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# AHK Sri Lanka NEWSLETTER



**YOUR TRUSTED PARTNER IN  
SRI LANKAN – GERMAN  
BUSINESS RELATIONS**



Delegation der Deutschen  
Wirtschaft in Sri Lanka  
Delegation of German Industry  
and Commerce in Sri Lanka

 **PartnerInSriLanka**



Dear readers,

We are deeply saddened by the large loss of life and injuries caused by the brutal terrorist attacks in Sri Lanka on 21<sup>st</sup> April 2019 (Easter Sunday). We would like to extend our sincere condolences to the People of Sri Lanka, to the bereaved families and those injured in the attack. We hope that the security situation will continue to improve significantly in the upcoming weeks.

German businesses have been for decades reliable partners of the Sri Lankan economy. We are therefore very delighted to announce that delegation of Messe Düsseldorf will visit Colombo mid of May to discuss prospective business collaborations in the field of trade fairs. We highly appreciate their commitment and express our sincere gratitude to the Messe Düsseldorf for arranging the delegation even in a critical condition like this.

Furthermore, we would like to announce that we will accompany Hon Minister of Ports and Shipping, Sagala Ratnayaka and a high-ranking business delegation to Munich and Berlin to promote Sri Lanka as a regional logistic and trading hub. For the first time, Sri Lanka will have a country pavilion at the world's largest logistic fair Transport Logistics in Munich. Besides the official country pavilion, Hambantota Port will exhibit for the first time. In 2018, Colombo port had the largest growth rate in container capacities worldwide (+15.6%) and was ranked by the Drewry Port Connectivity Index at rank 11 globally. The potential is enormous and with the set up of the right frame Sri Lanka would manifest its position as the leading logistic hub in the region and could become the regional trading hub as well.

On 5<sup>th</sup> of June Hon Sagala Ratnayaka will participate with H.E. Peter Altmaier, Federal German Minister of Economic Affairs and Energy in the Asia Economic Dialogue in Berlin.

Yours sincerely,

Andreas Hergenröther  
Chief Delegate  
Delegation of German Industry and Commerce in  
Sri Lanka  
(AHK Sri Lanka)

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### *Our Premier Platinum Partners*



## Speech by Minister of Development Strategies and International Trade in the Parliament of Sri Lanka

-8th May 2019-



Hon. Malik Samarawickrama  
Minister of Development Strategies and International Trade

Hon. Minister began his speech stating that the tragic event occurred on Easter Sunday could not diminish the courage of the Sri Lankans, yet, the incident made the people stronger and feel more united than ever before. With the leadership of the President and the Prime Minister, impressive counter-terrorism measures have already been taken and targeted international cooperation is being obtained wherever required.

It is now essential to rebuild the economy while working towards bringing normalcy to Sri Lanka with the cooperation of all stakeholders. Hon. Minister insists that encouraging international partners to keep doing business with local parties is crucial to help the economy bounce back. He further stated that Sri Lankans should show their commitment to international investors that the country is being made safe, whose support during challenging times like this will ensure that terrorism does not win, and Sri Lanka's quest for economic prosperity will not be beaten down. Hon. Minister thanked the private sector for how they have performed so far during the tough times while highlighting the cooperation needed from their end to minimize the economic fallout and maintain religious and ethnic harmony within the country.

It is believed that the private sector of the country could play a major role in helping the economy get through this challenging time like how they showed their efforts in the past during repeated terrorist attacks, catastrophic events such as tsunami and other natural disasters. Therefore, it is important that private sector and government work together to emerge out of this existing challenge.

Hon. Minister stated that formulating an assistance plan for the tourism industry has already been commenced. A few meetings with the tourism industry representatives have been held to come up with a suitable package. The Minister is confident that macroeconomic stability that has been created in Sri Lanka will enable the country to better withstand shocks of this nature.

By end March foreign reserves of Sri Lanka stood at US Dollars 7.6 Billion, which is sufficient for over 4 months of import cover. Exports and FDI reached all-time highs in 2018 and the trade deficit in February was the lowest monthly deficit in over 5 years. Inflation was well under control at 4.5% in April. The Rupee has appreciated by 3.0% during this year. Interest rates declined over 100 basis points this year and necessary measures have been taken to bring down borrowing costs even further by at least 2%, especially for SMEs. The fiscal position continues to strengthen, with a primary budget surplus of 0.6% of GDP in 2018 and a 1.5% surplus projected for 2019.

