree to extend gas saving policy through 2024

With no end in sight to president Putin's war on Ukraine, European energy ministers have agreed to extend for a second year voluntary measures to keep natural gas demand across the EU to at least 15% below pre-invasion levels, and discussed ways to end lingering dependence on Russian gas.

Energy ministers have agreed to extend for a second year voluntary measures to keep natural gas demand to at least 15% below where it stood before the full-scale invasion of Ukraine, when Russia supplied some two-fifths of the EU's needs, while the European Commission said the bloc is ready to stop ongoing imports through war-torn Ukraine.

Belgian energy minister Tinne Van der Straeten – who chaired an EU Council summit in Brussels on Monday (4 March) that included a discussion of ensuring reserves are filled in time for the next winter – said the emergency measures had "clearly worked" with gas demand across the 27-member bloc having fallen by 18%.

Governments ushered in a range of measures in 2022 to encourage lower consumption, ranging from awareness raising campaigns to concrete restrictions on the use of air conditioning and obligatory reduction in the temperature of public buildings and swimming pools. Soaring prices also helped dampen demand, especially in heavy industry.

Despite EU gas storage still being 62% full as a particularly mild winter draws to a close, ministers agreed that global gas markets remained tight and vulnerable to unexpected shocks. "Considering the persistent risks...strengthening both preparedness and security of supply will remain crucial," Van der Straeten said.

However, despite efforts to diversify supply – the EU's new centralised purchasing platform was overwhelmed last month with bids to deliver gas between April 2024 and October 2029 – Russia remains a significant supplier ahead of the divorce date of 2027 set out in the RePowerEU plan, rushed out in the wake of the invasion.

Speaking after the ministerial summit, EU energy commissioner Kadri Simson acknowledged that Russian gas still accounted for 15% of EU imports last year, or nearly 43 billion cubic metres. Norway is by far the largest supplier, followed now by the US liquefied natural gas (LNG).

Despite the ongoing military conflict, some 14 billion cubic metres of Russian gas was piped through Ukraine to south eastern Europe last year, but the transit agreement between Russia's Gazprom and Ukrainian pipeline operator Naftogaz is due to expire in December.

But Simson said it was time to end such imports, and that EU efforts to diversify supply routes over the past two years mean any shortfall could be absorbed by the European market.

"The EU has no interest in prolonging the trilateral agreement with Russia, and the focus should now be on supporting Ukraine...and best use its gas infrastructure and storage...integrating it further into the EU energy market," Simson said, although she acknowledged some member states had voiced concerns about the greater expense of alternative options.

The bulk of ongoing Russian gas imports are now in the form of LNG, with 18bcm last year. Ministers discussed a call from Lithuania for "urgent legal actions" to end the import of Russian LNG to Europe.

Van der Straeten told reporters that an EU-level ban on imports would mean adding gas to the list of Russian products already subject to sanctions, and that this would require unanimous support by all 27 member states. It was clear from the intervention by one member state, whom the Belgian minister did not name, that unanimity "would not be a given".
(5th March, 2024, www.euronews.com)

NEW MEMBERS

SAW Engineering

From its humble beginning in the year 2005 with only 02 employees, the 'SAW Engineering' has come a long way and today covers all 9 provinces of Sri Lanka with its Lightning Protection System, Telecommunication support and other related services.

The growing demands for telecom support services motivated the company to strive hard towards an accelerated development programme with a firm determination. The result have been remarkable and within a very short span of time, the company was able to gain much needed public recognition culminating in providing total solution for lightning protection system even at the President's House & Temple Trees while the Nation was still at war.

In a landmark turn of event, 'SAW Engineering' was incorporated into a limited liability business entity, 'SAW Engineering (Pvt) Ltd' on 10th August 2006. Then within the next 4 years, the Company moved into its self – designed, new state – of the – art premises on 2nd March 2010 is a great leap forward. This become a symbol of sound management practices, professionalism & dedication of the entire staff comprising of 15 Engineers and also of the in valuable trust placed by both local and foreign clients. Further the awarding of ISO 9001 – 2008 standards and EM – 01 accreditation by the ICTAD in 2012 become a testimony for outstanding engineering solutions driven by commitment to quality and safety focus.

