

DAY 1 – Thursday, 25th June [BMICH]

BACKGROUND: The Inaugural Conference of the BizPAct Invest in Sri Lanka Symposium 2009 began at the BMICH with the national anthem. Significantly for BPA, whose principal mission is “to encourage understanding and tolerance of diverse cultures and environments through inter-regional business networks, multi-stakeholder partnerships and corporate social responsibility”, the national anthem was rendered as an instrumental, rather than sung... whether by design or default, an auspicious enough beginning for an initiative in the spirit of national peace and prosperity through progress.

The welcome address by Mr. Suresh de Mel, which followed the traditional lighting of the oil lamp, highlighted the diverse demographic present at this milestone confab. De Mel, who is the Chairman of the Business for Peace Alliance (BPA), welcomed – among others – the following stakeholders in the BizPAct Symposium 2009:

- Dr. Sarath Amunugama, Minister of Public Administration and Internal Affairs
- Prospective investors – from Australia, Germany, the US, the UK, the UAE, et al.
- His business colleagues, some 40 of them, from the regions
- Small and Medium-scale Entrepreneurs from all of Sri Lanka’s nine provinces
- Partners/Sponsors: from government ministries and state bodies such as the BOI
- Media partners, a smattering of whom were present
- Non-Governmental Organisations
- National and international business chambers
- Leaders of the business community
- Mentors, such as International Alert
- The Business for Peace Alliance (BPA) Secretariat
- Members of the diaspora

OVERVIEW: BPA’s Chairman, who is also the Director of the Hambantota Chamber of Commerce, provided his audience with some background information – tracing the grass-roots movement’s development from its founding seven years ago to its present status: 25 regional chambers, with a presence in every province. As much as Colombo is the hub of commerce in Sri Lanka, de Mel intimated that BPA is the wheel around which the axis of regional business revolves – underlining, however, that the dominant mode in this nexus is partnerships, which are key to regional business development. In this context, the Symposium comes at an opportune moment, he suggested. Among the priorities for national development at this time, he noted, is the opportunity to reverse the brain drain.

De Mel – Director of the Association of Small and Medium Enterprises in Tourism Sri Lanka – emphasised that SMEs are the backbone of the national economy. He pointed to BizPAct’s role in leading these SMES from behind, with the objective of assisting regional entrepreneurs to develop their business confidence and related skills. He invited members of the Sri Lankan Diaspora to throw their weight behind reversing the erstwhile skills drain. Asserting that the bottom line for development comprises social, environmental and financial needs and their attendant opportunities, BPA’s Chairman said that he would shortly “take off my jacket and roll up my sleeves ... because there is work to do”. De Mel concluded by citing a “new beginning in trust and friendship, in partnership” – to pre-empt the worst that could happen, and induce the best.

KEYNOTE ADDRESS: Also the Deputy Minister of Finance and Planning, Dr. Sarath Amunugama said this was a “timely” and “important” seminar, and thanked BizPAct’s foreign guests who were present on this “auspicious occasion”. He was gratified that where, previously, promoters of Sri Lanka had travelled overseas in numbers to secure investment, a large number of the country’s friends and well-wishers had now opted to visit our shores. Reflecting on the challenges facing investment in Sri Lanka, he asserted that in May 2009, a new chapter had been opened with the elimination of the scourge of the past 25 years: Terrorism, which had compromised national development.

Key points from the ministerial address follow:

“The situation has improved”

- The diminishing cost of investment – especially as regards insurance and freight rates
- Other cost factors, such as technical terms of trade, are also being renegotiated
- Sri Lanka is “now looking at a significant phase of development”
- The nation “will become more and more competitive”

“Other elements hindering investment”

- National infrastructure: “a major problem”
- Power/energy sectors: “woefully behind”
- Business “very unhappy”, despite state efforts to insulate it from power-tariff hikes
- Previously, “bureaucrats were only too happy to pass on [such costs] to business”
- NOTE: Enterprises are safeguarded from this volatile situation by many power projects.
- “By 2010, you can be assured of a reasonably priced and steady power infrastructure”

“Achievement of a mega-highway”

