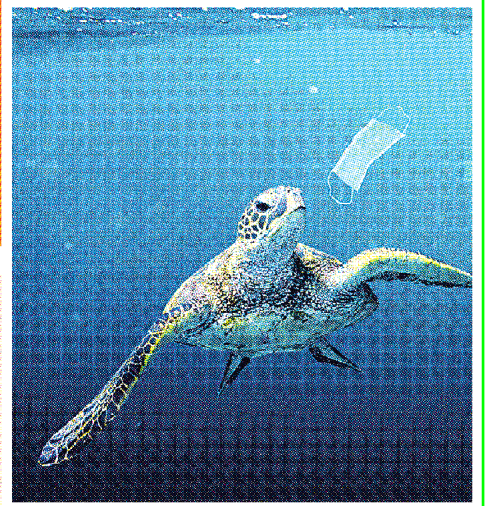




# Mirror Business

www.dailymirror.lk/business



**P2** Full Stock Market

**P4** Kelaniya University signs MoU with Ogilvy Digital for new...

**P3** Plastic pandemic: Ecological fallout of COVID-19...

## Shares extend gains to second day as industrials rise

**REUTERS:** Sri Lankan shares ended higher yesterday, rising for a second straight session, as heavyweight industrial stocks gained.

The CSE All-Share index added 0.49 percent to end at 11,088.17.

Conglomerates Expolanka Holdings and Richard Pieris & Company were the top boosters to the index, gaining 1.6 percent and 8.1 percent, respectively.

The equity market's turnover was Rs. 6.02 billion (US\$ 29.73 million), according to stock exchange data.

873.2 million shares from about 253 million shares in the previous session.

Foreign investors were net sellers in the equity market, offloading shares worth Rs.122.1 million, as per exchange data.

The island-nation reported 741 new coronavirus cases in the last 24 hours, taking the total to 568,423, while deaths rose by 23 to 14,484, data from the country's health bureau showed.

About 63.14 percent of the country's population has been fully vaccinated so far, according to data from Johns Hopkins University.

## Tourism chief confident of at least 50% of pre-pandemic monthly arrivals from January

- Expects 100k tourists every months from Jan. 2022
- Says increased air traffic to Colombo will bring in more tourists
- Travel expert stresses on the need for SL to convey clear-cut message to tourists
- Urges to establish clearly entry requirements for tourists

By Shabiya Ali Ahlam

Sri Lanka Tourism yesterday sounded upbeat in the efforts they are currently rolling out to lure international travellers and said they are confident of the island nation attracting at least half of the pre-pandemic arrival numbers in 2022.

According to the forecast of Sri Lanka Tourism

Development Authority (SLTDA) chief Kimarli Fernando, based on the current trends observed in arrivals numbers, Sri Lanka is well within its capabilities of welcoming about 100,000 tourists every month starting next year, which is less than half of the monthly arrivals in 2018.

From August this year, tourist arrivals to the country has nearly doubled every month, indicating a steady increase in interest in the country among global travellers.

In August, Sri Lanka welcomed 5,040 visitors, which increased to 13,547 in September, and then to 22,771 in October and 44,294 in November. The number of airlines flying to the country too has increased.

"I trust they don't do charity and they are coming here for a reason," Fernando told a panel at the Sri Lanka Economic Summit 2021 held last evening.

While the SLTDA chief remains optimistic of a



Kimarli Fernando

speedy rebound, McKinsey & Company Partner Steve Saxon pointed out that Sri Lanka is sending out mixed messages to its target markets with diverse platforms sending different messages about the openness of the country for tourism.

"You need to ensure that the entry requirements are shared in a really easy and simple to understand manner. Our research showed that it was pretty hard to find out about (Sri Lanka's) travel industry. There are a variety of messages out there and all this you get within just 10 minutes of internet search," stressed Saxon. According to the acclaimed travel and logistics expert,

some government websites indicated the allowance of only essential travel, while another website said 'Hello' and 'Welcome Back'. Some highlighted the need for quarantine for vaccinated travellers, whereas others said it is not required.

