

# National Day of Democratic Socialist Republic of Sri Lanka

The Daily Star

SPECIAL SUPPLEMENT

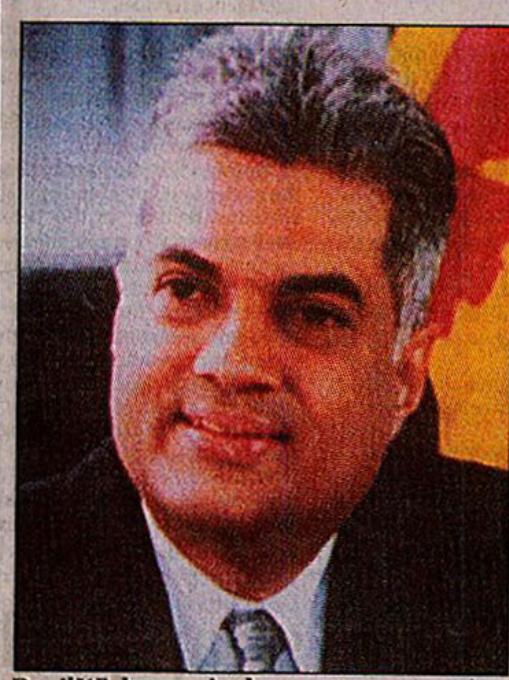
February 5, 2004



Chandrika Bandaranaike Kumaratunga  
President  
Democratic Socialist Republic of Sri Lanka

## Message

On this our 56th Independence Day, I extend to all Sri Lankans my best wishes for happiness and prosperity.



Ranil Wickremesinghe  
Prime Minister  
Democratic Socialist Republic of Sri Lanka

## Message

Today, we celebrate the 56th anniversary of Sri Lanka's independence. This is traditionally an occasion to reflect on the past and look to the future with renewed commitment and dedication to pursue our objective of achieving lasting peace and prosperity.

The Independence Day anniversary this year comes at a particularly crucial juncture. The Ceasefire Agreement, which came into force in February 2002, has held, by and large, ending almost two decades of senseless bloodshed and destruction. The earnest hope and expectation of all Sri Lankans is that the Peace Process will be resumed soon, in order to reach a just and durable settlement to the armed conflict.

During the last two years, we have been able to put the country back firmly on the path of economic recovery. We have also been able to achieve significant progress in rehabilitation, reconstruction and resettlement in the areas affected by the conflict. We are greatly encouraged by the confidence reposed by the international community through their consistent support for the Peace Process. The pledges at the November 2002 Oslo meeting and the June 2003 Tokyo Donor Conference are tangible expression of such international support.

On this occasion, I look forward to the continued support and co-operation of the international community as well as all expatriate Sri Lankans to usher in an era of enduring peace and prosperity to our nation. I am confident that Sri Lankans abroad will continue to remain actively engaged in promoting the nation's interest.

Tyrone Fernando, PC, MP  
Minister of Foreign Affairs  
Democratic Socialist Republic of Sri Lanka

**FEELTATIONS  
OF THE  
56<sup>TH</sup> INDEPENDENCE ANNIVERSARY  
OF  
SRI LANKA**

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## Message

This year's 56th National Day represents an important milestone on the road to peace and prosperity for all Sri Lankans. Despite recent upheavals we are about to celebrate two years of a ceasefire agreement that has already seen a more peaceful and prosperous environment in our island.

For nearly half of the fifty-six years of post independence you have suffered war as well as political insurrections. Many had given up hope and yet slightly more than two years ago you voted for peace. The ceasefire that followed has been hard won and recently has been put at risk unnecessarily.

If we as a nation are to celebrate a 57th National Day with continued peace and the prosperity that will follow, then only you, the people can make it happen. To have continued peace it must become the People's Peace; one in which you share the responsibility for creating a peaceful environment and one where the voices of hate and greed are silenced.

In fifty-six years we have come far, yet with peace we could have gone much further. Enjoy the events of today. Tomorrow it will be our joint mission to create a more peaceful and prosperous future for all Sri Lanka.

## Message

On 4th February 2004 Sri Lanka celebrates the 56th anniversary of independence. On this happy occasion, I wish to extend my warm greetings to the government and the people of Bangladesh on behalf of the government and the people of Sri Lanka. I also would like to extend my greetings to the fellow Sri Lankans resident in Bangladesh.

Since 1971 Sri Lanka and Bangladesh have maintained friendly and cordial relations as two neighbouring countries who shared a common historical and cultural heritage. As far as Sri Lanka is concerned people of Bangladesh has a special place as according to the legend and folklore in Sri Lanka, the majority race in Sri Lanka namely, the Sinhalese has their roots in Bangladesh. Strong physical resemblance of the people of Bangladesh and Sri Lanka and the prevalence of more than one thousand words common to Bengali and Sinhala languages give credence to the belief of a common heritage of the two people.

The historical bonds between the people of the two countries which stretches back to more than two millennia have further strengthened during present times as fellow members of the SAARC, BIMSTEC, Commonwealth and the United Nations. Sri Lanka appreciates the prominent role played by Bangladesh in the formation of SAARC and its efforts to ensure its success as a regional entity. We in Sri Lanka share the enthusiasm and the commitment of Bangladesh to enhance economic co-operation and the promotion of trade within the framework of SAARC. Sri Lanka therefore looks forward to reaping benefits as a fellow member country when SAFTA comes into operation consequent to the agreement reached in the recently concluded SAARC summit. Sri Lanka also would like to enhance trade with the neighbouring countries by entering into bilateral free trade agreements with the neighbouring countries. Sri Lanka is already reaping benefits from a free trade agreement signed with India and is looking forward to entering into similar agreements with Bangladesh, Maldives and Pakistan in the near future.