This energetic journey progressed through several phases such as confining to local purchase initially and then moving into direct and indirect hi-tech importations, playing the role of a supplier, handling tenders in the public & private sector, entering into the field of research while introducing latest technologies and cost effective methods, out sourcing contracts, carrying out civil construction related to telecom service and a host of other additional money saving new initiatives. All these new steps taken from time to time enhanced the standing of the company in the business world and have been recognized by the national leadership, both public and private sector corporate entities and intellectual bodies such as universities and the Institution of Engineers, Sri Lanka.

Our Services

Civil construction and Engineering Solutions

- Total Electrical, Mechanical and Plumbing solutions
- Water and Wastewater management Solutions
- Power distribution and control systems
- Solar power lightning protection and earthing
- Cable management and cable routing
- Tele communication and Telecom infrastructures
- Solid Waste Managements, Waste Incineration and waste to Energy solutions
- Interior Design and landscaping

N-able (Pvt) Limited

Since its establishment in 2008, N-able has led the way in delivering cutting-edge ICT solutions, as a complete technology solutions provider. Clients rely on our expertise for a range of requirements - from infrastructure solutions to applications and data solutions to managed services and more. Founded in Sri Lanka, N-able now operates from Singapore, with a global market presence in Sri Lanka, Bangladesh, Middle East, East Asia and several other regions.

We are driven by a team of over 300 experienced and skilled ICT professionals who spearhead key technology transformation projects. Throughout the years, our expertise has been evident in a wide range of transformative projects across various industries, including Telecommunications, Government, Banking & Finance and Enterprise sectors.

ECCSL EVENTS

Premiere Report Launch & Forum on DEI: Diversity, Equity, and Inclusion as a Strategic Imperative for Business Success and Social Harmony

The European Chamber of Commerce of Sri Lanka (ECCSL), in partnership with the Strengthening Social Cohesion and Peace in Sri Lanka (SCOPE) program, launched the report on “Unlocking the Power of DEI: Diversity, Equity, and Inclusion as a Strategic Imperative for Business Success and Social Harmony” on the 22nd of March at Taj Samudra Colombo. The launch witnessed the presence of many Government and international stakeholders, and ECCSL members along with an educative panel discussion on DEI. This initiative on inclusive business practices is co-financed by the European Union and the German Federal Foreign Office and implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and The Ministry of Justice, Prison Affairs and Constitutional Reforms, seeks to intertwine social cohesion with commercial competitiveness, emphasising the critical importance of ethnic and religious inclusivity in the business sector. The report articulates the significant benefits DEI programmes offer, showcasing Sri Lankan businesses’ achievements in fostering gender, age, and disability inclusivity, and encourages businesses to further Incorporate the dimensions of ethnicity and religion into their programmes.

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MEMBER NEWS UPDATES

EFL 3PL expands operations in India with launch of flagship distribution centre in Mumbai

EFL 3PL, a subsidiary of EFL Global yesterday announced the launch of its flagship Grade A warehousing facility in the vibrant Bhiwandi region of Mumbai.

This strategic expansion, with an investment of $ 5 million, marks a significant milestone in EFL 3PL's commitment to enhancing its presence in India and solidifying its position as a leader in end-to-end logistics solutions and supply chain management.

With over 25 years of experience in the Indian market, EFL has established itself as a trusted provider of freight logistics services. The addition of the state-of-the-art warehouse facility further strengthens both EFL & EFL 3PL's capabilities, offering truly end-to-end services to their diverse clientele across various sectors. Spanning an impressive 175,000 square feet, the Grade A warehouse features modern facilities and advanced logistics technologies. EFL 3PL's holistic approach to logistics solutions, infused with latest technology and innovation, ensures the dynamic requirements of clients are met efficiently and effectively.

EFL Chief Executive Officer Rooso Ramachandran said: "We are delighted to inaugurate our flagship warehouse in Mumbai. This investment underscores our dedication to delivering exceptional service to our clients and meeting the evolving needs of the Indian market. With the launch of this state-of-the-art facility, we are not only expanding our operational footprint but also reaffirming our commitment to providing innovative and reliable logistics solutions. This warehouse represents the culmination of extensive planning and investment. We are confident that it will play a pivotal role in driving efficiency and value for our customers while assuring a one-stop-shop solution to all their logistics needs. We look forward to further strengthening our presence in India and contributing to the growth and success of our clients."

EFL 3PL specialises in providing customised contract logistics solutions, offering clients a distinct competitive advantage through an optimised and efficient supply chain. From basic warehousing to advanced 3PL solutions, the company's strategic integration of cutting-edge technologies empowers it to meet customers' unique and time-sensitive needs effectively.