MORE ON P4

## Mid to long term lending rates start adjusting responding to policy rate hike in August

■ But prime lending rate declined to 8% last week from 8.17% in Nov. 26

The medium to long-term lending rates have finally begun to adjust upwards after weeks of resistance since the policy rate hike in August, which pushed up the prime lending rate and the Treasury yields higher until they started levelling off as of late.

However, the benchmark prime lending rate, which was on weeks-long upward run to surpass 8.0 percent and stayed at that level for two consecutive weeks reversed course last week.

Prime lending rate, typically provides a forerunner for the rest of the market lending rates for every facility from term loans to SMEs, mortgage loans to consumer loans

to credit cards.

"We observed that market interest rates have increased reflecting the pass-through of tight monetary conditions", said Dr. Chandrananth Amarasekara, Director Economic Research at the Central Bank.

"And in particular we have seen the prime lending rate increasing by about 222 basis points thus far during the year," he added.

The weekly prime lending rate, which was on a weeks-long ascent to 8.17 percent on November 26 fell last week to settle at 8.0 percent.

However, in a fresh development, the mostly watched and the widely affected Average Weighted New Lending Rate (AWNLR) climbed a steeper 64 basis points during October to 8.78 percent.

MORE ON P4

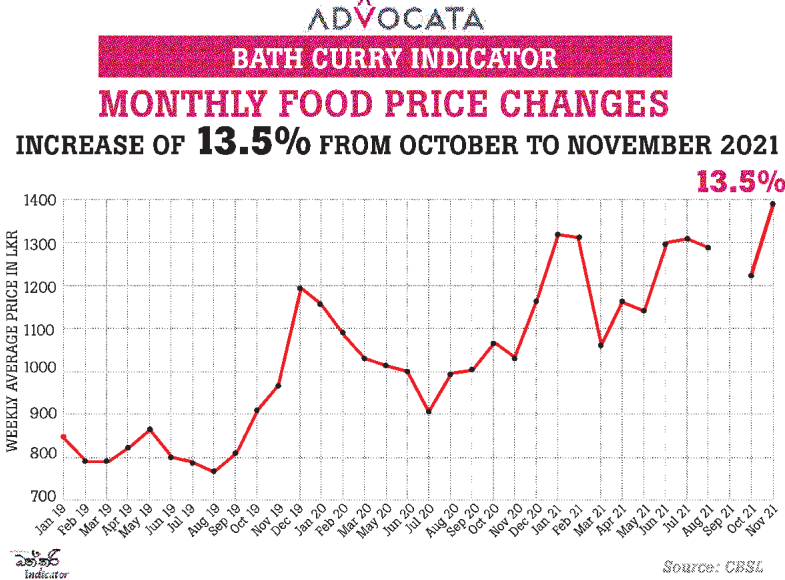
## Highest food prices recorded in November since 2019: Advocata

Advocata's Bath Curry Indicator (BCI), which tracks monthly price changes in a basket of commonly consumed food items recorded the highest retail prices in November since 2019.

Since 2019, prices have increased by 44 percent. This means that an average family, which spent Rs. 960 weekly on the BCI basket of food items in November 2019, now has to pay Rs. 1,390 for the same basket of goods just two years later.

Retail prices year-on-year have shown an increase of 35 percent. However, the food items that have increased the most in the past month alone are tomatoes (206 percent), beans (33 percent) and green chillies (23 percent).

MORE ON P4



## UAE shrinks work week, shifts to Western-style weekend

**AFP:** The United Arab Emirates is slashing its official working week to four-and-a-half days and moving its weekend to Saturday and Sunday in a major shift aimed at improving competitiveness, officials said yesterday.

The 'national working week' is mandatory for government bodies from January 1 and bucks the regional norm of a full day off on Friday for Muslim prayers.

While becoming the only Gulf country not to have a Friday-Saturday weekend, the resource-rich and ambitious UAE now comes into line with the non-Arab world.

