



# Insight



## Back on Track



The Sri Lankan economy is anticipated to emerge out of its crisis by the second quarter of 2010, in line with the global economic comeback, a CEO of a leading international bank was reported to comment.

The country has the "potential to perform very well," backed by the International Monetary Fund's (IMF) stand-by loan arrangement, the issuance of government bonds, international investor purchases and improving foreign exchange reserves due to which economic stability is set to materialize by the Second Quarter of 2010, the Hongkong and Shanghai Banking Corporation (HSBC) Sri Lanka and Maldives CEO Nick Nicolaou said.

The HSBC CEO for Sri Lanka and Maldives made these observations during an exclusive interview with the Daily Financial Times yesterday at his Colombo office. He also believes that by that time elections would have been completed and a stable political environment, a factor that is vital for economic development, would have also gained much ground.

Mr. Nicolaou also noted that with the receding economic crisis, stability would also return to the country which in turn would create a level of certainty and would be ctd on p3

## Lanka Trade Team Visit Saudi Arabia



From left : Saman Maldeni, leader of the Lankan trade team, Sarath Kumara ,minister at the Sri Lankan Embassy , Sabarullah Khan its charge d' affairs and Dr. Hamad Olayan, executive director of Al Marat Trading Company are seen at a reception hosted by Sri Lankan Embassy in Riyadh, Wednesday. . AN Photo By Mohammed Rasooldeen

**Sri Lanka** has an array of products and services to offer to the Saudi market, observed Saman Maldeni, who wrapped a six-day visit to the Kingdom on Thursday, Oct 29, 2009 in Riyadh.

Maldeni who led a team of trade representatives from 20 of the island's companies said that the delegates were able to identify several areas of cooperation that have to be worked in the coming months.

The team visited Jeddah and Riyadh and their program was arranged by the Consulate General in the Western Province and the Sri Lankan Embassy in Riyadh.

"Our mission was to explore the potential of the Saudi Arabian markets for Sri Lankan exports and we will continue to visit the Kingdom to strengthen our ties with our counterparts in the Kingdom," Maldeni, who is also the Deputy Director of Sri Lanka Export Development Board said. ctd on p4



## Business Opportunities

### Aquarium Fish

Mr. E.S. Randika Fernando  
Randika Aquarium Farm House

No.392/A-1, Bathgammulla, Ragama  
Tel.+94 11 251 653 / 295 4369  
Fax.+94 11 295 4369

[E-mail-Ethicalf@sltnet.lk](mailto:E-mail-Ethicalf@sltnet.lk)

### Desiccated Coconut

Mr. Sunil J Watawala, Chairman  
Siriyanigani D/C Mills (Pvt) Ltd

Giriulla Road, Katana, Sri Lanka  
Tel.+94 31 224 0306  
Fax.+94 31 224 928 / 907

[Email-sunilwatawala@wow.lk](mailto:Email-sunilwatawala@wow.lk)

### Tea, Coconut milk powder, Kithul Treacle, Jaggery

Mr K.K. H.I Wayaman, Managing Director  
Sportsman Food Exports (Pvt) Ltd

50/14, Attidiya Road, Kawdana, Dehiwela  
Tel.+94 11 273 8054  
Fax.+94 11 271 6805

[E-mail-harshana@sportsmanfe.lk](mailto:E-mail-harshana@sportsmanfe.lk)

### Fresh Fruits & Vegetables

Mr. Lakshman Maralande  
Managing director

**Green Line Lanka Enterprises**  
146/10D, Dutugemunu Street, Kohuwela, Dehiwela  
Tel.+94 777 870 505  
Fax.+94 11 483 0223

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## Lanka Trade...

Describing the visit as a success, he said that the Commercial Section of the Riyadh Embassy and Consulate in Jeddah organized a series of one-to-one business meetings aimed at matchmaking between Sri Lankan exporters and Saudi Arabian companies.

During its stay in the Kingdom, the delegation had the opportunity to visit an array of leading supermarket chains, and meeting with their management, comprising, Bin Dawood, Hyper Panda, Al-Sadhan and Al-Othaim based in Jeddah and Riyadh.

The business delegation consisted of companies holding portfolios in a number of established and growing export sectors in both goods, including ornamental fish, desiccated coconut, fruit and vegetables, garments, trailers, porcelain ware, and tea, and also services, including business outsourcing and information technology. The total trade turnover between the two countries accounted at US\$ 249.541 in 2008 and Saudi Arabia is enjoying a favorable balance of trade with Sri Lanka. "We expect the visit will help increase trade opportunities for Sri Lankan products in this large market," said Abdul Lateef Mohamed Lafeer, Consul General in Jeddah.

