

Cabinet Decisions taken at the Cabinet Meeting conducted on 09-02-2025

01. Statement of Government Financial Performance – 2024 fourth quarter

As per Section 53(1) of the Public Financial Management Act No. 44 of 2024, the minister in charge of the subject of finance should submit a statement of government financial performance, including the income and expenses of the government, to the Cabinet of Ministers within not less than 45 days at the end of the quarter based on a minimum quarterly basis. As per the said provisions, a statement of financial performance for the fourth (4) quarter of the year 2024 ended on 31-12-2024 should be submitted to the Cabinet of Ministers on or before 14-02-2025. Accordingly, the Cabinet of Ministers has considered the statement of financial performance presented by His Excellency, the President, in his capacity as the Minister of Finance, Planning, and Economic Development, which has been prepared for the fourth quarter (4) ending on 31-12-2024, including accumulated income and expenses reported by special expense units, the Ministries, Departments, and District Secretariats based on the classification given in the annual budget estimate for the year 2024.

02. The proposed agreement on mutual investment promotion and security between Sri Lanka and the United Arab Emirates

Sri Lanka and the United Arab Emirates have come to a consensus to sign an agreement on mutual investment, promotion and security to compile a legal mechanism for the regulation of direct foreign investment through ensuring a conducive institutional environment for the investors and their investments. It will be able to attract direct foreign investment from the United Arab Emirates to Sri Lanka as well as strengthen the bilateral relationships between both countries in the fields of investment and trading. The clearance of the Attorney General has been received for the proposed agreement. Accordingly, the Cabinet of Ministers has approved the proposal presented by the Minister of Foreign Affairs, Foreign Employment, and Tourism to sign the aforesaid agreement during the official visit of His Excellency, the President, scheduled to be made to the United Arab Emirates to participate in the World Government Summit in 2025.

03. Project on the digitalization of documents of the National Intellectual Property Office of Sri Lanka

It has been identified that the digitalization of documents of the National Intellectual Property Office in Sri Lanka is an essential step to administer and empower the intellectual property of the country with the objective of improving the efficiency, accuracy, and access of the National Intellectual Property Office of Sri Lanka. Thereby, under such a digitalization program, it is expected to provide more reliable, fast, and

user-friendly intellectual property services, such as the introduction of online registration, electronic filing and record-keeping systems, digitalization of documentary records, and the introduction of online communication platforms. Accordingly, it will be able to perform the functions of the National Intellectual Property Office of Sri Lanka more efficiently and productively. The World Intellectual Property Organization has agreed to provide a technical and service grant valued at Rs. 70.2 million for the implementation of the said project. Accordingly, the Cabinet of Ministers has approved the proposal presented by the Minister of Trade, Commercial, Food Security, and Cooperative Development to implement the project on the digitalization of documents of the National Intellectual Property Office of Sri Lanka and to sign a cooperation agreement with the World Intellectual Property Organization for obtaining the said grant.

04. Development and expansion of the Sapugaskanda oil refinery complex

Although the Ceylon Petroleum Corporation has made various efforts to modernize and upgrade the Sapugaskanda oil refinery both quantitatively and qualitatively to fulfill the demand of the market, all those efforts have not been successful. Even though cabinet approval has been granted to establish the Sapugaskanda oil refinery as a public enterprise separate from the Ceylon Petroleum Corporation and to identify an appropriate strategic investment partner and to take necessary steps after investigation of the possibility for the establishment of a new oil refinery in the Trincomalee area for that purpose, no action has been taken in that respect so far. Under the policy framework relevant to the energy of the present government, the modernization of the existing refinery or construction of a new refinery has been identified as a priority function. Approval has been granted by the board of directors of the Ceylon Petroleum Corporation to call for expressions of interest to identify a suitable investment partner based on the feasibility study conducted in the year 2022. Accordingly, the Cabinet of Ministers has approved the proposal presented by the Minister of Power and Energy to develop the Sapugaskanda oil refinery and call for expressions of interest for the identification and selection of suitable financial suppliers/investors for the implementation of the project for the establishment of a new refinery within the same premises with a capacity of 100,000 barrels per day on the basis of an operation and transfer (BOT).

05. Creation and implementation of a new Employee Provident Fund Management System – Central Bank of Sri Lanka

The Employee Provident Fund, the largest pension fund in Sri Lanka, has a total of 21.5 million of member accounts and 77,000 active employers who remit the contribution. At the end of October 2024, the total asset of this fund has been Rs. 4.2 trillion, and the fund has achieved continuous growth in the past few years, recording an annual growth rate of more than 9% in its assets. In order to smooth the functioning of the activities of the Employee Provident Fund, the requirement of an information technology system capable of handling a large number of user accounts and a large amount of data, which can process a large number of transactions efficiently, has been identified. Accordingly, a project has been started in the year 2021 under the Financial Sector Modernization Project of the World Bank Group for the creation of a new Employee Provident Fund Management System, and the planning and preparation of required

specifications under the consultation of PricewaterhouseCoopers Private Limited in India have been completed. Accordingly, taking into consideration these matters, the Cabinet of Ministers has approved the proposal presented by His Excellency, the President, in his capacity as the Minister of Finance, Planning, and Economic Development for the selection of an integrator for the implementation of the proposed project.