Under the new timetable, the public-sector weekend starts at noon on Fridays and ends on Sunday. Friday prayers at mosques will be held after 1:15 p.m. all year round.

The move is intended to "better align the UAE with global markets", said state news agency WAM, calling the new working week the shortest in the world.

MORE ON P4

## ICT sector reaching US\$ 3bn mark can be led by startups with focus on IP: ICTA



Oshada Senanayake

■ ICTA chief says startup ecosystem needs to be empowered further to witness accelerated growth

■ Notes time-consuming current IP application procedure and the absence of a dispute resolution mechanism for IP infringements as major drawbacks

Sri Lanka's ICT sector's aim towards reaching the US\$ 3 billion mark by 2024 requires fresh focus in the country creating its own Intellectual Property (IP), an endeavor that could be led by the budding startup ecosystem, the Information and Communication Technology Agency (ICTA) said.

In an effort for the IT sector to realise the goal set for 2024, along with being on par with regional peers, the ICTA asserted the need for Sri Lanka to move away from being a traditional service-oriented industry and embrace renewed thinking.

MORE ON P4

## SL-Pak Trade and Investment Association condemns brutal murder of Priyantha

The Sri Lanka Pakistan Friendship Trade and Investment Association yesterday expressed its concerns and strongly condemned the brutal murder of Priyantha Kumara last Friday (December 3) in Sialkot, Pakistan.

"Nobody has a right to take away a fellow human being's precious life in this brutal and undignified manner," said the association in a statement to the media yesterday, asserting its membership "vehemently condemns the violent lynching and senseless murder" of Kumara who worked as a General Manager at

a textile company located in the eastern city of Sialkot.

In an effort to push the authorities of Pakistan to explore all avenues to apprehend the culprits without any delay, and ensure justice is meted out in a speedy manner, a delegation led by Sri Lanka Pakistan Friendship Trade and Investment Association President Ifthikhar Aziz, together with All Ceylon Jamiyyathul Ulama (ACJU) General Secretary As-Sheikh Arkam Nooramith visited the Pakistan High Commission in Colombo earlier this week.

MORE ON P4

## More value for your hard-earned foreign currency

Rs. 10

**Migrant workers who remit their earnings to People's Bank will be entitled to an additional Rs. 10 for every US Dollar or equivalent\*.**

This service is available at all our 741 branches island-wide for your convenience.

\*Valid from the 01st to the 31st of December

PEOPLE'S BANK

Pride of the Nation

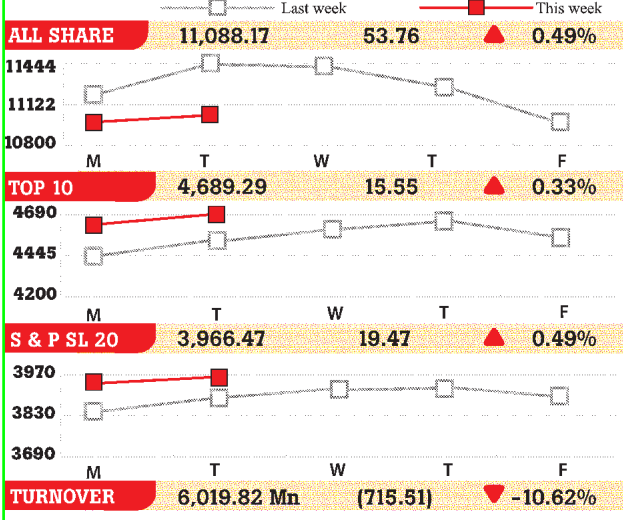
\*Conditions apply

www.peoplesbank.lk

1961 PEOPLE'S BANK CALL CENTRE

AA- (Itra) Fitch Rating, AAA- Brand Finance Rating  
People's Bank is a licensed commercial bank supervised by the Central Bank of Sri Lanka.

FINANCIAL MARKETS December 7, 2021



TURNOVER 6,019.82 Mn (715.51) ▼ -10.62%

TOP 10 PRICE MOVEMENTS

Table listing top 10 price movements for various stocks like EXPO, LOLC, JKH, COM, DIAL, HAYL, VONE, MELS, HNB, CARG.