## Imthias ...

"Imthias Hameed was instrumental in organizing the Tsunami fund project 2004 in the Eastern Province and pioneered the revival of SLEA-EP in 2002. He was involved in many service events to the Sri Lankan community in the Eastern Province and was known to everybody as a person who cared for the Sri Lankan expatriates over 30 years," a statement from SLEA said .

"Cricket was in his fondest pastime. He did everything possible to spread the game amongst his Sri Lankan community," Mohamed Zanefer said, recalling that Sri Lanka Sports Club popularly known as SLSC was his brainchild."

The deceased has been working for Dallah Trading Company for more than two decades.

Hameed is survived by his wife Shaheerin, son Shazly and two daughters Shazna and Shaza. The funeral took place at the Thuqbah Burial Grounds in Alkhubar on Monday Nov 9. For condolences, please contact contact tel. 03 867 9014 — Mobile: 056 329 2993 or email: [shazna-2@hotmail.com](mailto:shazna-2@hotmail.com)

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## Economy – ctd from page 1

followed through with Foreign Direct Investment (FDI). In addition to this, the Bank has plans of branching out into Jaffna by opening all of its current services to the North. Meanwhile, a branch relocation from Kollupitiya to CH&FC at Maitland Crescent will also be carried out while an upgrading of all branches is also scheduled for completion.

### Trends in the industry

According to Mr. Nicolaou the local banking industry has observed an increase in deposits and a reduction in credit growth mainly due to the money that flowed into the industry from previously unregulated institutions; while there has been a lack of demand on the credit side.

Moreover, the CEO said that the Non Performing Loans (NPLs) in all banks that had been rising according to CBSL statistics have now averaged at 8.7%. HSBC's NPLs in the meantime increased but the "big point to make is that it's much below the industry average," Mr. Nicolaou said.

Speaking on the lending activities to different sectors, the HSBC CEO for Sri Lanka and Maldives said that his bank had expressed its interest to lend to the tea, rubber, apparel, increasing in agriculture and the tourism industry as well.

In addition HSBC plans to continue the credit card book since there has been "remarkably resilient" spend level due to the brand and promotions carried out lately, the CEO explained.

HSBC Sri Lanka will also be making their contribution to the agriculture sector as part of the government initiative to upgrade this sector in Sri Lanka by achieving the bank's allocation of its lending to the sector within 10% of its portfolio. Mr. Nicolaou said that there was potential in the areas of agriculture and dairy products and together with the potential in the fisheries industry as well that had been restricted previously. In this respect, the bank will be supporting some of the industry's larger agriculture network for the export market.

## Double Taxation Talks in Riyadh

**Negotiations for an Agreement on the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income between the Kingdom of Saudi Arabia and Sri Lanka**



*l to r – Mr.Fahad Kharashi, Dr.Ibrahim Barrak, Mr.Hamad Najashi, Mr.Mahinda Medagoda, Mr.H.B.A.Senevirathne, Mr.J.P.Jayasekara, and Yasantha De Silva*

The second round of bilateral negotiations between the two countries was held from 18<sup>th</sup> -21<sup>st</sup> October 2009 in Riyadh, Saudi Arabia in order to conclude the draft text.

During the negotiations the two sides exchanged views on taxes and Zakat. At the end of 4 days of negotiations both the parties agreed on the draft text and concluded the negotiations.

The Sri Lankan delegation was led by Mr. Mahinda Medagoda, Commissioner General of Inland Revenue Department and consisted of Mr. A. Sabarullah Khan, Charge d Affaires of Sri Lanka Embassy in Riyadh, Mr. .H. B. A. Senevirathne, Senior Commissioner of Inland Revenue Department and Mr. J. P. D. R. Jayasekara, Deputy Commissioner of Inland Revenue Department. The Saudi delegation was led by Mr. Hamad Al Najashi, Director General of Department of International Economic Relations, Ministry of Finance and included Dr.Ibrahim Al Barrak, Legal Advisor, Ministry of Finance and Mr. Fahad Al Kharashi, Tax Advisor, Ministry of Finance.

The current text which has been successfully negotiated in Saudi Arabia is due to be signed during a high level visit.

### SL vs INDIA CRICKET TOUR MATCH SCHEDULE

Nov 16-20: First Test Match – Ahmedabad  
Nov 24-28: Second Test Match – Kanpur  
Dec 2-6: Third Test Match – Mumbai  
Dec 9 – First T20 – Day/Night Nagpur  
Dec 12: Second T20 – Day/Night – Chandigarh  
Dec 15: First ODI – Day/Night - Rajkot  
Dec 18: Second ODI – Day/Night – Visakhapatnam  
Dec 21: Third ODI – Day/Night – Cuttack  
Dec 24: Fourth ODI – Day/Night – Kolkata  
Dec 27: Fifth ODI – Day/Night – New Delhi

## WAP Launch in SL



*President Mahinda Rajapaksa, Leisha De Silva Chandrasena, Chairperson, Sri Lanka Telecom, Malraj Balapitiya, Chief Executive Officer, SLT Publications and Ruwan Wijetunga, General Manager (Sales and Marketing) at the launch of WAP*

President Mahinda Rajapaksa launched the Wireless Application Protocol (WAP) for all mobile users to access directory information either locally or overseas.