EFL 3PL is a subsidiary of EFL Global, which has established its footprint in 39 countries to date.
(07th March, 2024, www.ft.lk)

HNB wins Asian Banker Best Retail Bank award

HNB PLC reaffirmed its dominant leadership position, after being ranked as Best Retail Bank in Sri Lanka for the 14th year at Asian Banker Global Excellence in Retail Financial Services Awards 2024.

Managing Director/CEO
Jonathan Alles

Hosted by the prestigious Asian Banker Magazine, the awards are considered among the most rigorous and influential programmes for consumer financial services in the world and are designed to showcase regional institutions that establish new benchmarks in stability, innovation, digital enablement and process re-engineering towards unleashing rapid, sustainable growth.

"For generations, HNB has stood firm in our mission to serve as a partner in progress to all Sri Lankans. Throughout, we have adapted and evolved, integrating cutting-edge technology and global best practices into a deeply customer-centric business model. Our success in retaining leadership of the retail banking sector for 14 years provides further validation to our approach and inspires us to continue striving for greater heights moving forward," HNB Managing Director/CEO Jonathan Alles said.

DGM Retail Banking Group
Sanjay Wijemanne

"We are deeply gratified with the resounding recognition that HNB won at this year's awards. To be crowned Best Retail Bank in Sri Lanka on 14 separate occasions is a remarkable achievement, one that is fuelled by a process of constant evolution and unwavering commitment to excellence from our team," HNB DGM Retail Banking Group Sanjay Wijemanne said.
(13th March, 2024, www.dailymirror.lk)

Cinnamon Life Integrated Resort presents an unparalleled opportunity for businesses to reach new heights through its premium commercial spaces

Cinnamon Life, Sri Lanka's largest mixed development project, a mega 4.5 million sqft. complex with its architecturally stunning 30-storey tower, is offering prime office spaces and a prestigious new address, elevating businesses to new heights.

Strategically located in the heart of Colombo's financial hub, between Colombo Port City and key roads, Cinnamon Life provides corporates an impressive base merging modern workspaces with upscale lifestyle, dining and entertainment - seamlessly connected to the Cinnamon Life hotel, mall and residencies, creating experiences where business and leisure blend.

The tower boasts 24 floors dedicated to offices and five floors for parking. Each level offers 10,564 sqft. of net lettable space, and can cater to the needs of diverse businesses, providing a conducive environment for operations and growth. The tower is billed as a next-gen ready office space on each level and a move-in-ready hub promising to house the next generation of enterprises.

Rusiru Abeyasinghe, Head of Asset Management, John Keells Properties & Vice President, John Keells Group added, "Cinnamon Life office spaces represent a truly global work culture with connectivity and convenience. The tower's emphasis is towards future-focused businesses. It is a strategic investment in a business' transformation. With world-class facilities and a central location, it is the ideal choice for those aiming to reach new heights."

With sweeping views of the Beira Lake including panoramic city views all around, the unparalleled facilities include N+1 redundancy power backup guaranteeing uninterrupted supply, eight (08) high speed passenger lifts to access office floors and two (02) dedicated passenger lifts to access car park floors in addition to dedicated parking slots for each office floor. Other premier amenities include a centralized air conditioning system, 5G provisioned fibre infrastructure for telecom services, access-controlled security turnstiles at the lobby entrance and reception and front desk services with the provision of 24/7 CCTV security surveillance in common areas.

To date, the office tower has already secured renowned anchor tenants such as HCL Technologies and Cinnamon Hotels & Resorts. Several leading local and international businesses will be able to leverage the exclusive address to access Colombo's thriving commercial ecosystem.

Dilan Perera, Associate Director, Operations at HCL Technologies Sri Lanka noted, "As a tech company, having the right infrastructure is crucial. We are a global IT technology solution company with revenues of USD 12.6 billion, operating in over 50 countries. As part

of our expansion and consolidation of operations, we have moved into 10 floors in Cinnamon Life office tower. Cinnamon Life's office tower exceeded our expectations, providing the connectivity and facilities needed. We are extremely happy to have a committed infrastructure partner who delivered on time and kept all their milestones enabling us to operate smoothly and I would like to commend their exceptional support."