T BILL RATES

Table showing overnight repo, 3 months, 6 months, and 12 months bill rates.

EXCHANGE RATE (BUYING/SELLING)

Table showing exchange rates for US \$, Pound, and Euro.

Unit Trust Prices as on 06.12.2021

Large table listing various unit trusts and their selling/buying prices, including Arpico Ataraxia, Astrue Active, and others.

Exchange Rates 07.12.2021

Table of exchange rates for various currencies like Australian Dollar, Canadian Dollar, Euro, etc.

COUNTRY CURRENCY INDICATIVE RATE

Table showing indicative rates for countries like Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE.

Market Indicators 07.12.2021

Table of market indicators including price indices (CSE All Share, S&P SL 20), equities, and interbank interest rates.

Interbank - Interest Rates - Mid Rates 07.12.2021

Table showing interbank interest rates for 1 month, 3 months, 6 months, and 12 months for USD, EUR, and CHF.

CSE Price List

SECURITY VOLUME V.W.A. OPEN HIGH LOW V.W.A. CHANGE

Main table listing security prices and volumes for various companies like A.SPEN, ABANS, ACCESS ENG SL, etc.

SECURITY VOLUME V.W.A. OPEN HIGH LOW V.W.A. CHANGE

Main table listing security prices and volumes for various companies like SWISSTEK, TALAWAKELLE, TANGERINE, etc.

ASPI closes in green

The ASPI closed in green as a result of price gains in counters such as Expolanka Holdings, Richard Pieris & Company and Melstacorp with the turnover crossing Rs. 6.0 bn.

A similar behaviour was witnessed in the S&P SL20. High net worth and institutional investor participation was noted in Alumex.

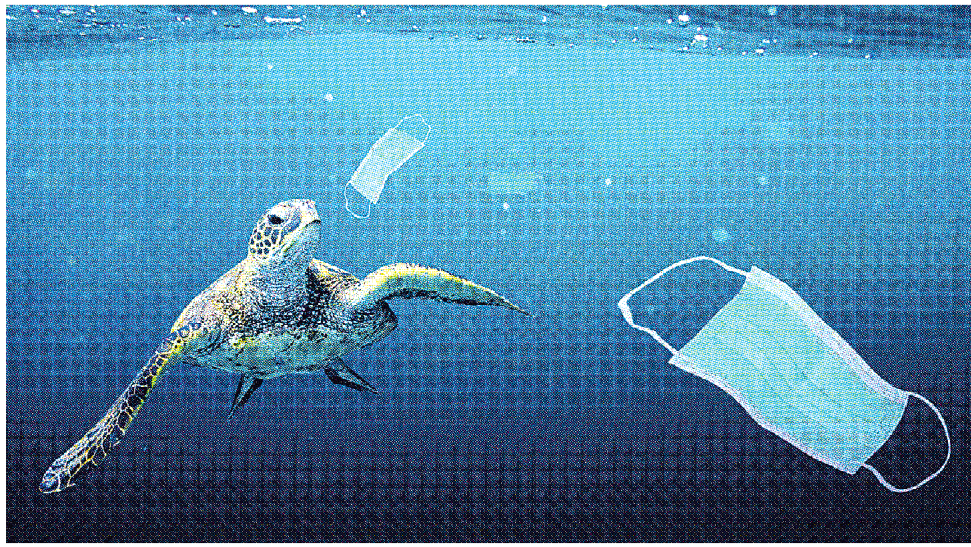
NDB Securities logo and branding.

Beverage & Tobacco sector was the top contributor to the market turnover (due to Browns Investments and Sunshine Holdings) whilst the sector index gained 0.50%.

the sector index increased by 1.02%. The share price of Royal Ceramics recorded a gain of Rs. 1.30 (1.91%) to close at Rs. 69.40.

