

Decisions taken by the Cabinet of Ministers on 11.06.2024

01. Proposed Sri Lanka Malaysia Trade Agreement

It has been recognized that the attraction of export-oriented foreign direct investments, diversification of exports and expansion of market access for goods and services are important to regain the economic stability of Sri Lanka. For that, it is necessary for Sri Lanka to develop economic integration with countries that have strong and strategic economies. Malaysia, Sri Lanka's 34th export destination, is a key member of ASEAN and the Regional Comprehensive Economic Partnership and, in the year 2023, the total value of exports to Malaysia was 58.3 US dollars. Accordingly, considering the importance of reaching a free trade agreement between Sri Lanka and Malaysia, Cabinet of Ministers approved the proposal presented by the Hon. President to begin relevant negotiations.

02. Issuance of import control regulations under the Import and Export (Control) Act No. 1 of 1969 to enable businesses approved by the Sri Lanka Board of Investment to import selected spices for reprocessing and re-export.

In the meeting held on 18.03.2024, the Secretary to the Ministry of Finance, Economic Stabilization and National Policies has informed the Secretary to the Ministry of Investment Promotions and the Secretary to the Ministry of Agriculture and Plantation Industries to review the Import and Export Control Regulations No. 3 of 2024 issued under the Import and Export (Control) Act No. 1 of 1969 and to submit a detailed report. 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 following recommendations included in the report presented.

- Providing an opportunity to import selected spices for reprocessing and re-export to businesses approved by the Board of Investment under the procedure for the import and processing of selected spices and re-export the same in the form of oil extraction, oleoresin and residue.
- Issuance of Import and Export (Control) Regulations under the provisions of the Import and Export (Control) Act No. 1 of 1969 for the above purpose

03. National Tariff Policy of Sri Lanka

A clear, simple, coherent and predictable tariff system is a critical factor in maintaining a competitive environment for trade and investment within a country. The competitive environment for investment in Sri Lanka has been adversely affected due to the revision of the tariff policy in accordance with the various policies introduced from time to time by the existing governments. Considering the situation, a technical committee headed by the Director General of the Department of Trade and Investment Policy of the Treasury and members of relevant agencies has been appointed on the advice of the Minister of Finance, Economic Stabilization and National Policy to formulate a national tariff policy. The committee has prepared a national tariff policy in consultation with the business and industry community under the guidance of trade experts and secretaries of ministries related to this subject. 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 National Tariff Policy in three phases from January 2025 and to publish the said policy through a gazette notification under section 101 of the Customs Ordinance for the purpose of ensuring awareness and compliance of the concerned stakeholders.

04. Establishment of “District Industries Councils”

Locally established micro, small and medium scale industries are currently facing many problems. Therefore, the need for a system that is easily accessible and beneficial to all has been recognized in order to create a favorable environment to face those challenges. For that, it is essential to establish, network and promote strong relationships between all relevant institutions so that quality and efficient institutional support and services can be provided at the local level to micro, small and medium scale industries through a multi-sectoral and integrated approach. Accordingly, the Cabinet of Ministers approved the proposal presented by the Minister of Industries to establish 25 "District Industry Promotion Councils" covering the entire island and to appoint a steering committee consisting of representatives from the public sector, private sector and other relevant institutions to determine the structure, role and responsibilities of those councils and to supervise the entire process.

05. Transfer of Gampola Old Court Complex land to Urban Development Authority

It has been decided in the Udapalatha Regional Coordinating Committee meeting to modernize the old court building located on the land of the Gampola Court complex without demolishing it and to develop the land as a car park. The management boards of the Urban Development Authority have approved the implementation of a mixed development project on that land. As such, the Cabinet of Ministers approved the proposal presented by the Minister of Urban Development and Housing to hand over the land of Gampola Old Court Complex to the Urban Development Authority for the implementation of a public car park and a mixed development project under the Gampola City Development Project on the basis that the value determined by the Government's Chief Appraiser will be paid to the Consolidated Fund by the Urban Development Authority.

06. Signing the Alliance Agreement on the Accession of the Republic of Uzbekistan to the World Trade Organization

The Republic of Uzbekistan has been engaged in negotiations with other member countries to become a member of the World Trade Organization for several years. The WTO General Assembly has appointed a Working Group to examine Uzbekistan's application and submit relevant recommendations to the General Assembly along with a draft Accession Agreement. Sri Lanka has also become a member of the relevant working group with the ambition to export tea to Uzbekistan. The relevant officials of Sri Lanka have discussed with the officials of Uzbekistan in this regard and have reached a preliminary agreement regarding lower trade tax obligations for the tea products expected to be exported to Uzbekistan. Accordingly, Uzbekistan should sign the "Alliance Agreement on Accession" with Sri Lanka as a member of the working group, confirming that bilateral negotiations were held in accordance with the relevant provisions of the World Trade Organization. As such, the Cabinet of Ministers approved the proposal presented by the Minister of Trade, Commerce and Food security sign the agreement above mentioned.

07. Bill for the establishment of the Sri Lanka Institute of Food Science and Technology

The Cabinet of Ministers has approved the preparation of a bill for the establishment of the Sri Lanka Institute of Food Science and Technology. Accordingly, the legal draftsman has prepared the relevant bill and the Attorney General has proposed a number of amendments to the bill. Accordingly, the Cabinet of Ministers approved the proposal presented by the Minister of Agriculture and Plantation Industries to instruct the legal draftsman to promptly complete the work of preparing the bill for the establishment of the Sri Lanka Institute of Food Science and Technology by including the said amendments.

