

Prioritise value-added competitive agriculture

By increasing the productivity of agriculture, which is tightly intertwined with the fabric of our society, we will encourage our farmers to produce agriculture output of international standards. This will enable us to earn foreign income through exporting high value added agricultural produce. That way, we can revitalise our proud agricultural heritage.

Fresh thinking is needed for land, labour and capital markets

We need to give priority attention to better land use, and improving labour and capital markets. If not, these will limit our progress. Obsolete land policies must change. We need a skilled and motivated work force who can produce more for the same or less resources. We need to strengthen the relations between employers and employees. To help the private sector further raise capital, we will expand the capital markets.



Greater attention to education, public health and environment

A developed Sri Lanka also needs soft infrastructure; particularly quality education, affordable public health services and a clean environment. Every citizen should be able to have a roof over her head, safe drinking water, shelter, a nutritious diet, safe and reliable public transport and clean air to breathe. We need to safeguard our historical and cultural heritage.



We can't pursue this without technology and digitalisation

Technology keeps evolving rapidly. We must adopt suitable modern technologies to grow our economy and increase prosperity. Our development strategies need to be reoriented to create an efficient economy based on digitalisation.



A caring society with adequate social protection

Currently only public servants are entitled to a pension. Ideally every member of the work force should receive a pension after they retire. We need far-reaching pension reforms. Similarly, *Samurdhi* subsidies need to be streamlined as there are some irregularities that leave out genuinely needy families. We can create a developed country only if we succeed in spreading the benefits

of economic growth across all levels of society. We need strong social protection to ensure social justice. No one should be left behind.

Sustainable development is the basis for our journey

We want to strike a healthy balance between economic development and environmental conservation. Sustainable development is not a choice but an imperative. We cannot hope for a better country for our future generations if we do not look after the environment and natural resources. We need to develop agriculture and enhance our country's food security.



The benefits of economic development need to be shared by everyone, everywhere in the country. We need to reduce

the cost of generating electricity, and promote environmentally friendly renewable energy sources.

We have noticed an increasing frequency and intensity of natural disasters. We need better disaster preparedness as well as better disaster management.

To accomplish all this, we need a Government accountable to the people

Sri Lanka cannot become a country enriched without well-developed governance systems. This is the aim of our far-reaching public sector reforms. We strive to reduce corruption and waste to a bare minimum and improve public sector efficiency. We have already introduced a law that guarantees people's Right

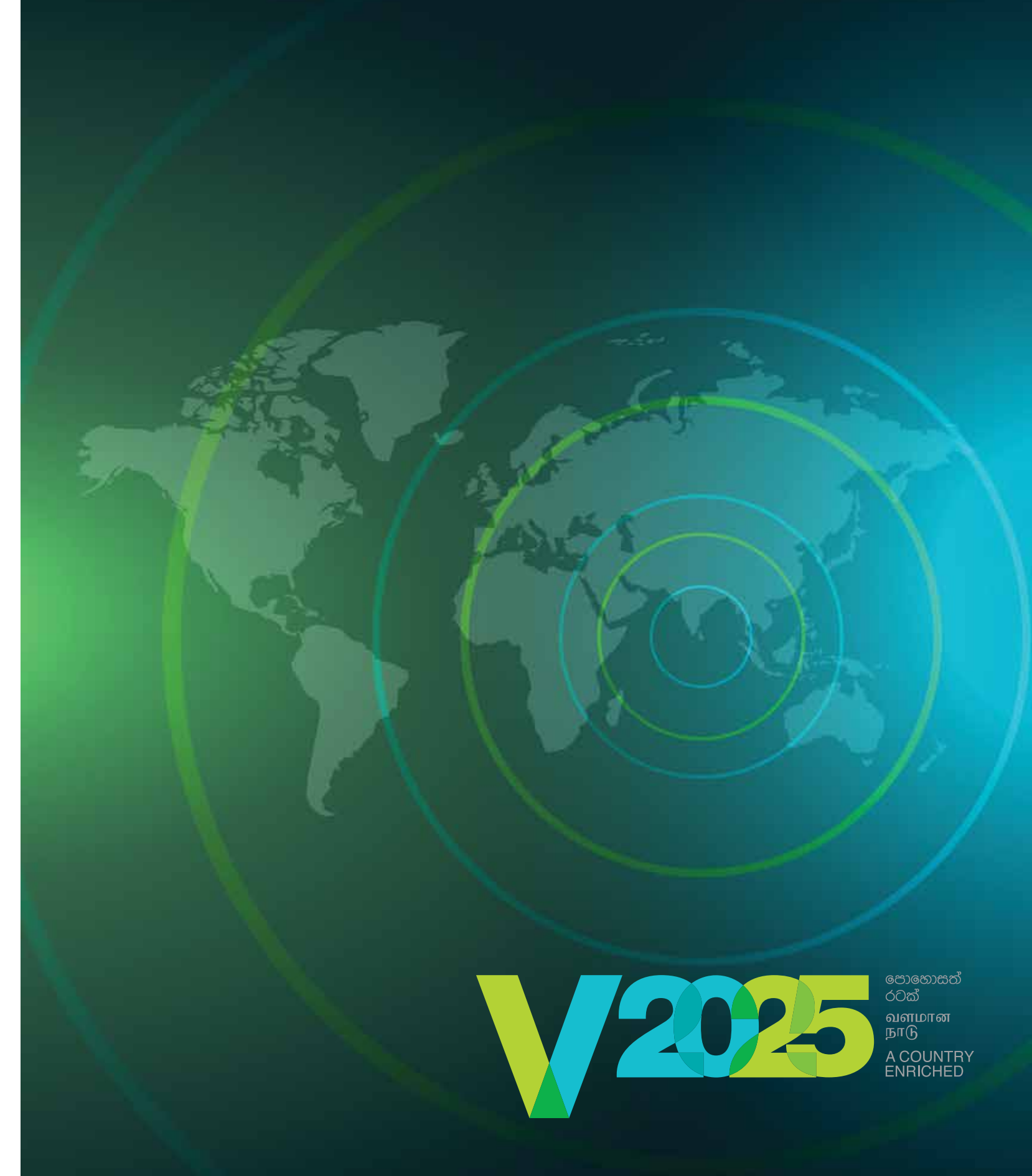
to Information. We want to adopt the *grama-rajya* (village republic) concept that involves public participation at the grassroots level. As we are aware, work on the new Constitution is already underway.