# PLASTIC PANDEMIC: ECOLOGICAL FALLOUT OF COVID-19 AND POLICY OPTIONS FOR SRI LANKA

BY RUWAN SAMARAWEERA



The lockdowns introduced in 2020 to curb the spread of COVID-19 saw the narrative 'nature is healing' gain prominence. However, the notion that nature, in the absence of people, was healing fizzled out fairly quickly with the emergence of fresh environmental challenges, most notably, the resurgence of single-use plastics.

In fact, in the months following the lockdowns, reliance on plastics grew exponentially, with the scale of the negative environmental impacts far outweighing initial gains such as reduced air and noise pollution.

This article examines the ecological fallout of the pandemic and suggests policy options for Sri Lanka to avert the looming environmental disaster.

## Plastic pandemic

Plastics have several applications and offer undeniable benefits to consumers and producers, due to specific, inherent properties. They are hygienic, lightweight, flexible and anti-corrosive. As such, plastics are among the most extensively-produced material globally, with 359 million tonnes of plastics produced in 2018 alone.

However, plastics have become a severe environmental concern due to haphazard disposal. Plastics include consumables like plastic bags, straws, cups, bottles, etc., which are thrown away after being used just once, referred to as single-use plastics. Worldwide consumption of plastic bags ranges from one to five trillion annually and almost 160,000 plastic bags are consumed per second globally.

Without even being a large consumer of plastics globally, Sri Lanka generates more than five million kilograms of plastic waste per day, where the per capita daily contribution is nearly 0.5 kg. Sri Lanka is already struggling to cope with the amount of plastic waste generated each year. Unless concrete measures are taken to alter the current manufacturing methods and consumption patterns of plastics, the situation could result in irreversible damage to the environment. The global threat of the COVID-19 pandemic makes the problem (ex: styrofoam, aluminium cans, polystyrene, etc.) even more challenging.

## An ugly resurgence

The demand for plastic by medical and packaging sectors is increasing sharply compared to pre-pandemic conditions (Figure 1). For instance, an estimated 89 million medical masks, 76 million gloves and 1.6 million goggles are required monthly in the battle against the pandemic, according to the World Health Organisation (WHO). As a result, researchers expect a 53.4 percent market growth for disposable facemasks over 2020-2027.

The disposable facemasks are produced using polymers such as polypropylene (PP),

polyurethane, polyacrylonitrile, polystyrene, polycarbonate, polyethylene (LDPE) or polyester, which are potential sources of microplastics.

Estimates illustrate that the demand for disposable syringes and plastic containers that store vaccines will be increased with nationwide vaccination efforts against COVID-19. As a result, the global market will experience a 7 percent compound annual growth rate and reach a value of US \$ 14.4 billion by 2030.

Moreover, the demand for other personal protective equipment like face shields made from PP, LDPE gowns, vinyl gloves made from polyvinyl chloride (PVC) will increase sharply along with the plastic packaging material. Thus, the production and consumption of PP, LDPE and PVC material will exhibit an increasing trend.

Lockdowns and resulting online shopping and home delivery can escalate the demand for plastic, which is reflected by the accumulation of plastic wastes, especially from food packaging. In Thailand, plastic waste rose by 15 percent during the pandemic, primarily due to food packaging waste, resulting from tripled food delivery demand.

During the pandemic, many governments worldwide banned the use of reusable cups and food utensils, due to safety reasons, since reusable commodities could be contagious. Scholars also predict a drastic increase in medical waste that includes single-use plastic and other environmentally problematic material.

For instance, in the Hubei province, China, medical waste generation increased sharply, and by March 9, 2020, the country collected 468.9 tonnes of medical waste related to the pandemic. A more significant proportion of that waste is comprised of single-use plastics.

Wuhan's medical waste exceeded the maximum incineration capacity of 46 tonnes/day, due to a dramatic rise in waste accumulation up to 240 tonnes/day. Hence, despite their detrimental impacts, managing the pandemic is linked with single-use plastics and other environmentally-harmful material.

