

## Decisions taken by the Cabinet of Ministers on 25.03.2024

### 01. Designation of CODEGEN INNOVATIONS (PRIVATE) LIMITED as a secondary business of strategic importance

CODEGEN INNOVATIONS (PRIVATE) LIMITED is registered in Sri Lanka as a division of the CODEGEN Group, which specializes in providing technology solutions in the areas of Software, Data Science, Design, and Hardware. The company, which has received the approval of the Colombo Port City Economic Commission, has applied for designation as a secondary business of strategic importance. The company plans to make an initial investment of US\$500,000 and earn approximately US\$15 million within five years and create approximately 400 job opportunities within that period. Therefore, the company is eligible for availing exemptions or incentives as per the directives of the Colombo Port City (Guidelines on the Grant of Exemptions or Incentives to Businesses of Strategic Importance) Regulations, No. 2 of 2023. Accordantly, the Cabinet of Ministers approved the proposal presented by the Hon. President in his capacity as the Minister of Investment Promotions to grant exemption or incentives to the CODEGEN INNOVATIONS (PRIVATE) LIMITED under the provisions of the Colombo Port City Economic Commission Act and to publish an order to that effect in the Gazette.

### 02. Promoting of the registration of ships under the Sri Lankan flag

Ship registration is a major source of foreign exchange to the country's economy. Through this there is a potential to generate many direct and indirect employment opportunities. As such the Cabinet of Ministers approved the proposal presented by the Minister of Ports, Shipping and Aviation to invite expressions of interest and proposals from qualified domestic and foreign institutions to promote the registration of ships under the Sri Lankan flag and to Select the most suitable institutions on the recommendation of the Procurement Committee, consequent to the evaluation of the proposals by a Technical Evaluation Committee.

### 03. Improvement of training courses and other facilities of Korea National Vocational Training Institute

The Sri Lankan Korean National Vocational Training Institute located in Orugudawatte is built under a Rs. 2900 million financial assistance provided by the Korea Export Import Bank. The Korea Export Import Bank has agreed to provide an initial principal of US\$1.5 million for the further improvement of the courses conducted by the institute and the existing facilities of the institute. Under this project, which is proposed to be implemented within a period of Sixteen months, it is expected to facilitate the common needs of all courses including Automotive Technology, Manufacturing Technology-CNC, Welding Technology, Electrical Technology, Electronic Technology, Automation and Robotic Technology, Fluid Power Technology, Mechatronic Technology. The draft Memorandum of Understanding to be signed between the two parties for the implementation of the proposed project has received the clearance of the Attorney General and the agreement of the Ministry of Foreign Affairs and the Department of Foreign Resources. As such, the Cabinet of Ministers approved the proposal presented by the Minister of Education to sign this Memorandum of Understanding.

**04. Transfer of highways currently under the Road Development Authority to Sahasya Investments Limited**

In the Cabinet meeting held on 26.06.2023, it has been approved the shifting of expressway network from the Road Development Authority to Sahasya Investment Limited so that the land owned by highways, highway loans and related staff can be managed more commercially. The respective action plan has been approved in the Cabinet meeting held on 05.02.2024. Accordingly, the Cabinet of Ministers approved the proposal presented by the Minister of Transport and Highways to shift the daily operations and management of expressways to Sahasya Investment Limited from 01.04.2024 in accordance with a formal management agreement and to transfer all the relevant assets to Sasahasya Investments Limited within six months consequent to a legal and financial feasibility study jointly conducted by the Road Development Authority and Sahasya Investments Limited.

**05. The International Pepper Community's Annual International Conference 2024 in Sri Lanka**

In 1972, the main pepper producing countries of the world established the International Pepper Community under the Economic and Social Commission of the United Nations in the Asia and Pacific region. Sri Lanka, India, Indonesia, Malaysia and Vietnam are the main and permanent member countries of this organization. Sri Lanka became a permanent member of the International Pepper Community in 2002 and has held its annual international conferences here in 1999, 2006, 2012 and 2017. Accordingly the Cabinet of Ministers approved the proposal presented by the Minister of Agriculture and Plantation Industries to hold the 52<sup>nd</sup> International Conference of the International Pepper Community in Sri Lanka this year with a view to reaching agreements on the areas of exchanging technical and economic research results related to pepper production among member countries, Develop and promote programs for traditional and new markets, and promote cooperation in the reduction of tariff and non-tariff barriers in international trade.

