

'Govt. has proved doomsayers wrong by taking appropriate action' Cabraal stresses need to be mindful of country's economic health

BY SAMAN INDRAJITH

State Finance Minister Ajith Nivard Cabraal told parliament on Friday (23) that while dealing with the Covid-19 pandemic, the country should be mindful of the sustenance of its economy as well.

Cabraal noted that the Covid-19 pandemic had taken the world by surprise. "It was a great shock to the entire world. No one was prepared for it and it was a big question in everyone's mind how we should deal with it, what effects it would have on the economy, etc. However, we had to take certain short-term measures. Had these decisions not been taken, it would have been a grave hindrance to

the country's progress."

Minister Cabraal said the government had wasted no time in identifying the priorities and understood that the pandemic would not end anytime soon. But, the issue of how the government was going to address the economic repercussions had also come up, he said.

"That is the reason we had to impose certain import restrictions. It was important to take some tough decisions in order to maintain our economic stability. Many thought that it would not be

possible to manage the economy and the rupee would devalue and the economy would collapse."

Some wished for the collapse of the economy while shedding crocodile tears, he said, adding that even during the war some people had expected the economy to go belly up.

Minister Cabraal said that today there was a new normal and the country needed to adapt to it. "Sometimes, we may have to change our attitudes. We were able to overcome these adversities and

even relax some of the import restrictions. Although many thought we could not handle it we have managed to do so. We have also managed to pay back our debts and even get the required medical supplies."

The Minister pointed out that despite bleak predictions by many that the country would crumble in the face of the COVID-19 pandemic, the government had managed to steer the country through it all and overcome those challenges. "The IMF, World Bank and ADB had made bleak predictions in their regional reports regarding Sri Lanka's ability to face the impacts of the Covid-19 pandemic. In addition, they had predicted Sri Lanka would record poor

exports, tourist arrivals, foreign earnings from migrant workers, high interest rates, higher trade deficit and inability to meet foreign debt repayments, etc. However, despite these predictions, the government and all state institutions worked hard and took measures to face this situation. As a result, these institutions have exceeded expectations and produced results. The rupee did not collapse the way they expected. We continued to pay back loans."

The Minister added that even the unemployment rate had decreased from 5.7 to 5.4, according to the second quarter statistics released by the **Census and Statistics Department**. He noted that exports had grown to pre-COVID levels.



Ajith Nivard Cabraal