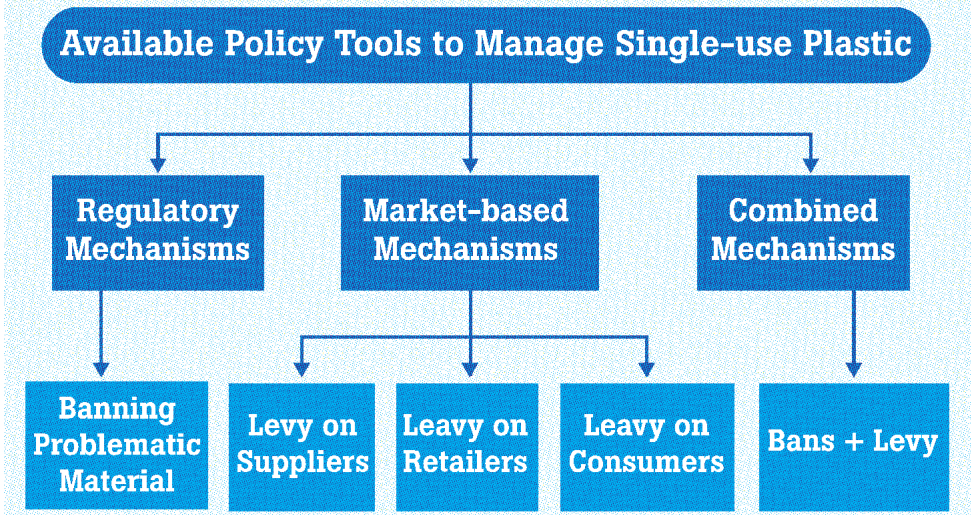
## Way forward

Addressing environmental, economic, health and socio-cultural issues related to single-use plastics and other damaging material requires identifying the most problematic single-use plastic and other material, evaluating the scale of the problem, identifying significant sources of pollution and potential impacts of mismanagement on the environment, human and animal health and the economy. Various methods can reduce the harmful effects of single-use plastics and other environmentally problematic materials. However, the availability of alternatives is crucial to cut down the use effectively.

## Voluntary reduction strategies

One of the key instruments for single-use plastic is voluntary reduction strategies. Those are based on consumption patterns, consumer and producer choices upon an increased understanding.

Figure 2:



Source: United Nations Environment Programme (2018)

## Awareness creation

Voluntary adjustments are facilitated by awareness creation among stakeholder groups, which are a gradual and transformational process that changes consumer and producer behaviour.

## Policy instruments

Policy instruments can be classified as regulatory and economic (market-based and a combination of regulatory and financial) instruments.

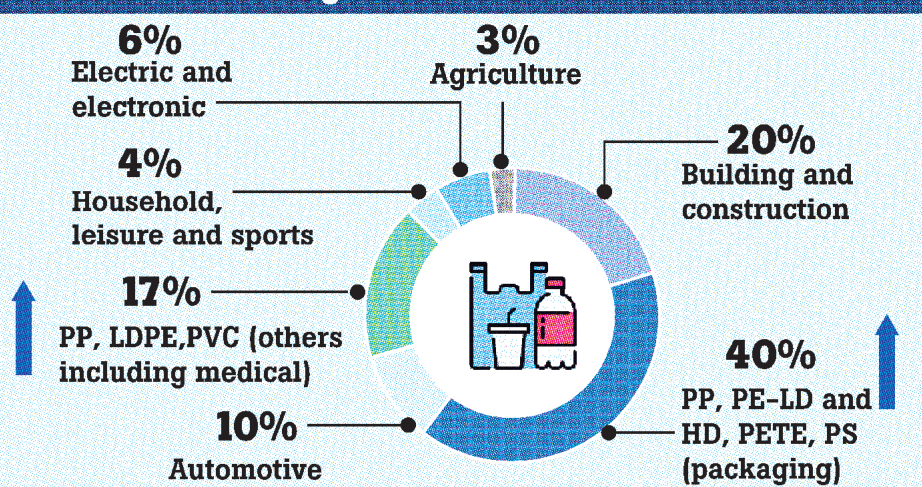
The principal legislation governing plastic pollution in Sri Lanka is National Environmental Act No 47 of 1980, where Section 32 comprises the manufacture, sale and use of plastic and polythene. As previously mentioned, several amendments were made to the act to address the challenges in managing plastic waste. Lobbying from local industry and

pressures from major exporting countries and availability of alternatives remain significant challenges in implementing bans.

