

Decisions taken by the Cabinet of Ministers on 26.02.2024

01. Implementation of a credit scheme to revive the micro, small and medium enterprise sector

A significant number of small and medium scale entrepreneurs involved in manufacturing, import, export, tourism, apparel and various other commercial operations have found it very difficult to continue running their enterprises as a result of the economic downturn and the impact of external factors beyond their control. The Asian Development Bank has agreed to provide working capital support for the small and medium enterprise sector as a relief. The proposed program is intended to provide credit facilities to existing micro, small and medium scale enterprises for further expansion and recovery of their businesses through licensed commercial banks and licensed specialized banks at concessional interest rates. Rs 20 billion will be spent on the entire project which has two components. Out of this, 15 billion rupees will be used to strengthen existing and new enterprises and the remaining amount of 05 billion will be used to support enterprises under the non-performing loan category. Accordingly the Cabinet of Ministers approved the proposal presented by the Hon. President in his capacity as the Minister of Finance, Economic Stabilization and National Policies to implement the said project.

02. The National Tourism Policy

The draft National Tourism Policy was discussed by the Cabinet of Ministers in the Cabinet meeting held on 04.09.2023. In this meeting, it was decided that the draft should be further reviewed by a committee consisting of experts in the field of tourism. The President's Secretary has accordingly appointed a committee and the said committee has identified the problems and potentials of the tourism industry and has drafted the proposed National Tourism Policy in accordance with the recommendations of the National Planning Department, taking into account the local and global contexts. Accordingly the Cabinet of Ministers approved the proposal presented by the Hon. President in his capacity as the Minister of Finance, Economic Stabilization and National Policies to implement the said policy.

03. Improvement of health capacities at Bandaranayake International Airport and Colombo Port

Sri Lanka's economy is mainly dependent on the income generated from international tourism and business travel. This requires smooth operation of entry points into the country, building confidence among travelers and arranging cross-border entry points to comply with international health regulations on movement. Accordingly, the Government of Japan has made a grant of 1170 million yen through the International Organization for Migration to further strengthen border-related health preparedness at points of entry, direct contribution to the control of infectious diseases and the overall security of all passengers, staff and staff at points of entry in various health emergencies. The facilities of Bandaranaike International Airport, Colombo Port and Maldives International Airport are planned to be upgraded according to international practices, recommendations and standards under the grant. As such the Cabinet of Ministers approved the proposal presented by the Minister of Ports, Shipping and Aviation to implement the relevant project in coordination with the Ministry of Health, Department of Immigration, Airports and Air Services Company and Sri Lanka Port Authority.

04. Signing of an action plan for the period 2024-2026 under the MoU between Sri Lanka and Vietnam for cooperation in the agricultural sector

Sri Lanka and Vietnam signed a Memorandum of Understanding on 27.11.2006 for cooperation in the field of agriculture. According to the provisions of the MoU, action plans related to the periods of 2010-2011, 2017-2019 and 2022-2024 have been implemented on the agreement of both parties to develop the agricultural sector and promote cooperation. The new action plan prepared for the period 2024-2026 is to be implemented by the International Cooperation Department of the Ministry of Agriculture and Rural Development of the Socialist Republic of Vietnam and the Sri Lanka Agricultural Research Policy Council. Accordingly, the Cabinet of Ministers approved the proposal presented by the Minister of Agriculture and Plantation Industries to sign the said action plan between the both parties.

05. Release two blocks of land within the premises of Waters' Edge, Battaramulla to Sri Lanka Navy and Asoka Vidyalaya, Colombo 10 on lease.

The Cabinet of Ministers granted approval to the resolution furnished by the Minister of Urban Development and Housing to grant two blocks of lands on long - time lease within the premises of Waters' Edge, Battaramulla in extent of 02 roods and 30.89 perches and 04 acres, 02 roods and 1.60 perches respectively to Sri Lanka Navy for boat riding and rescue camp trainings activities and to Asoka Vidyalaya, Colombo 10 to be used as a playground.

06. Amendment of Rubber Control Act No. 11 of 1956

As per the decision of the Cabinet of Ministers on 06.06.2022, approval has been granted to amend the Rubber Control Act No. 11 of 1956. Accordingly, the Legal Draftsman has prepared the draft bill of Rubber Control (Amended) Act and, the clearance of the Attorney General has been granted for the same. The Cabinet of Ministers approved the proposal of the Minister of Agriculture and Plantation Industries to publish the said draft bill in the government gazette notification and subsequently submit it to the Parliament for its concurrence.

07. Drafting the State Finance Management Act.

Approval has been granted at the meeting of the Cabinet of Ministers held on 08.05.2023 to draft new framework of financial rules and to include the drafted framework of financial rules to the proposed state financial management act. Accordingly, a fundamental draft has been prepared under the consultancy and policy guidance of a supervisory committee appointed under the co – chairing of two other budget departments and deputy treasury secretaries by the State Finance Department that comes under the Ministry of Finance, Economic Stabilization and National Policies. Accordingly, the Cabinet of Ministers granted approval to the proposal furnished by the Hon. President in his capacity as the Minister of Finance, Economic Stabilization and National Policies to direct the Legal Draftsmen to draft the bill of State Finance Management based on the said fundamental draft, and to entrust the powers to the Secretary to the General Treasury to appoint a specialists committee for inaugurating the formulation of financial regulations until the Legal Draftsman prepare the proposed draft bill.

08. Amendment of Recovery of Loans by Banks (Special Provisions) Act No. 4 of 1990

The local large scale, medium scale and small scale businessmen had to confront with numerous constraints to maintain their businesses due to the economic backdrop prevailing around the past 03 years. Now the economy is revitalizing to some extent while necessary actions in the regard is taken by the General Treasury. However, various parties have pointed out of further issues existing in relation to properly paying off the loans obtained by the banks for the businesses by small and medium scale businessmen during the past period. Under such circumstances, adhering to existing legal provisions banks are taking measures to acquire properties of a considerable number of businessmen due to non – payment of loans and auction them. Therefore, it is apparent that a sufficient graze period to pay off relevant debts without being a burden to the banking system should be rendered by redressing the crisis possible to be erupted in the business arena. Accordingly, the Cabinet of Ministers granted approval to the proposal furnished by the Hon. President in his capacity as the Minister of Finance, Economic Stabilization and National Policies to suspend the procedure to acquire properties of whose loans are not paid off by the banks up to 15.12.2024 and to amend section 4 of the Recovery of Loans by Banks (Special Provisions) Act No. 4 of 1990 to impose legal provisions required for the above.

In the event of any inconsistency between the English translations of this document, the Sinhala text shall prevail.