- Southern Expressway (also the Colombo-Kandy & Colombo-Katunayake expressways)
- Major routes (e.g. A9) and other ancillary roads are being repaired or newly constructed

“Other positive factors in Sri Lanka’s favour”

- The new national-harbours development initiative, especially Hambantota Port
- The incumbent administration’s national-development policy, as exemplified by this
- Our proximity to India, which is rapidly transforming into a massive consumer market
- An attendant opportunity to reinvent ourselves as a goods- and services-oriented satellite to a giant (e.g. like Taiwan was to mainland China, or Singapore to S.-E. Asia)
- The success of the Government in negotiating two Free Trade Agreements with India and Pakistan (over 10,000 items are exported by us, duty-free, to these two countries)
- The state’s drive to capitalise on new markets, the revision of tariffs and Sri Lanka’s advantageous country location
- The arrival of Air Asia (“An estimated 15,000 tickets have already been sold”)
- A host of flights (“around 150”) from Sri Lanka to 18 countries each week
- “When things are moving like this, the first to takeoff must be tourism”
- Sri Lanka is the “best ‘value-for-money destination’ in Asia”

“The way forward”

- The “private sector must come in with new, dramatic and out-of-the-box” solutions
- Sri Lanka is “bouncing back” from its erstwhile predicament on many fronts
- Business must move out of its comfort zone (“No longer can it say, ‘It is not safe’”)
- Foster a strong belief in competition, but don’t discount or eliminate the state

OPPORTUNITIES AND CHALLENGES: Mr. Patrick Amarasinghe, the Founder President of the National Chamber of Exporters of Sri Lanka, then highlighted the numerous challenges faced by regional entrepreneurs. Asserting that there are “hundreds of thousands” of SMEs in Sri Lanka, he averred that these form “the backbone of the economy”. Amarasinghe congratulated BPA for its ongoing focus on SMEs and acknowledged the support of the chambers for this category of entrepreneurs.

This Past President of the Federation of Chambers of Commerce and Industry of Sri Lanka shared his personal experiences of the hardships faced by small-scale start-up businesses. *These and other comments made it possible to draw some useful conclusions:*

- Despite support from champions of industry, many SMEs battle with bureaucracy
- There is “no real support” for Sri Lanka’s indigenous SMEs (“sons of the soil”)
- SMEs do not possess business or management acumen (“a common criticism”)
- The state must reform the educational system so as to promote entrepreneurship
- Misconception: business incentives/tax holidays were only for large-scale enterprises
- Stakeholders in national enterprise must not be complacent now, in a post-terrorism era
- Ensure access to credit; develop markets, technology to drive product development
- Partnerships imperative when seeking to exploit opportunity in the international market

Other key points:

- “SMEs can make the biggest contribution to development”
- “The biggest capital we have is human capital”
- “As 25 per cent of the population are children, ‘entrepreneurship education’ is key”
- “If we don’t mould our future entrepreneurs, there will be another bout of terrorism”
- “When it comes to sourcing credit, getting into a bank is like getting into a battlefield”

SHOWCASES: It was then opportune to showcase some SME investment opportunities. This took the shape and form of brief presentations made by a cross section of mini and micro entrepreneurs present. Over a dozen-and-a-half projects were highlighted by the entrepreneurs themselves, who spoke in the vernacular languages – with a few standout exceptions that presented their respective cases in English. The SMEs, it transpired, were located in diverse districts of the island (Trincomalee, Hambantota, Kandy, Kegalle and Anuradhapura), and the nature and scope of the enterprises ranged from IT and manufacturing/processing, through ecotourism and recycling, to building construction and handicrafts.

Many of the proprietors of these SMEs shared the hardships they had faced in their respective careers, and most laboured their dire need at the present times – in terms of a much needed influx of capital, while technical inputs were also mentioned. Some of these entrepreneurs reflected the spirit behind the second stanza of BPA’s mission (“to create a sense of ownership and responsibility within the business community to spearhead the processes of empowering marginalised communities, transforming conflict and promoting reconciliation”) – by appealing for financing within the broader framework of regional development, employment and overall capacity building – rather than pitching their appeals to the diaspora at the purely personal level. A handful of these reflected an understanding of the need to tailor their respective products for the global market, and revealed a commendable sensitivity to their society, the environment in general and their fellow citizens’ diverse needs “at a time like this”.