06. Operating marketing outlets of food chains internationally operated within the departure/emigration area of Katunayake, Bandaranayake International Airport.

Bids have been called following the international competitive bidding procurement methodology to select appropriate operators to operate internationally recognized food chains for a period of 03 years within the 04 spaces / slots namely 20 – D, 29 – D, 39 - D and 42 – D departure / emigration area of Katunayake, Bandaranayake International Airport. Six (06) bidders have come forward for this. Accordingly, the Cabinet of Ministers approved the resolution forwarded by the Minister of Transport, Highways, Ports and Civil Aviation to enter into agreement to maintain operational activities with the following institutions who has substantially responded, based on the recommendations of the technical evaluation committee and the standing procurement committee appointed by the Cabinet of Ministers.

Slot No.	Institution	Total Contracted Value (USD M.)
20 - D	HMS Host Services India (Pvt) Ltd	1.57 + Applicable Tax
29 - D	Barista Coffee Lanka (Pvt) Ltd	0.60 + Applicable Tax
39 - D	Jubilant Food Works Lanka (Pvt) Ltd	1.99 + Applicable Tax
42 - D	Gamma Pizzakraft Lanka (Pvt) Ltd.	3.06 + Applicable Tax

07. Renovation and upgrading of rural roads in Northern and Eastern provinces.

The present government has identified that development of rural roads is one of the prominent activity of the government development agenda and, has planned to introduce a broad access for renovation of roads, construction and maintenance. Accordingly, it has been decided to prioritize to develop 1,500 kilometres of roads within the northern province and 500 kilometres of roads within the eastern province representing every divisional secretariat division, since most of the roads in the northern and eastern provinces are in dilapidated condition. Contribution of the public, Community Based Organizations and local government institutions will be obtained to select roads for renovation and upgrading and, approval of the relevant divisional coordination committee and district coordination committee will be obtained for the recommended road list. Accordingly, the Cabinet of Ministers granted approval to the resolution submitted by the Minister of Transport, Highways, Ports and Civil Aviation to implement the proposed rural roads enhancement / upgrading programme in northern and eastern provinces.

08. Submission of order issued as per production tax (special provisions) act and notification issued as per Excise Ordinance for the concurrence of the Parliament

The production tax for all items under production tax precisely indicated in rupee value including motor vehicles, cigarettes, soft drinks and tobacco, has been escalated by 5.9% with effect from 11.01.2025. Empowering that decision, the order issued under section 3 of the production tax (special provisions) act No. 13 of 1989, has been published in the extraordinary gazette notification No. 2418 / 43 dated 10.01.2025.

Furthermore, the alcohol tax for alcohol has been escalated by 5.9% with effect from 11.01.2025 and, the notification No. 01/2025 dated 10.01.2025 issued under section 22 of the Excise Ordinance (Authority 52), has been published in the extraordinary gazette notification No. 2418 / 42 dated 10.01.2025.

Accordingly, the Cabinet of Ministers approved the resolution furnished by His Excellency the President in his capacity as the Minister of Finance, Plan Implementation and Economic Development to submit the Parliament with the aforesaid order and the excise notification for its concurrence.

09. Amendment of Paddy Marketing Board Act No. 14 of 1971

The Paddy Marketing Board Act No. 14 of 1971 has furnished legitimate provisions to establish a board for purchase of paddy and rice, marketing, supply, milling, polishing and processing as an enterprise and for corresponding matters accompanied with services relevant to it. Although 54 years have elapsed from the year it was enacted which is 1971, it is operating as an act that was not updated with revisions to it. Since a long time would consume to update the provisions that are not updated in the act according to the contemporary circumstances, it has been decided to immediately revise provisions in the act relevant to introduce a licencing methodology to monitor irregular paddy and rice stocks collection and storing which has been recognized currently as an issue. Accordingly, the Cabinet of Ministers granted approval to the proposal submitted by the Minister of Agriculture, Livestock, Lands and Irrigation to take necessary measures to revise the Paddy Marketing Board Act No. 14 of 1971.

10. Implementation of recommendations of the committee appointed to review recruitment process of the government service and management of the staffs

Approval has been granted at the meeting held on 30.12.2024 to appoint an officers' committee chaired by the Secretary to the Prime Minister for taking measures required accordingly recognizing the numbers of recruitments compulsorily should be made related to requirements, priorities and time frames by reviewing the government sector recruitment process. The Cabinet of Ministers granted approval to the resolution furnished by the Hon. Prime Minister to issue approval to relevant Ministries and Institutions to make recruitment appearing below which were submitted by the Committee considering the requests made to the said Committee by the respective Ministries adhering to the requirements of the Departments and other institutions under the particular Ministry.

S No.	Ministries / Provincial Councils / Commissions	No. vacant posts recommended by the committee for recruitment.
1	Ministry of Public Administration, Provincial Councils and Local Governments	3,000
2	Ministry of Defence	09
3	Ministry of Science and Technology	179
4	Ministry of Finance, Plan Implementation and Economic Development	132
5	Ministry of Education, Higher Education and Vocational Education	400
6	Ministry of Transport, Highways, Ports and Civil Aviation	161
7	Ministry of Health and Mass Media	3,519
8	Western Provincial Council	34
9	Eastern Provincial Council	05
10	Sri Lanka Human Rights Commission	17
	Total	7,456

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