Hon. Minister concluded the speech stating the Parliamentarians' duty should be to preserve the democracy while leading the citizens into new frontiers of peace and prosperity.

Source: Minister of Development Strategies and International Trade



## Become a Qualified Trainer for VET

### WHY TRAIN-THE-TRAINER "AdA"?

Dual Vocational Training (DVT) is the prime factor for German companies to secure a strategic and leading position in the global market. The highest standards of vocational training "Made in Germany" are a key element for the high competitiveness of German companies and conducted essentially to a low youth unemployment rate in Germany.

A highly professional vocational training boils down to the trainer. In-house trainers have to form a solid foundation and have to be skilled in the intricacies of educating their apprentices and trainees. Well trained in-house trainers are a key to success to inspire apprentices and to increase efficiency in a sustainable way.

This AdA (Train-the-Trainer)-course is primarily tailored for in-house trainer qualification in order to qualify competent and high-quality trainers. In Germany, our AdA training is guaranteed by the Ordinance of Trainer Aptitude (AEVO) and the 79 Chambers of Commerce and Industry. Because of the German pedigree, the vocational training is carried out by the German Chambers of Commerce abroad (AHK network) in 142 offices around the world. As the training is based on the German statutory law AEVO, it is perfectly appropriate for dual vocational training.

### BENEFITS FOR PARTICIPATING COMPANIES:

- Flexible training facilities at short notice through deployment of internal staff
- No extra costs for external trainers – low effort and expense for training and instruction
- Training during international rollouts conducted by in-house experts
- Personal contact between headquarter employees and your staff, partners and customers abroad – thus stronger in-house networking
- Circulation of knowledge on work processes and company culture by your own staff
- Cost savings and increased efficiency in staff development

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# AdA

Ausbildung der Ausbilder

**TRAIN-THE-TRAINER**  
**AdA International**  
**-Basic Version-**



ISO CERTIFIED



## AHK Sri Lanka Business Confidence Survey

The Delegation of German Industry and Commerce in Sri Lanka conducts the Business Confidence Survey every year to obtain feedbacks of German companies operating in Sri Lanka. The main purpose of this survey is to appraise the state of the current business environment and identify the major challenges for German companies. In addition, the survey includes questions to evaluate the outlook of the Sri Lankan business environment in 2019/2020.

The Business Confidence Survey 2019 is being conducted between 8<sup>th</sup> of April and 15<sup>th</sup> of May and consists of 10 questions concerning the participants business performance last year and their market outlook for 2019/2020. Currently, there are over 150 German brands operating in Sri Lanka.

Please visit the link below to take part in the survey.

<https://www.surveymonkey.com/r/LMLR2J7>



In the frame of the "German Energy solutions" program of the German Ministry of Economic Affairs and Energy (BMWi), AHK Sri Lanka currently conducts a business delegation from Sri Lanka to Germany focusing on Bio energy, waste-to-energy and system integration. The business mission left on 6th May 2019 along with 8 Sri Lankan companies and 1 state university. The visiting firms will have opportunities to meet potential clients, attend for a conference with the expert speakers in the respective industries as well as site visits which will enable them to engage with new technologies.

### **"German Energy Solutions" Delegation visit to Germany on the field of renewable energy**

The business delegation trip is a good opportunity to get information about state-of-the-art generation and distribution of biomass in solid, liquid or gaseous form as well as the production of biofuels. Potentially, it can lead to a later spill-over effect in the field of transport and electricity on the island, which are two very significant economic and political topics of the country. Visits to a biogas plant, alternatively from a biowaste digestion plant / biomass center and a waste-to-energy plant ("alternative fuel waste-to-energy plant"), as well as information events

with, for example, the platform Research and Innovation, the BMWi and the Energy Research Network are proposed. For the success, it is essential that all renewables energies are functional integrated into the power supply system and network. For this reason, a further focus will be the system integration of renewable energies. The covered topics are the infrastructure, which must be renewed, network technologies, smart grids, storage options as well as innovative concepts such as tenant electricity.