PANEL DISCUSSION: The final item on the agenda for the morning session, this was to ascertain business interests from investors. This discussion was chaired by Ms. Rezani Aziz, a Past Chairperson of the Women’s Chamber of Commerce. The panellists were Niranjala de Mel, National Counsellor – European Chamber of Commerce in Sri Lanka; Jeremy Liyanage from Australia; Jayampathi Perera of the UK; Dr. Alex Wijesinghe of the USA; Ms. Susan Joachim from Germany; and Ms. Samantha Rasquinho of the UAE. The chair commented that this was “a time of great hope and opportunity”. Aziz also noted that the diaspora was well placed to help and support Sri Lanka, provide practical controls and additional impetus.

This was especially vital in one area: in respect of parts of the country affected by conflict. But now, in the post-war era, it was not necessary “to wait for the dust to settle” – given that those gathered were well aware of the nuances of the present reality, socio-economic development could take place with immediate effect. “You have the knowledge and the passion,” Aziz affirmed. And she encouraged prospective investors to “nurture roots, while extending branches”. Asserting that this cannot happen in isolation, the chair recommended the development of a nexus between diasporic investors and local business. “*If not you, who? If not now, when?*” she challenged.

Jeremy Liyanage (*Australian Diaspora*) began his brief talk by recalling meetings of Sri Lankan businesspeople a year ago, in Melbourne and Brisbane respectively. A year down the line, he noted, “the proposals are tighter” and more accessible to prospective diasporic investors. While congratulating BizPAct on putting together a package that was easier to promote, he shared for the benefit of SMEs the following opinions gleaned from the Australian Diaspora in Melbourne and Brisbane, *tempered by own perspective*:

1. Discuss and decide what Sri Lanka and its diaspora are able to offer, then galvanise the goodwill necessary to get things going
2. What Sri Lanka can offer:
 - Future investment opportunities

- Tech-savvy young people
 - Value for money, especially in terms of affordable labour
 - The ingenuity and expertise of local entrepreneurship, against all odds
3. What the diaspora can offer: expertise (mainly industrial), mentoring, CSR

Elaborating on the *tentative, transitional* and *trade-ready* stages of interaction between Sri Lanka and its diaspora, Liyanage said that the goodwill above could be galvanised by:

- Stakeholders concerned capitalising on opportunities presented by visitors/expatriates
- Regional businesses here better understanding the way that the world market operates
- Setting up an office, under the Ministry of Nation Building, for liaising/coordinating
- Utilising “*time to build trust through transparent processes to fast-track trade*”

Niranjala de Mel (*European Chamber*) briefly explored relations between the EU and Sri Lanka, especially in the context of the ECCSL’s principal role being to build sustainable relationships between the Eurozone and our island-nation. Arising from the “unparalleled financial crisis in the world”, the direct impact on business in Sri Lanka would be dire, driving down demand for investment as well as the extent of funding and financing available. Despite growth being retarded previously, as an outcome of the protracted conflict, there were high expectations now for development in the island – and there would be a sharp focus, she surmised, on infrastructure over the first 10 years or so.

De Mel also made the following salient points:

- Sri Lanka was one of the “driving forces” of trade liberalisation in the SAARC region
- It had initiated Free Trade Agreements in which European countries were stakeholders
- Advantage of the present global milieu: a world in recession mode would benefit cost-effective destinations – Sri Lanka has been rendered a potential new market to enter, following the worldwide downturn
- It is paramount to create more skilled and qualified labour resources
- The imperative must be to build up the private sector’s capacity across the board
- Educate entrepreneurs with potential on the best practices of the global marketplace

Jayampathi Perera (*British Diaspora*), who has lived and worked in the UK for over 30 years and is a senior member/Past President of the UK–Sri Lanka Business Council, emphasised the importance of networking. This is especially important in the context of a Sri Lankan Diaspora of over 1,000,000 individuals – of whom 700,000 are Tamils: “some fantastic businesspeople”, according to him. He, too, touched on the limitations of local entrepreneurs as regards capacity. “Most aspiring companies in Sri Lanka don’t have the capacity to supply, say a supermarket, with thousands of items in dozens of containers,” he commented. Perera was sceptical about the capacity of the present calibre of Sri Lankan graduates to capitalise on the opportunities available.