Mikael Svensson, Chief Executive Officer of Cinnamon Hotels & Resorts stated, "Our Corporate Office at Cinnamon Life Integrated Resort is redefining the way we operate by seamlessly integrating collaboration and the beauty of Colombo's landscape. The workspace transcends traditional boundaries, offering an open environment where it provides flexible co-working and networking hubs to inspire innovation and encourage meaningful connections. We look forward to welcoming many corporates, both locally and globally, who seek a workspace that combines productivity with a scenic backdrop of Colombo's skyline."

Businesses are invited to seize the opportunity to establish their presence in the heart of Colombo and enhance their business potential.
(12th March, 2024, bizenglish.adaderana.lk)

Cleantech Announces Partnership with CodeGen International for Responsible E-Waste Disposal

Cleantech (Pvt) Ltd., Sri Lanka's leading provider of integrated waste management solutions, recently announced their partnership with CodeGen International for the responsible disposal of electronic waste (e-waste) for companies Vega Innovations, Codegen, Elektrateq, and Voltmotive. It reinforces Cleantech's commitment to offering environmentally friendly solutions for the IT industry and its ongoing pursuit of a more sustainable future for Sri Lanka.

Rukitha Nanayakkara, CEO of Cleantech (Pvt) Ltd, expressed his enthusiasm about the partnership, stating, "We are proud to collaborate with CodeGen International to ensure the safe and responsible disposal of e-waste from a leading IT company. E-waste contains hazardous materials that pose a threat to both the environment and human health if not disposed of properly. Through partnerships, our clients are empowered to meet their environmental compliance obligations whilst Carrying out their business operations. That burden is shouldered by us on behalf or our partner.

As a pioneer in e-waste management in Sri Lanka, Cleantech holds a Scheduled Waste Management License issued by the Central Environmental Authority, along with BASEL Clearance, allowing for the export of e-waste to Japan and Europe. Their recycling facility specializes in pre-processing e-scraps for environmental sustainability, and offer secure data destruction services for electronic devices and hard drives. Additionally, Cleantech boasts ISO 9001 (Management) and 14001 (Environmental Management) certifications, further solidifying their dedication to quality and environmental responsibility.

E-waste represents one of the fastest-growing waste streams globally, and its responsible disposal is crucial for protecting both human health and the environment. Improper e-waste disposal can lead to the release of toxic chemicals into the air, water, and soil, further contributing to climate change through greenhouse gas emissions.

Cleantech remains committed to raising awareness about the importance of responsible e-waste disposal through its e-Kunu program. Launched in collaboration with Dialog Axiata, the program provides a convenient and secure way for individuals and businesses to dispose of their e-waste. Through a network of collection centers island-wide, e-Kunu offers a simple and accessible solution for responsible e-waste disposal, contributing to a cleaner and greener Sri Lanka.

Through its partnership with CodeGen International, Cleantech is actively contributing to building a more sustainable future for Sri Lanka. The company remains dedicated to providing innovative and environmentally friendly waste management solutions that safeguard both the environment and human health.

Cleantech for a Cleaner, Greener tomorrow.
(13th March, 2024, bizenglish.adaderana.lk)

Hayleys Aventura becomes official service partner for world's leading water pump manufacturer Grundfos

Hayleys Aventura has become Sri Lanka's official service partner (SP) for Grundfos, the globally renowned Danish manufacturer of water pumps.

The SP uniquely positions Hayleys Aventura to provide unparalleled after-sales care and expertise across the entire range of Grundfos products, through the integration of its software systems, access to a comprehensive spare parts inventory and a wealth of technical information.

With tailored capability building programs provided by Grundfos, Hayleys Aventura's staff are empowered with the requisite knowledge and skills to efficiently address and exceed customer requirements, solidifying their status as trusted experts in Grundfos product support in Sri Lanka.

This partnership which commenced in 2014, will now further enhance Hayleys Aventura's capability to deliver a stronger customer value proposition from end-to-end, including after-sales services.

"We're excited to declare our strategic partnership with Grundfos as its official service partner in Sri Lanka, reinforcing our commitment to deliver exceptional solutions. This collaboration enhances our service and support capabilities, reaffirming our dedication to ensure customer satisfaction whilst setting new standards in engineering excellence," Hayleys Aventura Head of Power Engineering Thilina Bandara said.