Monitoring and coordination are vital

For any development activity to succeed, there needs to be monitoring and coordination. Such coordination needs to be within the Government as well as between the Government and the private sector. We can and should take advantage of digital technologies for optimising monitoring and coordination.



“We will help everyone enjoy the benefits of social justice and market competition by creating a knowledge-based, highly competitive, social market economy”



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Sri Lanka: A Country Enriched by 2025

In January and August 2015, citizens of Sri Lanka exercised their franchise to usher in a change in political culture. They used their vote in support of clean and clear-headed politics, and good governance that avoids extremism.

Their wish is for a democratic country and pluralistic society that respects everybody's human rights, where all Sri Lankans can achieve prosperity. This does not simply refer to material wealth: a country enriched is one prosperous in terms of knowledge, values, good attitudes and skills, and environment.

During the past two years, our Government of national unity has taken major steps forward in pursuit of these aspirations. Evidence of this progress is in the 19th Amendment to the Constitution, setting up of independent commissions, reconciliation mechanisms, working on a new Constitution, introducing the Right to Information Act, ensuring media freedom and restoring Sri Lanka's image among the international community.

The immense challenge we are now facing is how to increase incomes for all our citizens while reviving the economy trapped in massive debt. Given the magnitude of the problem, it could take years to get out of the debt trap. But in the meantime, we have raised salaries for both public and private sector employees; increased pensions; and brought down the prices of fuel, gas and essential drugs. We have sanctioned large amounts for agriculture and rural development, and are giving development loans at concessionary rates. We have responded quickly and substantially when disasters struck and are introducing a scheme to insure all school children in the country. These are among the many measures taken during our first two years.

All these aim to transform Sri Lanka into a country enriched by 2025. We will help everyone enjoy the benefits of social justice and market competition by creating a knowledge-based, highly competitive, social market economy. This means that all citizens will have the chance for higher incomes and better living standards. To achieve this, we must make Sri Lanka the hub of the Indian Ocean, a commercial powerhouse. It is only then that our agricultural, service and industrial sectors can grow, so that our local markets can flourish. Then, Sri Lanka will have a strong economy where everyone has a chance for prosperity.

Obstacles that we face together

As things stand today, we face many challenges. State finance management is poor, perceptions of corruption are high, and infrastructure is inadequate. Many of our laws are outdated, and institutions are weak. Reforms are needed on all these fronts, and we must revitalise both governance and economic management.

The key elements of the Three-Year Economic Programme

To become a country enriched by 2025, we need to implement many changes in the next three years. Overall, we aim to raise per capita income to US Dollars 5,000 per year, and to generate one million new employment opportunities by 2020. We will endeavour to stamp out corruption by encouraging competition and enabling transparency.