The needs of the hour, according to him, are:

- Young people with social skills
- Developing sectors with potential to promote ecotourism, agriculture, ICT, furniture
- Truly understanding what customers in the world market want
- Local entrepreneurs beginning to think of ‘going global’
- Capacity building being considered vital

Samantha Rasquinho of the UAE, who left our shores in 1995, made a brief but positively charged statement, wishing that the diaspora and local business would enjoy “a mutually beneficial relationship”. On a less certain note, she nevertheless enthused: “I don’t know how I’m going to help, but I know I want to – and I will.”

Prof. Alex Wijesinghe (*American Diaspora*) began with personal recollections of hardship in the early days in Sri Lanka. He expressed a rapport with some of the entrepreneurs present, striking a chord with many of the industrialists in the audience when he demonstrated an understanding of the technicalities of their vocation. Congratulating the Government on a superlative job done to counter and eliminate terrorism, he cautioned, however: “The war is

over, but the battle is not won.” The remaining challenge, he explained, was the economic development of the country. Emphasising the need for SMEs to have a handle on the bigger picture of the export-import status of our country, he mooted the need for a marketing body that would base its acumen on “practical field knowledge”. Looking ahead, Wijesinghe declared: “I have a dream – an outlet Stateside, which belongs to you, for locals to manufacture and diaspora in the US to market top-quality goods.” He concluded: “How can we help? Let us know!”

Susan Joachim (*German Diaspora*) affirmed that this is “an ideal opportunity for the business of peace, now that the business of war is over”. She adduced that while local business’s “expectations are high”, the diaspora’s “interest is real”. Drawing a parallel between the post-World-War-II recovery of Germany and Sri Lanka’s own potential to emulate this feat, she affirmed that “even today, despite the recession” Germany is “the world’s largest exporter of goods and services”. Analysing the reasons for that European country’s formidable reconstruction efforts, literally from the ashes, she pointed to: a) proper economic policies; b) a substantial contribution of labour from the people; c) educational, as well as professional and vocational training; and d) governmental, administrative and legal services within a democratic framework.

Contextualising her ideas, Joachim averred that “external trade links would facilitate business development in the rural areas”, confirming that the BizPAct event “kick-starts that process”. Pointing to specific examples of promise, she noted that Trincomalee offers “huge potential for high-end tourism”. German investors would be interested in exploring avenues related to Ayurveda, health and wellness, and spa tourism. There would have to be a shift from the traditional sun-, sea- and sand-tourism for this, she recommended.

She assured the audience that German investors were no fly-by-night operators; but rather, interested in long-term trade. Citing a 400-billion Euro solar-powered electrification project in the Sahara Desert, Joachim claimed that Germany was nonetheless interested in smaller projects in Sri Lanka and other South Asian countries. But she revealed that the current mood was “wait and see”, especially in the post-conflict phase. In this light, she urged the Government to create a social climate of equality and opportunity of all races in Sri Lanka – while developing logistical and infrastructural support, and minimising bureaucracy. Counting on German investment in Sri Lanka may be premature, she suggested, if IT and English proficiency in rural areas remains poor. “ICT is crucial,” she emphasised.

Q&A: There followed a QUESTION-AND-ANSWER SESSION, in which a host of issues were addressed. *A summary is reproduced below, in the form of snippets:*

Q: Will investment in SMEs introduce capitalism to ‘uncorrupted’ entrepreneurs?

A: As long as there is a responsible social component to the business being done, pursuing the profit motive is not a disincentive – rather, the opposite is true!

Q: Why has the issue of the ‘unemployability of graduates’ not been properly addressed?