However, as discussed earlier, single-use plastics have the lowest recyclability and highest disposable rates. Therefore, implementing a combined approach of levies, bans and extended producer responsibility (EPR) wherever necessary would enhance the positive impacts.

(Ruwan Samaraweera is a Research Officer at the IPS, with a background in entrepreneurial agriculture. He holds a Bachelor's in Export Agriculture from the Uva Wellassa University. His research interests are in environmental economics, agricultural economics, macro-economic policy and planning, labour and migration and poverty and development policy. He can be reached at ruwan@ips.lk)

Figure 1: Demand for Plastics in 2019 and Expected Increasing Trends with COVID-19



Note: Arrows exhibit the increasing global trends

Source: Renewable and Sustainable Energy Rereviews (2020)

## MTI Consulting launches 2022 CEO Survey with Wijeya Newspapers

For the 11th consecutive year, MTI Consulting will be carrying out the CEO Business Outlook Survey in association with Wijeya Newspapers Group.

The annual survey will be conducted during the last weeks of December 2021, with the results being released exclusively in Wijeya Newspapers during the fourth week of January 2022.

Over 200 Sri Lankan CEOs from multiple sectors will take part in this annual thought leadership initiative by Sri Lanka's leading strategy consultancy MTI Consulting and Sri Lanka's leading newspaper group Wijeya Newspapers Limited.

The survey will cover the opinions of CEOs on the business environment in 2021, their perceptions of how the global and Sri Lankan economy will shape up, expectations for their own businesses in 2022 and what they see as the main challenge for the Sri Lankan economy and their own businesses.