Sri Lanka in spite of being a country dependent on foreign direct investments for its economic development has contributed to the upliftment of the Bangladeshi economy and thereby the well-being of the Bangladeshi people by investing considerably in apparel, hotel trade, health, education, freight-forwarding and in financial sectors.

Sri Lanka also has contributed to the Bangladeshi economy by way of providing skills required in the ready-made garment, ceramics, pharmaceuticals and IT sectors. The volume of Sri Lanka-Bangladesh trade as at present amounts to only about US\$ ten million mostly due to the fact

that Sri Lanka and Bangladesh produce identical goods. It is my wish that with increased interaction between the business communities the trade between the two countries would record a significant growth in the foreseeable future. During the last year there were high level visits by Sri Lanka to Bangladesh, foremost among them being the visit by H.E. Chandrika Bandaranaike Kumaratunga, the President of Sri Lanka in April 2003. A high level delegation comprising of several MPs headed by Hon. Joseph Michael Perera, the Speaker of the Sri Lanka Parliament visited Bangladesh to participate in the 49th Commonwealth Parliamentary Association Conference held in October 2003. Hon Prof. G.L. Peiris, the Minister of Enterprise Development, Industrial Policy & Investment Promotion & Constitutional Affairs and Minister of Industries was also present on this occasion as a resource person. Hon. Ravi Karunayake, the Minister of Commerce and Consumer Affairs led a business delegation in January 2004.

I hope that during this year there would be many more visits by the political leaders of both countries that would strengthen cordial and friendly relations that exist between Sri Lanka and Bangladesh.

The Defence Ministry of Bangladesh and the three armed forces of the country continued to give valuable support to Sri Lanka by providing training facilities to a large number of armed service personnel from Sri Lanka. I, therefore would like to take this opportunity to thank the government of Bangladesh for the invaluable assistance given.

I also would like to make use of this opportunity to thank all the Sri Lankans resident in Bangladesh for the contribution they have made to strengthen relations between Sri Lanka and Bangladesh.

In conclusion, I wish the people of Sri Lanka and Bangladesh peace, happiness and prosperity.



**Gamini S. Munasinghe**  
High Commissioner of the  
Democratic Socialist Republic of  
Sri Lanka in Bangladesh

## Public Enterprises Reform Commission (PERC)

**T**HE Public Enterprises Reform Commission (PERC) was set up under the Public Enterprises Reform Commission of Sri Lanka Act, No. 1 of 1996, to advise and assist the Government on reform of public enterprises and related matters.

### PERC's objectives

Fostering and accelerating the economic development of the country.

Improving the efficiency and competitiveness of the economy.

Upgrading production and services and aiming for international markets on a competitive basis, by the acquisition of new technology and expertise.

Developing and broad-basing the capital market and mobilising long-term private savings. Motivating the private sector.

Augmenting the revenues of the Government, so as to enable it to better address the social agenda.

### Overview of the economy

In 2002, Sri Lankan economy regained the momentum it lost in 2001. The renewed commitment for a negotiated political settlement to end the northern conflict, cessation of hostilities, favourable weather conditions and the strong political commitment to accelerate economic reforms, helped restoring business confidence. The economy witnessed a 4 per cent growth in GDP -- a turn

around from a contraction of 1.4 per cent in 2001. The economic recovery was reflected in the service and agricultural activities. The service sector growth was visible in trade, ports, tourism, telecommunications and financial services whilst the growth in agriculture was visible mainly in paddy and tea.

The improved macro economic management was a salient feature in 2002. Public sector deficit was reduced from 10.8 per cent of GDP in 2001 to 8.9 per cent of GDP in 2002 due to constraints on public expenditure and improved performance of public enterprises. Improved fiscal performance and domestic market conditions were conducive to moderate inflation at 9.6 per cent as against 14.2 per cent in 2001 and to stabilize exchange rate movements.

With the presentation of the year 2002 Budget in March 2002, the Government spelt out a comprehensive reform package extending its coverage to areas such as labour markets, public enterprises, civil service, the tax system, administered prices, regulatory system and business deregulation. Announcement of Government's commitment to accelerate these reforms created a new sense of optimism in the economic front.

Privatization programme in 2002

In the background of an improved business confidence, the privatization programme gathered momentum. The 2002 privatization programme was characterized with several landmark transactions consisting of the initiative to:

(a) divest Sri Lanka Insurance Corporation Ltd (SLIC), Lanka Marine Services Ltd (LMSL) (bunkering fuel business) and two large government-owned sugar companies (Pelvata and Sevanagala).

(b) form Public/Private Partnership Arrangements in Cluster Bus Companies.

(c) promote capital market and de-regulation through the public listing of Sri Lanka Telecom (SLT).

(d) enter into a Management Contract relating to National Lotteries Board.

(e) restructuring of Ceylon Petroleum Corporation (CPC).

The three large privatizations, namely Sevanagala Sugar Industries Ltd (sugar manufacturing), Lanka Marine Services Ltd (bunkering) and Sri Lanka Insurance Corporation Ltd (life and general insurance) have raised Rs 7.7 billion to the Government in addition to improving prospects for long term private sector investment in each of the enterprises. (Abridged)

**NB: This supplement scheduled for yesterday, February 4, is published today because of Eid holiday.**

**Warmest Felicitations to the  
Government and the Friendly People of  
Srilanka on their**

**National Day**

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