A: The business chambers have repeatedly pointed out to successive governments that the university system needs to be streamlined, so that graduates are better equipped to meet the challenges of especially the corporate workplace. Despite the absence of a satisfactory response, sundry chambers continue to lobby the state to this end. Some business groupings have taken it upon themselves to help undergraduates be competitive. The media, too, have a part to play in educating ‘the powers that be’ as regards this issue.

Q: Despite numerous appeals to the European Chamber, small business ultimately receives no help in terms of funding. Why?

A: Part of the problem is that there is no definition of micro, mini and large-scale enterprise – so, the smaller businesses have to compete with the bigger players. SMEs must lobby the Government to define ‘micro’ and ‘mini’ in terms of size, evening out the field. In addition, the EU does not provide finances per se for individual projects; rather, it supports, advises, provides technical inputs and helps to build capacity overall.

Q: Is microfinance a viable tool to help individual SMEs, especially start-ups?

A: It is advisable for individual businesses to work together with the BPA, for instance, as a collective; and then channel their needs to the diaspora as being representative of the regional chambers/discrete industries, rather than as the requirements of an SME per se.

Q: Is Sri Lanka truly expediting the development of its infrastructure, as is being claimed?

A: Although many complain about the state of infrastructure, some companies are doing well despite the attendant obstacles. In the short term, for instance, tourism is doing well, and will continue to do so. Perhaps another year or so will see significant changes being made to infrastructure in the former conflict zones. However, don't expect doing business in neglected areas, especially, to be "a bed of roses". In terms of what is being done, and where, keep track of improvements to infrastructure on government websites.

CHAIR'S SUMMING UP of the diaspora's presentation and Q&A sessions:

- It is obvious that there is abundant opportunity to invest in Sri Lanka
- A positive vision is present, but greater steps have to be taken to implement it
- Now is the time to do so, rather than waiting for the dust to settle
- Much work has to be done
- Every stakeholder has to push the project as a whole forward
- Most evident is the need for capacity development – as friends of Sri Lanka in the diaspora will require local products by the container-load
- There is also a need for transparency, fair trade and adopting global best practices
- The post-war potential to develop is extensive

INVESTMENT PROMOTION – STATE'S PERSPECTIVE: The afternoon session began with an address by the Minister of Investment Promotion, Navin Dissanayake. Congratulating BizPAct on its initiative, he said that the timing was "perfect" on the domestic front to attract much needed investment for developing the North and East.

Key points made by the Minister helped his audience to obtain a clearer perspective:

- Given "global recession, make the most of global rankings/country positioning"
- Raise the bar for investment promotion. BOI and ministries are "taking tangible steps"
- Remove obstacles (infrastructure) and impediments (land) and also expedite procedure

"Three main areas of concern"

- Sri Lanka must emerge as a financial hub in the region (especially through deregulation)
- The opportunities available – in IT, BPO, telecom – must be handled sensitively
- Fundamental reformatory changes to be made to develop the agriculture sector

National strengths: Sri Lanka stands near the top in the SAARC region for infrastructure, has graduated to being a middle-income country; growth of 10% over 10 years is realistic

"The way forward"

- "Total nation must invest" for "growth with equity", as in "the Taiwan model"
- Gear up to face competition from more cost-efficient centres: e.g. Vietnam, Bangladesh
- Be more sensitive to the needs of investors (for instance, a steady supply of electricity)
- Sharpen entrepreneurial skills to meet the socioeconomic requirements of the country
- Organise a "follow-up symposium", working in tandem with relevant state agencies
- Appeal to both the goodwill and the good business sense of the diaspora
- Seek to make Sri Lanka "the most valuable nation in the region" in 10 to 15 years

A Q&A SESSION followed, *the gist of which is reproduced below in the form of snippets:*

Q: Successive governments have neglected the ceramic sector. Why?

A: Government should not get into business. Come up with a project plan and the state will direct the relevant international organisations to you. There must be a good biz plan.

Q: Is it possible for the ministries to provide credit lines?

A: Government will match credit lines with the viability of business plans. We cannot favour any industry. But capital is a concern and Treasury coffers are limited.

Q: Can we facilitate the reverse brain drain by granting visa/dual citizenship to diaspora?

A: Excellent idea. I [the Minister] will take the issue up. But it will take time.

