

Lanka's poverty headcount falling: KPMG

- ▶ Strict labour laws and gender equality an investment grabber
- ▶ Tourism revenues and FDI expected to offset capital goods import costs
- ▶ Prosperity Index ranking improved to 58

The economic performance of Sri Lanka over the past years has been consistent and moderate. "Sri Lanka's poverty headcount is declining significantly and leads the South Asian HDI with high literacy rates. Lanka's Prosperity Index ranking has also improved," said KPMG Sri Lanka Manager Transaction and Restructuring Services Denushika Ruwankumar.

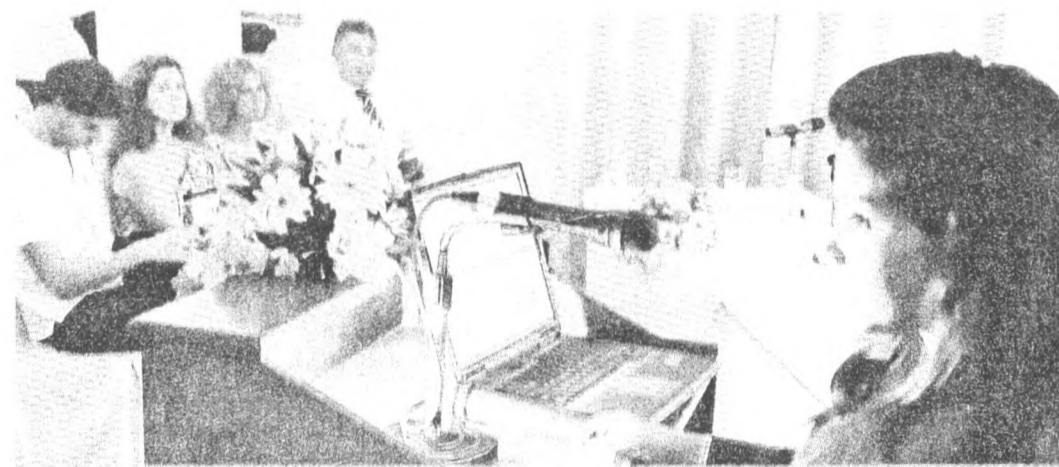
Ruwankumar was making her presentation to the inaugural event of the visiting Netherlands busi-

ness and trade delegation to Sri Lanka recently at Mount Lavinia Hotel.

The delegation, which began a week-long tour in Sri Lanka, consisted of representatives from such leading Dutch firms as JIMPP Media, Abos, Defteq International BV, Beursgenoten, Fleurons & Prins, Velema Holdings and Zonel Energy Systems.

Facilitated by the Export Development Board (EDB) various Lankan private sector firms including KPMG made presentations to the visiting delegation. This followed a successful B2B session between the Dutch and Lankan businesses.

Jimpp Media BV, a business programme producer, was also part of the delegation. Ron



KPMG Sri Lanka Manager Transaction and Restructuring Services Denushika Ruwankumar making the case for Sri Lanka to the visiting members of the Dutch business delegation at Mount Lavinia Hotel recently

Abdoelhafiezkhani, a well-known Dutch talk show host and a TV producer, as well as JIMPP's leading producer Juliette Iperen with her TV crew, were also in the delega-

tion. The JIMPP TV crew is scheduled to start shooting for two half hour segments on Sri Lanka's new developments to be televised in Netherlands.

"Rupee's depreciation halted likely by enhanced global liquidity. Steady increases in tourism revenue and foreign capital inflows are expected to offset rise in imports of capital goods, thus supporting the rupee's longer-term appreciation.

The post-war period saw a very favourable growth in the economy. Despite the heightened global and domestic challenges, Sri Lanka is growing from strength to strength, a GDP growth of 7.5 percent is expected in 2013 and 8 percent in 2014," Ruwankumar added.

"Sri Lanka's poverty headcount is declining significantly. Sri Lanka leads the South Asian HDI with high literacy and national health indicators. The overall HDI is 92 out of 187 countries. Lanka's Prosperity Index ranking has also improved.

Sri Lanka is a firm proponent of international laws and UN's rights of labour, children and women. Sri Lanka has an edge over its regional competitors because of its stringent adherence to child labour laws and endorsement of gender equality. Sri Lanka's ranking in the Global Prosperity Index also increased with the ranking moving up to the 58th from the 63rd position."

The Central Bank said that according to the Household Income and Expenditure Survey by the Department of Census and Statistics (DCS), under the National Household Sample Survey Programme, HIES 2009/10 survey, the poverty headcount ratio declined from 28.8 percent in 1995/96 to as low as 8.9 percent in 2009/10. **Contd. on Page 4**

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Lanka's poverty...

The drop is attributed to the sharp fall in rural sector poverty. Further, the 2009/10 survey indicated a two-third fall in poverty in the estate sector as a result of the drop in relative prices of food items.

Discussing Lanka tourism, Ruwankumar said that 9,000 direct employees may be needed per annum for the hotel sector, versus the current 1,500 yearly output of industry graduates. "As for graded rooms, 9,000 additional graded rooms would be needed above the current pipeline of 7,000," she added.

KPMG in Sri Lanka is a member firm of KPMG