Speaking at the event, the President said that this product is a direct result of his Government's objective of popularizing and providing information via mobile operators to over 13 million citizens across the country.

Leisha De Silva Chandrasena, Chairperson of Sri Lanka Telecom (SLT) said that SLT is proud to have been able to fulfill the President's prerogative to make information technology available to the entire nation. "In addition, we will also donate part of this revenue generated from advertising to the nations' Api Wenuwen Api fund."

WAP is a browser developed to access information through mobiles. It was noted that through this innovation, the service provider will unite with other telecom service providers to make Directory information available to all mobile phone users. The information is also available in all three languages. Basic information like government organizations, emergency numbers and telephone numbers for schools, Boards and hospitals will be online.

"We are constantly in the process of upgrading our services and hope to provide an even better service in the future by revolutionizing mobile communications and making Directory and Rainbow Pages information available to mobile users via WAP to a mobile user base of around 13 million people in Sri Lanka," said Manilal Balapitiya, CEO, SLT Publications.

## Farewell to Sam



A senior Sri Lankan banker died of a heart attack on Oct 29, 2007, just after taking over his new assignment as General Manager, Finance at the newly established Al Hilal Bank in Abu Dhabi in the UAE.

Lookman Samsudeen, 42, who worked as the General Manager Finance at the Al Rajhi Bank in Riyadh completed his assignment in Saudi Arabia and moved, from Colombo to take over his new appointment in the Emirates.

At the time of his death, Samsudeen was holding discussions with the bank's Human Resources Director on the institution's budgetary plans. Samsudeen's wife Jeeva and his three children were to arrive in Abu Dhabi on the very same night.

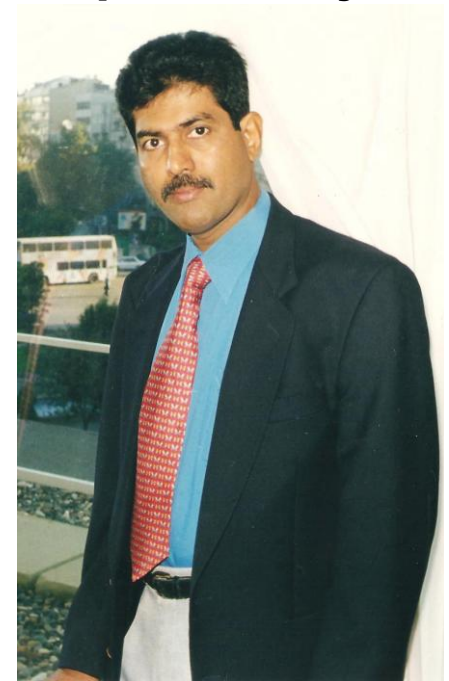
Lookman, affectionately known as "Sam" to all his friends and loved ones, started his career with Citibank Colombo in 1987 and was promoted as its Director of Finance. He subsequently came to Saudi Arabia in 2007. Subsequently he moved to South Africa as Citibank's GM Finance for the African region.

He held the position of Treasurer of the newly formed Saudi-Sri Lanka Friendship Society based in Riyadh and was actively involved in its infrastructure development.

Lookman had left Saudi Arabia only 10 days before his death to take up the new assignment in the UAE.

Irshard Halaldeen, a senior banker at Al Rajhi Bank in Riyadh, who has been a close friend of Sam, said that the deceased was a simple, kind, loving, and intelligent human being who was very well received by all who knew him.

## Sportsman Imthias passes away



Prominent sportsman and Sri Lankan community leader Abdul Hameed Imthias Hameed, 52, died, after a brief illness at the Saad Specialist Hospital in Alkhorbar on Nov 8, 2009.

Hameed was the founder President of the Sri Lankan Sport Club in Damman, and, had also served as President of Dammam Cricket Association. He held the position of Vice President of the SLES EP in 2007. He took an active role in community events and was largely responsible in amalgamating several Lankan bodies in the region.

As an old boy of Zahira College, he had served his alma mater as its senior prefect and had played hockey, soccer and rugby for his school.

A close friend, Ahmad Hashim stated that it was not only a great loss for his family but also a greater loss for the community. "He was an amiable person who was good to everyone including his friends and foes," he said, pointing out that a Saudi neighbor of the deceased, Hussein, went out of his way to facilitate the quick clearance of the documents related to the funeral arrangements. He also took the opportunity to thank the officials of the Sri Lankan Embassy in Riyadh and friends and relatives who extended their cooperation during the illness of the deceased.

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