

THWARTING THE FOREIGN CURRENCY CRISIS

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Sri Lanka is going through an economic meltdown of a scale unseen since the country's financial crisis of 1948, right after it secured independence from the British Empire. The Ceylon Planters Society has pointed out repeatedly that the plantation industry has the potential of earning USD 10 B per annum. This suggestion was made when the Ceylon Planters noticed a growing trend of swift out migration of labour from the industry at all levels of employees as the Cost of Living was gradually increasing over the years. The Executives and the Staff category of employees must manage two houses at the same time which prompts them to leave the plantation jobs that were very popular and demanding some decades ago. Sri Lanka seems to have 55 billion USD as accumulated debts as of 2022 and the IMF has requested Sri Lanka to come out with a debt restructuring plan for which we got to increase foreign revenue whilst stabilizing the political climate. The Ceylon Planters Society anticipates serious support from the Government, the Central Bank, and the top executives of the Treasury on the following proposals without further delays to harness the potential of the industry that can help thwart a foreign currency crisis.

Lack of investor confidence

Growth-oriented plantation management primarily focuses on four areas such as the land/soils, the high-value crops, the employees who propel the industry forward and the systems used to manage and monitor the achievement of set targets. The growth includes both quantitative and qualitative growth indicators. The broken investor confidence due to haphazard decisions executed by the successive governments has led to low investments in the RPC sector thus the grumble about high costs continuously.

We anticipate the political authorities to establish the policy for the plantation industry which is the primary duty of any sensible government instead of intervening in its routine business processes and intimidating the employees by showing their arrogance. Sri Lanka is short of both the agriculture policy (Crop farming, Fisheries and aquaculture, Forestry, Livestock) and the land and soil policy. The sustainability of the industry is heavily dependent on soil/land policy as the industry occupies over 14% of the environmentally sensitive land-mass of the country. Further, the underground assets of the RPC land



Tea pluckers

must be revisited. The geologists of all universities must be consulted to find out the way and means of extracting such underground assets and making value-added products to earn full value requires technology and markets.

Governments should not get involved in managing businesses is an accepted truth. The industry must have a right to cultivate whatever crop is appropriate depending on the agro-climatic factors, scientific opinions, and the financial viability (growth-oriented) of the organisation. Sri Lanka is the only country in the world, the cultivation of Oil Palm was banned without evaluating the pros and cons scientifically and purely based on undue political influence just like the overnight decision to convert into organic agriculture. It's shocking and pathetic to observe that ordinary laymen with the support of disgruntled local politicians without any sense of business management are destroying the industry through their goons. This must be stopped with the emerging new political culture in Sri Lanka. Enough is enough and the plantations have had enough up to now. If the trend continues the same manner, it will create irreversible socio-economic catastrophe soon, which will be an additional burden on the people just like the Treasury had to pump Rs.400 m each month before the privatization of plantations in 1992.

The major portion of tea is sold as commodities. Tea being a herbal health drink developing many healthy beverages out of tea is possible as the high percentage of Polyphenol it contains, and the antioxidants together

can deliver immunity oriented super consumer experience. The government must encourage food scientists in all universities in this direction.

Human resources management

We must have a close look at human resources management principles when addressing pressing issues affected by the employees (The HR) of the industry. Human Resource (HR) management is the process of hiring, developing, motivating, and evaluating employees to achieve organisational goals. On average the cost of labour exceeds over 60% of the total cost of production of plantation crops. The garment industry that uses HRM concepts objectively has managed to keep the cost of labour around 35% of the total cost of production. Since attraction and retention are another major concern of the industry, creating highly paid jobs, attempting to find full employment within the residential population of a plantation and looking at the smart way of obtaining labour are other considerations. However, the unique agile labour is available in the plantations to make the best use of the opportunities available in the globally emerging knowledge economy. According to Albert Einstein, the definition of insanity is doing the same thing repeatedly and expecting a different result. The plantation industry can learn a lot from the quote and must try to re-engineer the business processes to identify a new business model. New patents registered each year could be considered as



Central Bank of Sri Lanka

indicators of development of its stakeholders.

The plantation industry is crying for a real-time digital platform so that the industry which is heavily dependent on spatial information can make quality decisions aiming at achieving growth. The system of capturing information, processing and using the information are happening through manual methods mostly.

The government must support the plantation industry with appropriate policies and regulations to achieve its true potential. Intimidating and humiliating the employees of plantations through disgruntled political elements by encouraging them to grab plantation lands and to steel crops must be stopped through legislative enactments. This is urgent. The scientific inputs are already available through the dedicated crop research institutes and the Central Environmental Authority. The government should keep from intervening in the routine management of Plantations. The ban imposed on the cultivation of Oil Palm must be lifted and allow the Planters to follow the cultivation standards prescribed by the CRI and the CEA. The Oil Palm project is an Rs.50 billion import substitution project and the project can help interested smallholder communities thus generating more than 30,000 self-employed high-income farmers. India is planting Oil Palm on two million hectares and soon they will provide us with our edible oil requirement as well. The real-time digital information platform is another urgent requirement to monitor the progress of the performances



Foreign currency

of the industry. The service providers are available, but the leadership is lacking to make these happen. The leasehold rights of the RPC sector must be extended to 99-year leases enabling the sector to attract much needed FDIs. The tea and other plantation commodity auctions must be held in USD currencies. These are the easiest and shortest-term strategies to earn large amounts of foreign revenue at this crucial juncture.

Right people-drive business

The HR concepts must be used objectively to ensure bringing down the high costs of labour and to facilitate the process of high volumes of value creation by the employees. The skill inventory aiming at improving the earning potential of the plantation workforce must be developed and the

employees must be trained instead of building further universities by existing institutes mandated for skill development instead of attending to self-serving agendas at the cost of taxpayer's money. Skill development is an urgent requirement of the industry.

The members and the council of the Ceylon Planters Society will extend our fullest support if the Management division of the treasury requires our input before a multi-disciplinary team headed by the Post Graduate Institute of Management. The change is the most certain truth in the whole universe. Driving change requires precision planning and Leadership. We are certain that 10 B USD revenue and more can be earned annually from the Plantation industry.

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