Q: Seek to establish an 'Office of the Diaspora' to facilitate such matters *and* investment.

A: Don't know if the Government can set this up now, because of finances. But as time progresses and devolution of power takes place meaningfully, we can set up a Trust for it.

Q: Is it possible for investors to work with regional chambers rather than via Colombo?

A: For now, it is happening like this. With Koggala, for example. But suggest improvements.

Q: No significant investment in the east: land a problem, fisheries not a viable industry?

A: Land is a complex issue, even 30 years after reforms. More reforms needed. The President prefers not to give land free. As for fisheries, be patient: the war is only just over.

Q: It takes time to 'go east', but the Government won't permit private aircraft to fly.

A: Aviation is a security issue. It is always possible to hire aircraft for this from the state.

A presentation on *Sustaining Business and Peace: A Resource Pack on SMEs* was made by Mr. Lakshman Gunasekera, Associate Country Director – International Alert (Sri Lanka). Asserting that he was "impressed by the response" in the "early days" of this "first initiative", Gunasekera elaborated on Alert's role here over the past decade in terms of understanding the context of the conflict. While youth in the regions are key, he said it was the basic economic fundamentals that were the focus of Alert's analysis, not politics or culture. The representation at the Symposium of people from the remoter areas who had previously been excluded was "a demonstration of the unity on the part of the business community, irrespective of cast and creed", he affirmed.

Gunasekera also said:

- "Business, as the engine of growth, has a key role to play in conflict resolution"
- There is a lack of sustained policy, so business has an additional responsibility to contribute to the development of management acumen among entrepreneurs
- Although "CSR comes from the spiritual wellsprings of our society", business today can draw from not-for-profit organisations like BPA and the experience of International Alert

Three ROUND-TABLE DISCUSSIONS on thematic topics then took place. The one on *Investment Opportunities in the Northern and Eastern Provinces* was, not surprisingly, the best-attended. It was chaired by Mr. Rohantha Athukorala, Director – Economic Affairs, Government Peace Secretariat. He argued his case convincingly, couching his core presentation in the context of recent economic developments at home, as well as the present global economic milieu. In a statistics-studded audio-visual presentation, Athukorala walked prospective investors through declining global demand, pressure on gross official foreign reserves and positive overall balance of payments ("good news"). He adduced: "Provided we can take care of debt, we're okay." Commenting on what he called "some light at the end of the tunnel", this former head of Sri Lanka's Export Development Board pointed to the recent stock market performance (the Colombo bourse being one of the 'top four' worldwide that week) as "a silver lining in the cloud".

"Why invest in the North-East only now? The North has been open for five years!"

- Growth in the North-East has continued steadily, post the Ceasefire Agreement of 2002
- GDP growth in these provinces has been higher than the country average in 2003/04/05
- "The credit for this needs to go to the private sector" (In December 2008, "168 companies went to the North for an exhibition – at the height of the terrorist problem.")

NOTE: He highlighted the normalcy of Jaffna Peninsula during this period using photos.

The pros of investing in Jaffna: "Please be sensitive to the culture, if you are going to do business there"; "Education is a high priority, next to religion"; "The world's No. 1 brand went there recently"; "Jaffna is safer than Colombo"; Political leadership has been clued-in to the need for unity, e.g. through sports; Potential investors are habitually introduced to the fort town's Army Commandant; Clean streets; Thriving communications sector; A9 access for traders; Good civil-administration structure; Elections mooted; Compensation for land taken for High Security Zones; Fisheries restrictions removed.

The positives of the Eastern Province: Achievement of price parity for produce from the east, vis-à-vis the Western Province; Activity of the private sector in the East: e.g. buy-back arrangements between growers and supermarket chains; Former LTTE leadership has bought into the need for business; Entrepreneurs have been urged to interact with politicians and policymakers – “that’s how business works in Asia”: a political economy.

Highlighting the fact that “there’s work being done now”, Athukorala showcased opportunities for investment mainly in terms of beachfront property development; healthcare and wellness – especially for elders; and the chemicals sector. Small-timers, too, could consider investment in fisheries, agriculture, mining, manufacturing, livestock. The North-East was also opening up to a host of opportunities in “integrated tourism”.