Aftermarket Senior Regional Sales Manager CBS APAC Meenna Yodrayub expressed her enthusiasm about the collaboration stating, "Our mission has always been to provide the most optimum water solutions to the world, and this partnership will bolster Hayleys Aventura's capabilities to add more value to our customers across borders, so we can continue to do what we do best. Ultimately, by enabling Hayleys Aventura to handle the after sales related services, they can now present customers with a total solution to make our pumps more reliable and resilient, on par with the highest global standards."

Drawing on its engineering expertise, Hayleys Aventura has already executed numerous large-scale projects island-wide via Grundfos products, including installations in one of the country's largest public sector banks.

An after-sales Grundfos pump replacement project was able to save over 200 (Kwh) electrical units for the client, daily. Meanwhile, an installation of pumps for the improvement of a sand filter, was estimated to have incurred a saving of more than 215,000 (Kwh) per annum.

From conserving energy via smarter and more efficient pumping technologies, to reusing over 1.8 billion m3 of water annually, these efforts underscore Grundfos' commitment to sustainability in its portfolio, thereby opening avenues for the company's customers to achieve the LEED U.S. Green Building Certification.

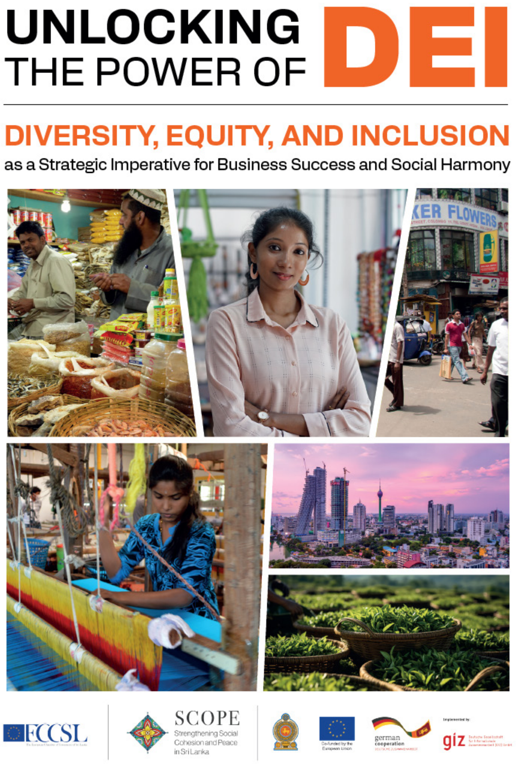
Grundfos, a global leader with a production capacity exceeding 20 million pumps annually, operates in six strategic locations worldwide, including Hungary, China, North America, South America, and an assembling plant in Singapore. The company is dedicated to developing solutions that enhance water efficiency, reduce energy consumption, and contribute to environmental sustainability by reducing carbon emissions whilst operating on renewable energy sources.

Representing the Industrial Inputs and Power and Energy sectors of Sri Lanka's most diversified conglomerate, the Hayleys Group, Hayleys Aventura consists of five diversified strategic business units: power engineering solutions, industrial machinery, medical and analytical solutions, industrial raw materials and power and renewable energy.

As a premier industrial solutions provider, committed to innovation, scientific advancements, and sustainability, Hayleys Aventura continues to be a frontrunner in providing Sri Lanka with world-class solutions across various segments.
(5th March, 2024, www.ft.lk)

ECCSL PARTNERS

ECCSL's Inclusive Business Practices Project



The European Chamber of Commerce of Sri Lanka (ECCSL), in partnership with the Strengthening Social Cohesion and Peace in Sri Lanka (SCOPE) program, has launched the Inclusive Business Practices project. This initiative, co-financed by the European Union and the German Federal Foreign Office and implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the Ministry of Justice, Prison Affairs and Constitutional Reforms, seeks to intertwine social cohesion with commercial competitiveness, emphasising the critical importance of ethnic and religious inclusivity in the business sector.

The project highlights the private sector's capacity to simultaneously advance societal well-being and bolster its economic performance. Through comprehensive research, including an extensive literature review and interviews with representatives from 41 diverse businesses across all nine provinces of Sri Lanka, ECCSL has compiled the insights into a compelling new report: **"Unlocking the Power of DEI: Diversity, Equity, and Inclusion as a Strategic Imperative for Business Success and Social Harmony."**

SCOPE
Strengthening Social Cohesion and Peace in Sri Lanka

Co-funded by the European Union

german cooperation
DEUTSCHE ZUSAMMENARBEIT

Implemented by:
giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

This report articulates the significant benefits DEI programs offer, showcasing Sri Lankan businesses' achievements in fostering gender, age, and disability inclusivity, and encourages businesses to further incorporate the dimensions of ethnicity and religion into their progams. Among its key findings, the report underscores DEI's role in enhancing profitability, creativity, resilience, and market reach. It shows that DEI is not merely a moral obligation but a vital, long-term investment for sustainable business growth.