This journey needs a new vision and mission

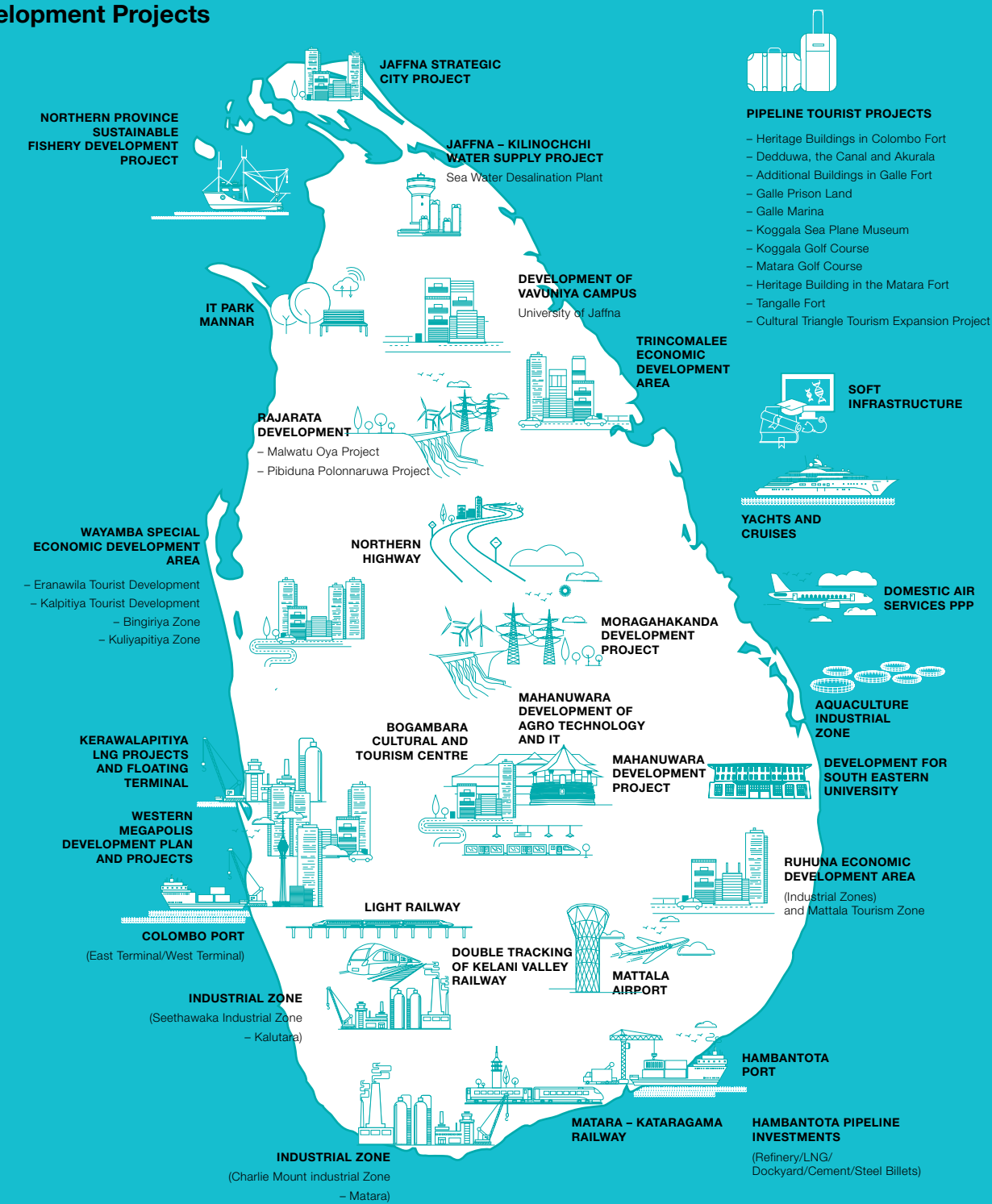
For Sri Lanka to pursue this bold vision, we have to improve our economic competitiveness and productivity. That requires reforms in all sectors. Such a new vision and a new approach are vital for building a knowledge-based and technology-driven economy that produces goods and services not only for the domestic market but also for global market. Large private investments will come in when we get the basics right.

Enhance economic growth

We still do not have full capability for facilitating the needs of foreign investors coming to Sri Lanka. This needs to change, fast. We must attract more foreign investments that will also boost our exports. We need to improve procedures for international trade through reforms and streamlined customs and other clearances. Our new trade policy will achieve that.



Key Development Projects



The macroeconomic framework needs strengthening first

Massive public debt, high budget deficits and irresponsible fiscal policies of the past have caused major macroeconomic problems in our economy. We need to streamline and modernise our economic policies and overhaul our taxation system to increase social justice. Public and private sectors need to collaborate more.



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