In the Q&A SESSION that followed, *the points below could be considered of importance:*

- In matters of expediting bureaucratic processes, investors must be clued into the political economy
- There is a gap in terms of information centres as regards access by diasporic investors
- It may be prudent to summarise (in CD/pamphlet form) the opportunities in the East
- There is, and has been for some time, a “golden opportunity” to invest in Jaffna
- In addition to promoting better known world-class tourist resorts such as Arugam Bay, it would be expedient to foster knowledge about areas such as Ampara as well

DAY 5 – Monday, 29th June [Hotel Galadari]

The final session began with the Sinhala version of the national anthem being sung – perhaps due to the exigencies of the facilities available. It was a portent of things to come: regrettably, an explosive ethno-linguistic issue sparked off some tension at the end of the day. But it began well enough, with BPA Chairman Suresh de Mel welcoming the “distinguished panel” and reiterating the background of BizPAct for new attendees:

- Public-private partnerships are important, but also public-private-people partnerships
- Socioeconomic development of the country depends on regional prosperity
- If Colombo is the hub around which this can revolve, BPA is the wheel

The Symposium then proceeded to evaluate the outcomes of the respective visits to the regions by representatives of the diaspora, which had taken place over the past three days.

Jayampathi Perera, British Diaspora (Facilitator – Plenary Session)

Thanked BPA for organising a fun, yet efficiently run, event – especially to the newly liberated areas; acknowledged the problem that existed, but is positive now that it is over.

Samantha Rasquinho, Middle Eastern Diaspora: Was pleased at the opportunity to see first-hand what the entrepreneurs could do. Impressed by the “people’s passion”, and was able to take away valuable insights into the “logistics of investment”. Was particularly impressed by prawn-farming projects, and touristic entrepreneurs exploring opportunities.

Aruni Evans, American Diaspora: Moved by BPA’s preparation, enthusiasm and vision. Sees potential in the manufacture of goods with a long shelf life. At present, agro produce not up to the mark for export. Great potential in Trincomalee for tourism, condominium development. Textiles and furniture first class. Need to build commercial relationships with diasporic buyers via a good business plan to make products marketable overseas.

Susan Joachim, German Diaspora: To promote tourism, the authorities must convincingly demonstrate “what’s in it for Germany”, for example – especially because travel advisories continue to be negative. Deflect such negativity with positive image-building campaigns. On the ground, BizPAct must be supported by ‘big business’ in order to build capacity. The potential is good, but some ideas need to be tighter. “Our hearts are bringing us back – but business is about making money!”

Jeremy Liyanage, Australian Diaspora: Useful to see what's behind the usual touristic façade. Because the biz chambers are at various stages of development, *it's important to:*

- Understand the bigger picture of how biz operates, dispense with “fanciful notions”
- Capitalise on the developments already taking place (ports, roads/highways, end of war)
- Develop better business acumen, via interaction between the diaspora and chambers
- Streamline product-development initiatives, support marketing-development efforts
- Underline the importance of IT and being able to communicate fluently in English
- Envision new trends in product innovation to stay abreast of international competition

A question from the chair helped to clarify these imperatives also: the need for honesty, transparency (“no shocks/surprises”); and strengthening the role of the ‘junior chambers’.

In the interactive session that followed between the panel, prospective investors from the diaspora and representatives from the regional biz chambers, *these points were made:*

- A practical way to liaise between diasporic investors and the chambers was via the BPA
- While only ‘big biz’ had previously been promoted, the state must now support SMEs
- Set up a focus-group mechanism to sample products, run workshops (e.g. ‘Trading with Australia’, ‘SME hoteliers’), work in the interim phase to develop the relationship factor
- Provide web portals with key info to give investors insight into investment opportunities
- Discern investor expectations and catalogue these, too, on the web for the sake of SMEs
- Start a dialogue on this web portal and continue it until “everyone is on the same page”
- When poor advice is given, projects fall through; so, it is vital to have good biz advisors
- The diaspora, too, is having a tough time; so, it is vital to get the right messages across