08. Revision of the Penal Code to strengthen legal provisions to prohibit sexual harassment and sexual assault

On 12.12.2022, the Cabinet has approved the introduction of amendments to the Penal Code criminalizing all forms of sexual harassment and sexual harassment, including sexual harassment and sexual harassment in public places. The clearance of the Attorney General has been received for the draft Bill prepared by the Legal Draftsman accordingly. The proposal made by the Minister of Justice, Prison Affairs and Constitutional Reforms to publish the said draft Bill in the Government Gazette and present the same thereafter in Parliament for approval, was approved by the Cabinet.

09. Presentation of the new Immigration Bill to Parliament

The Immigration Act No. 20 of 1948 has been amended on several occasions. However, considering the rapid changes taking place in the field covered by the Act, the rapid development of technology as well as international trends, the Cabinet of Ministers has given approval on 15.02.2021 to introduce a new Act for the same. The clearance of the Attorney General has been received for the draft Bill prepared by the Legal Draftsman accordingly. The proposal made by the Minister of Public Security to publish the said draft Bill in the Government Gazette and present the same thereafter in Parliament for approval, was approved by the Cabinet.

10. Amendment of the Consumer Affairs Authority Act No. 9 of 2003

On 02.05.2023, the Cabinet has given approval to prepare a bill to amend the Consumer Affairs Authority Act No. 9 of 2003. Attorney General's observations has been received for the Bill prepared by the Legal Draftsman accordingly. Accordingly, the proposal made by the Minister of Trade, Commerce and Food Security to advise legal draftsman to prepare the relevant bill promptly Based on those observations, was approved by the Cabinet.

11. Submission of the Import and Export (Control) Regulations No. 7 of 2024 issued under the Import and Export (Control) Act No. 1 of 1969 and the Standardization and Quality Control Regulations issued under the same Act for the approval of the Parliament

As per the Import and Export (Control) Regulations No. 2 of 2023, the import of motor vehicles into Sri Lanka has been temporarily suspended. But as per the proposal presented by the Minister of Tourism and Lands, the Cabinet has given approval on 01.04.2024 to import 250 small buses and 750 vans for tourism purposes. Accordingly, Import and Export (Control) Regulations No. 7 of 2024 has been issued under the Import and Export (Control) Act No. 1 of 1969 to implement that decision.

The Import and Export Control (Standardization and Status) Regulations, 2017 were enacted under the provisions of the Import and Export (Control) Act No. 1 of 1969 to establish standards and conditions for the import of 122 categories of goods classified under 217 HS codes with the aim of protecting the national economy, public health and the environment. On 11.03.2024, the Cabinet has approved the imposition of regulations to facilitate prompt and safe and effective trade transport and to ensure fair opportunities for local products and non-domestic products by revoking the Import and Export Control (Standardization and Status) Regulations 2017 which had been so imposed. The standardization and quality control regulations under the Import and Export (Control) Act No. 1 of 1969 have been published accordingly. 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 submit the said regulations that published in an extraordinary gazette to the Parliament for approval,

12. Awarding a long term contract for the procurement of 05 stocks of Shipment of 92 Unl Petrol.

Bids have been called from the registered suppliers of Ceylon Petroleum Corporation for supplying 1.5+/-5% million barrels of 92 Unl Petrol to that Corporation for a period of 06 months from 15.07.2024 to 14.01.2025. Based on the recommendation of the Standing Technical Evaluation Committee, the Standing Procurement Committee appointed by the Cabinet of Ministers has recommended to award the said procurement to M/s Aditya Birla Global Trading (Singapore) Pte. Ltd. Accordingly, the Cabinet of Ministers approved the resolution furnished by the Minister of Electricity and Power to award the relevant procurement to the aforesaid company.

13. Issuance of new rule under section 22 of the Foreign Exchange Act No. 12 of 2017.

In order to ensure financial stability within the country by temporary suspending and limiting the opposite remittances pertaining to certain capital transactions performed by residents within the period that foreign exchange reserve within the country was declining, a rule under section 22 of the Foreign Exchange Act No. 12 of 2017 has been empowered on 02.04.2020. The said rule has been issued from time to time continuously with a valid period of 06 months, while the current valid rule is valid up to 19.06.2024. Especially, the Central Bank of Sri Lanka has issued a new rule for 06 months to be empowered with effect from 20.06.2024 under clause 22 (1) of the Foreign Exchange Act No. 12 of 2017 further overruling / releasing certain suspensions / restrictions to facilitate for expanding business activities of resident companies in overseas territories. Accordingly, the Cabinet of Ministers approved the resolution furnished by the Hon. President in his office as the Minister of Finance, Economic Stabilization and National Policies to issue a rule under clause 22 (1) of the Foreign Exchange Act No. 12 of 2017 for implementing those recommendations.

14. Annual Report on the final budget condition of the Ministry of Finance, Economic Stabilization and National Policies – 2023

The Minister of Finance, Economic Stabilization and National Policies should submit the report on the final budget situation / condition to the Parliament and the public prior to elapse of 05 months from the end of the financial year as per section 13 of Fiscal Management (Responsibility) Act No. 3 of 2003. Accordingly, the final report on the final fiscal situation for the year 2023 covering the sectors of state fiscal policy on the macroeconomic management of Sri Lanka for the year 2023, strategies and challenges, economic trends of the year 2023, state fiscal sector, face sector, local demands and supply, investments and savings, development in the overseas sector and fiscal sector, inflation and the global economic trends has been published in the official website of the Ministry of Finance, Economic Stabilization and National Policies on 31.05.2024. The Cabinet of Ministers approved the resolution furnished by the Hon. President in his office as the Minister of Finance, Economic Stabilization and National Policies to submit the report in the Parliament.

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