**06. Solar Photovoltaic Power Plants installation Project for installation of 70 MW capacity ranging from 1 -5 MW AC**

Cabinet approval has been given on 02.10.2023 for the award of contracts relating to supply of 51 MW at 5 Grid Substations on build, own and operate basis with an operational period of 20 years under the Solar Photovoltaic Power Plant Installation Project for 70 MW with AC capacity ranging from 1-5 MW in 11 Grid Substations. Proposals have been invited again for supply of 19 MW for the remaining six sub-stations. Accordingly the Cabinet of Ministers approved the proposal presented by the Minister of Power and Energy to award the contracts for the establishment of solar photovoltaic power plants for the Grid Substations of Ampara, Habarana, Kosgama, Kurunegala, Pannala and Veyangoda to the relevant investors as per the decision of the Cabinet appointed Negotiation Committee which took into consideration the proposals.

**07. Submission of an Ordinance for Parliamentary approval as per the provisions of the Revenue Conservation Act No.19 of 1962**

On 29.05.2023, the Cabinet has approved the re-implementation of the Tariff Liberalization Program in Sri Lanka under the Sri Lanka-Singapore Free Trade Agreement. Accordingly, an order has been published in the Government Gazette on 30.06.2023 as per the provisions of the Revenue Conservation Act No. 19 of 1962 to implement the first annual phase removal of customs import duty imposed on 1116 Combined Classification Codes classified under the 6th Category of the Sri Lanka Singapore Free Trade Agreement Tariff Liberalization Program with effect from 01.07.2023. Parliamentary approval for that has been received on 04.10.2023. In order to implement the second phase of the said Tariff Liberalization Program, an order has been published by the Extraordinary Gazette dated 04.01.2024 as per the provisions of the Revenue Conservation Act No. 19 of 1962 to implement the removal of customs import duty applicable to 1222 combined classification codes classified under the sixth category of the said program. As such 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 present this order in the parliament for approval.

**08. Suspension of Special Commodity Act No 48 of 2007**

Special Commodity tax has been imposed under the Special Commodity Act No. 48 of 2007 to recover one composite levy for facilitating in importing 64 commodities that are categorized under HS Code 210. Due to various issues erupted when implementing that tax, the requirement to suspend the said act has been recognized. Accordingly, the Cabinet of Ministers granted approval to the Hon. President as the Minister of Finance, Economic Stabilization and National Policies to instruct the Legal Draftsmen to draft a bill in order to suspend the said act.

**09. Revoking the Prevention of Domestic Violence Act No. 34 of 2005**

Approval of the Cabinet of Ministers was granted at their meeting held on 12.06.2023 in order to publish the draft bill prepared by the Legal Draftsmen in order to revise the Prevention of Domestic Violence Act No. 34 of 2005 to cater the contemporary requirements and present it to the Parliament for its concurrence. However, it has been apparent that a new act under the same act name including all relevant revisions, followed by repealing the act now in effect should be imposed so that public can understand the act more easily, since more number of sections in the prevailing act have to be revised. Accordingly, the Cabinet of Ministers granted approval to the resolution furnished by the Hon. President as the Minister of Women, Child Affairs and Social Empowerment to instruct the Legal Draftsmen to draft a new draft bill to act accordingly.

**10. Amendment of the National Minimum Wage of Workers Act.**

The minimum national salary has been set as Rs. 12,500/- as per the provisions of the National Minimum Wage of Workers Act of No. 03 of 2016. A tertiary sub committee comprised of trade unions and employers representing small and medium level entrepreneurs appointed under the recommendations of the National Labour Consultancy Board has recommended to escalate the above salary as Rs. 17,500/-. Accordingly, the Cabinet of Ministers granted approval to the proposal forwarded by the Minister of Labour and Foreign Employment for escalating the national minimum salary by Rs. 5,000/- from Rs. 12,500/- to Rs. 17,500/-

and to revise the employees' national minimum wages act No. 3 of 2016 so that national minimum daily salary can be increased by Rs. 200/- from Rs. 500/- up to Rs. 700/-.

#### **11. National Digital Economic Strategy**

The requirement of a national digital economic strategy and a plan to implement it to realize and achieve the expected results of the vision of the country to create an economy earning higher revenue by the year 2048 has been recognized. Accordingly, "The National Digital Economic Strategy for Sri Lanka – 2030" has been prepared with the guidance of the eminencies in the field and professional institutions as well as vocational boards. The Cabinet of Ministers approved the resolution furnished by the Hon, President in his office as the Minister of Technology to implement the aforementioned strategy.

#### **12. Economic Transform Draft Bill**

Approval has been granted at the meeting of the Cabinet of Ministers held on 04.03.2024 to instruct the Legal Draftsmen to prepare the draft of the Economic Transform Bill. The fundamental draft for the economic transformation act has been prepared comprised of necessary provisions to establish the main institutions namely Economic Commission, Sri Lanka zones of Investment, international trade office, Sri Lanka Economics and International Trade Institute and National Productivity Commission including the preliminary objectives of the national policy on economic transformation. Accordingly, the Cabinet of Ministers approved the resolution furnished by the Hon. President to instruct the Legal Draftsmen to prepare the formal draft bill including the revisions forwarded by the Attorney General and present it accordingly.

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