Following the arrival of two state officials, BPA Secretary-General/CEO Manique Mendis welcomed other members at the head table for the final session. Jeremy Liyanage of the Australian Diaspora *summarised the findings of his colleagues over the weekend:*

- The future of Sri Lanka looks good. It is clear that there is going to be investment
- A common message is that the regional chambers have a strong role in development
- Another message is that business needs support on many fronts to realise its aspirations
- Other messages: opportunity because of global downturn; Sri Lanka must build capacity
- The diaspora must get itself more organised, even while Sri Lanka seeks to develop a diaspora-friendly environment – especially through incentives such as dual citizenship
- The state needs to support chambers to promote business, through a ‘Diaspora Office’

Response of Dr. Palitha Kohona, Secretary – Ministry of Foreign Affairs

Thanked the presenter, commending some “very good ideas” and promised to address the issues raised. Reminded the audience that the war was only just over. Was positive that the pent-up energies of the past could now be released positively to fuel development. “Sri Lanka ready to join the race to prosperity, and all Sri Lankans must join.” Noting the “phenomenal changes” taking place in the country, the Foreign Secretary concluded by appealing to the diaspora to invest here. “Do it for your own self!”

Response of Prof. Rajiva Wijesinha – Secretary-General, Govt. Peace Secretariat

Commended the theme of the Symposium. Highlighted the importance of the private sector by tracing ramifications of statist dispensations of previous administrations. Provided some insights into the nexus between government policies on education, youth unrest and civic conflict. Emphasised that now, post-war, the incumbent administration is “anxious to lay the groundwork for infrastructure”. Stressed that Human Resources Development was key to helping SMEs to take advantage of opportunities, and urged all stakeholders to help those who hadn't had any opportunity before to make avail of it now.

In the Q&A session that followed, a former Chairman of the Pakistani Chamber of Commerce said that he and his colleagues were “bullish about investment in Sri Lanka”. Echoing his sentiments, the High Commissioner for Bangladesh revealed that he was “interested” and “excited” by many opportunities, and was keen to “plug in to them”.

Other salient points that emerged in the interaction between panellists and audience:

- BOI procedure has now been streamlined such that even 24-hour approvals are possible
- Govt. has 2-year and 180-day programmes, in response to potential investor interest
- State is making it a point to reach out more especially to investors in the Tamil Diaspora
- Sri Lanka is still not, may never be, a Shangri La: there are “warts”, “holes” and “gaps”
- The Foreign Office must ensure our ambassadors are suitably qualified to represent us
- There were mixed sentiments about foreign investors paying 100% tax on investments
- There is a need to empower regional tourism through experiential initiatives for SMEs
- There is a good case for loosening up of credit, so banks urged to liberalise credit lines
- Bureaucrats don't recognise the work of chambers; politicians make excuses to be M.I.A.
- BOI has reduced investment limits, does not discriminate local/foreign, in Jaffna soon

Relevant comments: Mr. Rohan Fernando, President, National Chamber of Exporters

- Regional red tape is no fault of the BOI; pocket boroughs control life outside Colombo
- Government must expedite approvals, set up a one-stop-shop to address investor issues

Relevant comments: Mr. Ravi Peiris, Director-General/CEO, Employers Federation

- Promote an employer-employee relations framework conducive to boosting investment
- Private sector must take the lead in developing SMEs, harnessing HR resources to do so

Regrettably, the temperature of the Symposium soared when two ultra-national-minded members of the audience took umbrage at an issue of language raised by a Tamil-speaking businessperson from the diaspora, who made the point through a simple exercise (speaking in English, Sinhala and Tamil) that business in the north-east would be better conducted in Tamil rather than Sinhala. This raised a storm of protest, by the Sinhala-speaking objectors, who misunderstood the point being made as an attempt to subvert the Symposium by raising a thorny political issue. But despite a few tense moments, the situation was brought under control by Prof. Wijesinha, and the delegates retired for refreshments. Reassuringly, perhaps, the protagonists in what could have aggravated into an unnecessary conflagration, were reconciled after formal proceedings concluded – which may well be a favourable portent for the confab's eventual success: ***not merely in terms of the event per se, but the outcomes of investing in Sri Lanka.***