Specifically, the report offers nine actionable recommendations for businesses to leverage DEI effectively. These include adopting a holistic approach to DEI, extending beyond mere compliance to embracing its complexities and potential for continuous improvement. It encourages leveraging existing successes in traditional DEI areas to address more nuanced aspects such as ethnicity and religion, and it calls for innovative practices like comprehensive workforce diversity analysis, ongoing DEI training, promotion of multilingualism, and support for employee mobility.

The study also acknowledges challenges such as language barriers and economic pressures but firmly positions DEI as an essential strategy for future-proofing businesses. Investments in DEI are shown to not only boost employee morale and productivity but also to equip businesses with resilience against future challenges.

In essence, the ECCSL's Inclusive Business Practices Project and the subsequent report serve as a foundational step toward recognising and harnessing the transformative power of DEI within the Sri Lankan business landscape. It champions a proactive, nuanced approach to integrating DEI into the fabric of everyday business operations, aligning with global best practices and positioning local enterprises as leaders in societal transformation.

This initiative calls upon the business community to embrace DEI as a catalyst for not just economic prosperity but also for fostering a more unified and resilient Sri Lanka. Businesses interested in advancing this vital agenda are invited to engage with ECCSL for a hard copy of the report, marking a commitment to shaping a more inclusive future for all Sri Lankans.

The Race for Sustainability: Unrealized Solar Energy Potential in Sri Lanka and An Opportunity for Swedish Leadership

In 1967, Sweden became the first country to implement an Environmental Protection Act. Shortly after, it hosted the first United Nations Conference on the Human Environment. Today, it ranks as #2 on the United Nations Sustainable Development Goal Report. More than 60% of Sweden's energy is renewable and the country has pledged to eliminate fossil fuels by 2045. Sweden is home to many sustainable initiatives researching diverse approaches to the climate crisis. Two such initiatives are WAYOUT Water and Spowdi. WAYOUT Water distributes 20,000 liters of cleansed and mineralized water a day, enough to supply the average daily water intake of 10,000 people. Spowdi is a targeted irrigation system that allows farms to irrigate large harvests at a lower cost and in a time efficient manner. Both companies use solar energy to power their technology. Sweden's strength in sustainability gives it the opportunity to set an example for the global community and invest in renewable energy abroad.

One such country in need of sustainable investment is Sri Lanka, an island nation especially susceptible to climate change. As a country that takes in 4-6kWh of sunlight a day across a span of 5-7 hours, it has a massive unrealized potential for solar energy. Its proximity to the equator ensures that any solar panels installed would be hit directly, strongly, and consistently with sunlight. However, due to lack of policy, financing, and regulations, solar energy makes up a miniscule fraction of Sri Lanka's energy. Sri Lanka hopes that most households will be run by solar energy by 2026, but with 11.26 billion dollars of energy investment needed to meet its 2030 targets, Sri Lanka's sustainability pledge is in need of support.

The India-Sweden Innovation Accelerator, an intergovernmental project between Sweden and India, aims to match sustainable Swedish companies with India in order to help India achieve its sustainability goals. These include renewable energy companies such as Absolicon which specializes in solar thermal production. India receives 4-7kWh of sunlight a day, similar to Sri Lanka, and its utilization of solar energy has drastically improved standards of life in small villages. For example, renewable energy took the strain off of women and girls tasked with collecting fuel wood and cooking in dangerously smoky kitchens. India ranks 4th in solar PV deployment. Sri Lanka, despite having similar solar intake as India, ranks as 58th. This is due to the lack of renewable energy investment in Sri Lanka.

The Ceylon Electricity Board of Sri Lanka recently announced the opening of its application for companies to invest/develop 165 MW (AC) of ground mounted PV projects. The companies will be responsible for financing and constructing the solar plants in a 20 year PPA signed with the Ceylon Electricity Board. Companies can apply by May 3rd. This is an opportunity for Sweden to use its place as a global leader in sustainability to invest abroad to assist Sri Lanka in achieving its sustainable development goals and improve standards of life. By strengthening ties between Sweden and Sri Lanka, through organisations such as the Sweden- Sri Lanka Business Council, the two countries can together aspire to improve sustainability globally and promote companies with renewable technologies.