MTI Consulting is an internationally-networked boutique management



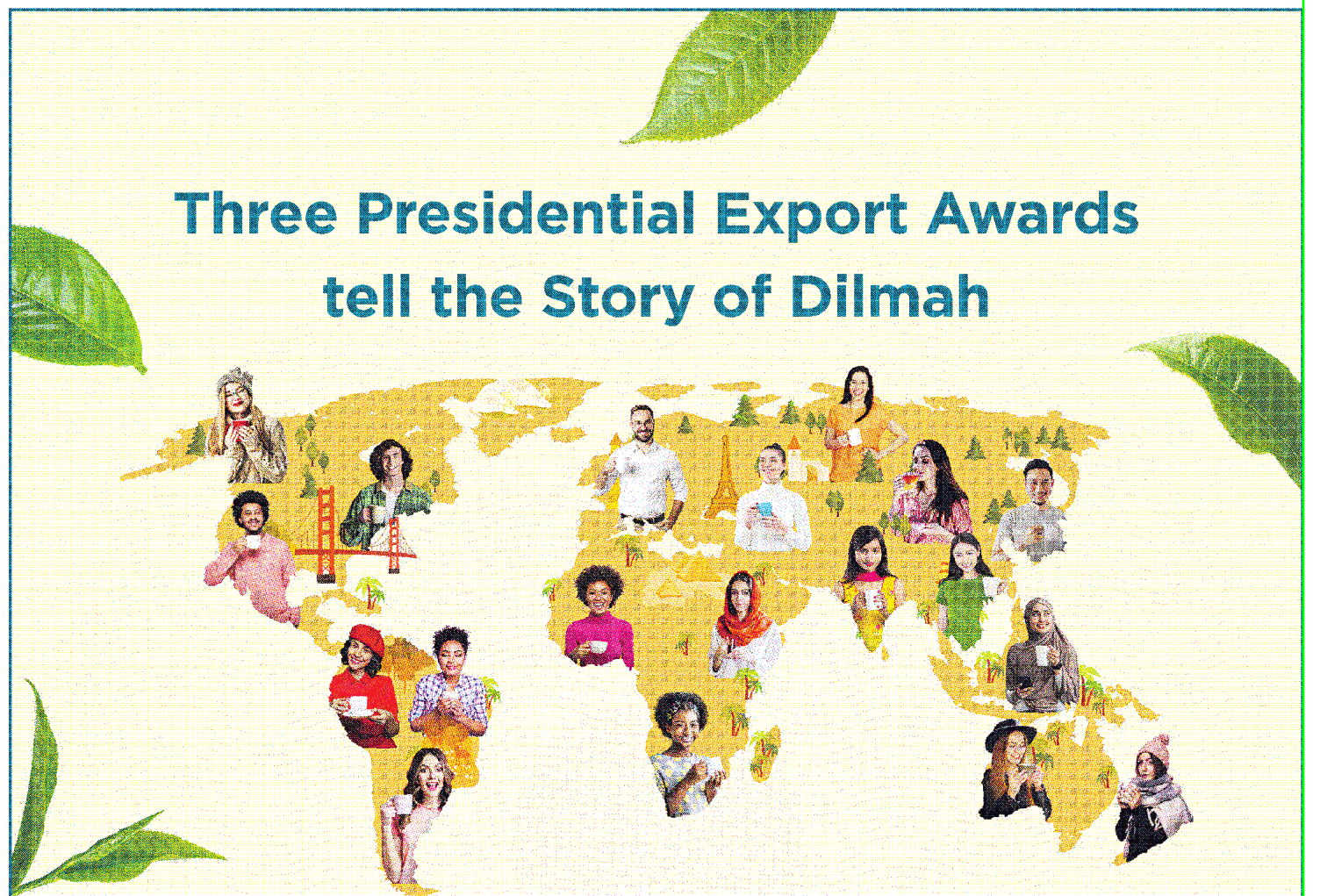
CEO Hilmy Cader

Country Director Sri Lanka Rajjika Sangakkara

consultancy, offering advisory services in strategy, strategic planning, corporate restructuring, process re-engineering, performance management, international market entry, feasibility studies, due diligence, corporate finance, M&A, HR, executive search/head hunting, marketing strategy, branding and market research.

Since its inception in 1997, MTI has worked on over 680 assignments in 49 countries, covering a diverse range of industries, clients and business challenges.

## Three Presidential Export Awards tell the Story of Dilmah



Dilmah was honoured with three major accolades at the 24th Presidential Export Awards. Each one highlights a key aspect of a pure Sri Lankan success story.

### Contributor to Sustainable Development in the Export Industry for 2019/20

Dilmah has pioneered conservation initiatives for decades, including sustainable agriculture, ecosystem restoration, and the establishment of a Climate Change Research & Adaptation Centre. Founder Merrill J. Fernando's vision is of a business built to serve humanity. Dilmah assigns a minimum of 15% of pretax earnings to such efforts. Over Rs.290 million was invested in the year under review, and more than Rs.6 billion over the last 10 years.

### Market Diversified Exporter of the Year 2019/20

The first brand to offer tea grown, picked, perfected and packed at source, Dilmah quality is reaching ever more tea drinkers in ever more places. Each year, new markets and territories are won over by the global standard-bearer for Sri Lanka's prized two leaves and bud.

### Most Globally Outreached Sri Lankan Brand 2019/20

Founder Merrill J. Fernando set out to disrupt the exploitative, colonial tea industry model with an ethical new brand that would benefit Sri Lankan producers and overseas customers alike. Today, his Dilmah Tea is available in over 100 countries. It is served inflight on many of the world's leading airlines. It is the preferred cuppa in over 5000 hotels around the globe.

'I wanted to serve humanity through my business, so I devoted my life to making the finest tea. My sons and I share the success of Dilmah Tea with less fortunate people, and with our natural environment through the work of the MJF Charitable Foundation and Dilmah Conservation.' Merrill J. Fernando, Founder, Dilmah Tea



It's what the world calls Ceylon Tea



