

Analytics unit for better policy decisions on the cards

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Economic Reforms and Public Distribution Minister Dr. Harsha De Silva last week said, his Ministry has set up an analytics unit to support the government to make evidence-based policy decisions in the future.

"If we are making decisions without analysis most of the time, we are going to be wrong. I want to create a unit where data will be crunched and options will come out of it," he said at a press conference outlining future plans with the analytics unit of the Ministry.

Dr. De Silva said that his office didn't resemble a normal government office. He cited the world-class qualifications of his graduates and the nature of their analytical work as being promising for the design of the future policy. He said "if we are making decisions without analysis most of the time, we are going to be wrong. I want to create a unit where data will be crunched and options will come out of it."

Dr. De Silva said that a transparent price formula for gas was to be implemented and called for a market-driven price. He said "Why is the minister deciding the price for milk, petrol, cement, gas? The prices should be based on data. There is no other basis than it is lucrative for the person who is making this decision."

He cited the complexity of cost of living data and said, "In our consumer basket 30 percent is for food; 30 percent of food is made up of rice and 20 percent is for coconut. If we can't control coconut and rice prices, we can't control



Minister Dr.

Harsha De Silva

the cost of living. We went for an election when food was at its peak."

Talking about some efficiency measures to be taken he said the Department of Census and Statistics was to shortly hire 400 people to better measure GDP. A new cultural centre is to be built next to the Jaffna public library. A competition commission has been planned.

He said there was a mafia in the rice industry and the guaranteed pricing mechanism was not working. A Rs. 525 million temperature-controlled warehouse system will be opened on October 1 and an Indian government grant has provided Rs. 300 million for this purpose. The warehouse will operate with farmers holding social equity in the business. The warehouse will be open to local produce and should provide the capacity for the production of more complex goods like dried mangoes and potato chips.

The Minister stood firm on the stance that he took as head of a committee on power. "The blame for not building the generating units has to be shared by more than one party.

That is due to various vested interests that these things didn't happen. We actually had power cuts. I do not know if the power cuts were necessary," he said.

He said, "There is so much of excess capacity that is sitting idle, private capacity. There are generating capacities available at the Sri Lanka Ports Authority (SLPA). They can utilize their own power. They do not need to purchase from the grid. In times of crisis, you can switch those on and we can pay them for it. Even for Rs. 40, the government was willing to pay. There are about a 1,000 Mega Watts of it."

In response to a statement citing engineers suggesting that turning on generators in this manner was impractical, he said, "That is what some engineers say. Some engineers say otherwise."

"I am saying barge-mounted power can be purchased over a period of time on a competitive tender. Not just because someone comes with an unsolicited proposal. You need to build generating capacity in the country. We can still purchase power from idle units."

Stressing on his opinion he said, "I am opposed to power being purchased outside tender. There is no need to amend the Act of the Public Utilities Commission of Sri Lanka (PUCSL) act in order to remove the necessity to tender."

He conceded that power consumption would have reduced with the economic fallout from the Easter Sunday bombings but was firm that the demand could be met without additional short-term capacity.