- Fiona Burton - SSLBC associate

MEMBER ARTICLES

ATG Group Hosts The Inauguration Of Green Investment Zones Project In Wathupitiwala

ATG Hand Care PVT LTD proudly spearheaded a remarkable tree planting event, marking the beginning of the year 2024 in grand style. On the eleventh (11) of January, nature enthusiasts and conservationists from ATG Group and Board of Investment Zone, Export Processing Zones were invited to ATG Hand Care premises bordering the Kithul Kola deniya Lake to plant a tree to make the environs of Wathupitiwala a greener one. This commendable initiative aligned perfectly with the larger objective of transforming all investment zones in Sri Lanka into flourishing Green Investment Zones, highlighting ATG Hand Care's passion for eco-friendly practices.

The tree planting event was led by Mr. Fazal Abdeen - Managing Director of ATG Group, and Mr. Lawrence Madapatha - Executive Director of Export Processing Zones - Board of Investment, Sri Lanka. Mr. Jamaal Abdeen - Project Manager of the ATG Group, Mr. Prasad Silva - Senior Deputy Director (Zones) - Wathupitiwala Export Processing Zones, and Mr. Saif Ramzi, General Manager of ATG Hand Care in Wathupitiwala, also attended this event. Over two hundred (200) trees including Kumbuk, Karanda, and Mee species are proposed to be planted in the area.

Expressing his views at the occasion, Executive Director of Export Processing Zones - Board of Investment, Sri Lanka, Mr. Lawrence Madapatha, emphasized the significance of involving the entire society and promoting the concept of environmental conservation.

ATG Hand Care in Wathupitiwala is actively participating in ATG Group's larger endeavor to plant one million trees, as part of their commitment to reducing greenhouse gasses and achieving environmental sustainability and development goals.

The Kithulakoledeniya Lake, located near the Yakadawala Mookalana Reservation, has undergone a significant depletion of its water resources, rendering it an arid, barren terrain. Additionally, the surrounding vicinity is plagued by unsightly dirt and mud resulting from waste accumulation, which forces local wildlife to find alternative habitats.

To address this urgent issue, ATG Hand Care proposed to restore the neglected terrain surrounding the lake while simultaneously introducing significant plant species to revitalize the ecosystem.

Mr. Saif Ramzi, the General Manager of ATG Hand Care in Wathupitiwala, stated that the company is dedicated to preserving the diversity of the industrial environment ecosystem and minimizing environmental damage. ATG Hand Care is actively working towards creating an environment that promotes the physical and mental well-being of their staff members.

Last year, ATG Hand Care PVT LTD collaborated with Rotary District 3220 for a significant tree planting initiative. As a contribution to this project, ATG Group generously sponsored five thousand (5,000) plants that are indigenous to the mountainous regions of Sri Lanka. The primary goal of this tree planting endeavor was to safeguard the mountain ecosystems. The planting activities took place at Palmerston Estate, owned by the Hayleys Group and located in Thalawakele.

The ATG Group of companies, which has made environmental conservation a core objective, prioritizes safety of the environment throughout the entire production process and beyond. Dr. Sunil Mendis, Director - Research and Development of ATG Group, confirmed that the company conducts thorough assessments of the environmental impact of new products. Moreover, Mr. Fazal Abdeen - Managing Director of the ATG Group, pioneers the organization's commitment to reduce global warming and carbon emissions by planting one million saplings by 2030, Dr Mendis added.

About ATG: ATG Intelligent Glove Solutions is a pioneering leader in the glove industry, providing cutting- edge technologies and innovative solutions that redefine hand protection. With a relentless commitment to excellence, ATG is revolutionizing the way industries approach workplace safety, comfort, and performance. Our intelligent gloves are engineered to meet the diverse needs of professionals across various sectors, empowering them to work with confidence and efficiency.

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TRADE EVENTS – EUROPE

APRIL

03

SITEM PARIS

VENUE : *PARIS, FRANCE*

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09

MT TSL NADARZYN

www.warsawexpo.eu

VENUE : *NADARZYN, POLAND*

FOCUSSED AREA: *MT TSL IS A LEADING TRADE FAIR FOCUSED ON TRANSPORT, LOGISTICS, AND RELATED TECHNOLOGIES, HELD AT PTAK WARSAW EXPO IN NADARZYN. THE FAIR TAKES PLACE ANNUALLY AND ATTRACTS INDUSTRY EXPERTS, COMPANIES, SERVICE PROVIDERS, AND TRADE VISITORS FROM ALL OVER THE WORLD. IT IS ORGANIZED BY PTAK WARSAW EXPO SP. Z O.O. PTAK WARSAW EXPO IS THE LARGEST EXHIBITION AND CONGRESS CENTER IN POLAND AND THE ENTIRE CENTRAL AND EASTERN EUROPE REGION. AT MT TSL, COMPANIES PRESENT THEIR LATEST PRODUCTS, SERVICES, AND INNOVATIONS IN THE FIELD OF TRANSPORT AND LOGISTICS, INCLUDING FREIGHT FORWARDING, WAREHOUSING, TRAFFIC MANAGEMENT, IT SYSTEMS, AND LOGISTICS INFRASTRUCTURE.*

11

KRAKDENT KRAKÓW

www.targi.krakow.pl

VENUE : *KRAKÓW. POLAND*

FOCUSSED AREA: *"KRAKDENT" REPRESENTS A SIGNIFICANT INTERNATIONAL TRADE FAIR IN THE DENTAL SECTOR, PRIMARILY TARGETING DENTISTS, DENTAL TECHNICIANS, DENTAL HYGIENISTS, AND ASSISTANTS. IT IS HELD ANNUALLY AT THE INTERNATIONAL EXHIBITION AND CONVENTION CENTER EXPO KRAKOW IN KRAKOW, SERVING AS A CENTRAL PLATFORM FOR EXPERTS FROM THE MEDICAL SECTOR.*

12

AFFORDABLE ART FAIR BERLIN
affordableartfair.com

VENUE : *BERLIN, GERMANY*

FOCUSSED AREA: *THE "AFFORDABLE ART FAIR BERLIN" (OFTEN ABBREVIATED AS AAF BERLIN) STANDS AS A PROMINENT EVENT IN THE CONTEMPORARY ART WORLD. SINCE ITS INCEPTION, IT HAS EARNED A DISTINGUISHED PLACE IN THE GLOBAL ART ARENA. BEYOND BERLIN, THE AFFORDABLE ART FAIR GRACES MAJOR CITIES LIKE NEW YORK, STOCKHOLM, LONDON, AND AMSTERDAM, MAKING IT A MUST-VISIT DESTINATION FOR ART ENTHUSIASTS ACROSS THE GLOBE.*

16

IN-COSMETICS GLOBAL PARIS

VENUE : *PARIS, FRANCE*

FOCUSSED AREA: *THE IN-COSMETICS GLOBAL IS AN INTERNATIONAL COSMETICS FAIR AND IS HELD ANNUALLY AT DIFFERENT LOCATIONS WITHIN EUROPE. AT THIS TRADE FAIR EXHIBITORS PRESENTING NUMEROUS A WIDE RANGE OF PRODUCTS IN THE COSMETIC FIELD, MAKING COMMUNICATION AND INFORMATION PLATFORM IN THE INDUSTRY AND OFFERS THE EXHIBITING COMPANIES THE OPPORTUNITY TO PRESENT THEMSELVES TO A BROAD AUDIENCE.*

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SOLAR & STORAGE LIVE LONDON
www.terrapinn.com

VENUE : *LONDON, UNITED KINGDOM*

FOCUSSED AREA: *SOLAR & STORAGE LIVE IS A LEADING INTERNATIONAL TRADE FAIR FOCUSING ON SOLAR PV, STORAGE, AND COMPLEMENTARY TECHNOLOGIES. THE NAME OF THE FAIR REFLECTS ITS FOCUS ON SOLAR ENERGY AND ENERGY STORAGE. THE FAIR SERVES AS A VITAL MEETING POINT FOR NATIONAL AND INTERNATIONAL EXHIBITORS TO SHOWCASE THEIR LATEST INNOVATIONS IN SOLAR ENERGY, PHOTOVOLTAICS, ENERGY MANAGEMENT, AND RELATED TECHNOLOGIES. KEY THEMES OF THE FAIR INCLUDE RESPONSIVE ENERGY, THE FUTURE OF POWER GRIDS, ELECTRIC VEHICLES AND INFRASTRUCTURE, AS WELL AS PV TECHNOLOGY.*

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