Transport Logistic is the world's leading trade fair for logistics, mobility, IT, and supply chain management, and global industry gathering in Munich. It provides visitors a complete look at the entire process chain of the transport and logistics sector. At the trade fair, more and more exhibitors from Germany and all around the world present their innovative products and services. In 2019, for the first time, Sri Lanka will have a country pavilion at the world's largest logistic fair. Besides the official country pavilion, Hambantota Port will showcase at the fair.

#### Key facts form 2017

- 2,162 exhibitors from 62 countries (+5.5%)
- International proportion among exhibitors: 52.5% (2015: 48%)
- 69,097 net m² (+8%) exhibition space in 9 halls, open air area, railway tracks
- 60,726 trade visitors (+9.5%) from 123 countries
- International proportion among visitors: 43.8% (2015: 41%)
- 600 journalists from 39 countries (2015: 556 journalists from 37 countries)

#### SRI LANKAN PAVILION – EXHIBITORS – BOOTH 332 (Hall- B2)

NAME OF THE COMPANY	SERVICES OFFERED
Sri Lanka Ports Authority	<ul style="list-style-type: none"> <li>• Container Terminal Operations</li> <li>• Port operations, Management and Development</li> <li>• Port Logistics services (MCC, LCL)</li> <li>• Navigational services</li> <li>• Maritime, Port and Navigational Training</li> </ul>
South Asia Gateway Terminals (Pvt) Ltd	<ul style="list-style-type: none"> <li>• Port Container Terminal Operator</li> </ul>
Colombo International Container Terminals Ltd (CICT)	<ul style="list-style-type: none"> <li>• Container Terminal Operations</li> </ul>
MAC Holding (Pvt) Ltd	<ul style="list-style-type: none"> <li>• Freight Forwarding, 3PL, 4PL</li> <li>• Freeport Logistics &amp; Entrepot Services</li> <li>• Ship Agency representations</li> <li>• Airline GSA representations</li> </ul>
Hayleys Advantis Limited	<ul style="list-style-type: none"> <li>• Integrated Logistics Services – Third Party Logistics, Free Zone Logistics, Energy Logistics, E-Commerce &amp; Last Mile Delivery Services</li> <li>• Marine Service – Marine &amp; Vessel Operations, Ship Operations and Bunkering</li> <li>• Terminals &amp; Engineering – Container Depot Operations, Project Logistics and Engineering Services</li> <li>• International Freight Management – Shipping, Freight Forwarding &amp; Express Freight Services</li> </ul>



NAME	SERVICES OFFERED
Expolanka Freight (Pvt.) Ltd	<ul style="list-style-type: none"> <li>• 3rd Party Logistics</li> <li>• Multi Modal Transport</li> <li>• Air Freight, Ocean Freight</li> <li>• Clearance &amp; Brokerage</li> <li>• Door to Door</li> <li>• Free Port</li> <li>• Overland Transport</li> <li>• Storage &amp; Distribution</li> <li>• Speed to Market</li> </ul>
Abans Logistics (Pvt) Ltd. / Crown City Developers (Pvt) Ltd	<ul style="list-style-type: none"> <li>• Ocean and Air Freight Consolidation &amp; Forwarding</li> <li>• Special Projects/ Over Dimensional Cargo handling</li> <li>• Logistics and Distribution</li> <li>• Supply Chain Management</li> <li>• Customs Clearance Services</li> <li>• Import and Export (Sea/ Air)</li> <li>• Entraport Operations</li> <li>• Bond/ Ex-bond</li> <li>• Warehousing</li> <li>• Yard Facilities (CFS)</li> <li>• Laden and Empty Container Storage</li> <li>• Container Sale/ Rental/ Repair/ Fabrication</li> <li>• Reefer Containers (Cold storage)</li> <li>• Rental/ Sale/Storage</li> <li>• Transport 20'/40' and truck loads</li> <li>• Last Mile Delivery</li> </ul>
IT SOLUTION PROVIDERS FOR LOGISTICS	
Geoid Information Technologies (Pvt) Ltd	<ul style="list-style-type: none"> <li>• Provides Cloud based Transportation Management System with automated route planning, supplier and customer invoicing, live vehicles location tracking through GPS.</li> <li>• Vehicle service and maintenance records management. Interactive dashboard, easy API level integration with any ERP solution</li> </ul>
E.C. Holding Pvt Ltd	<ul style="list-style-type: none"> <li>• SAAS Application Development</li> <li>• Enterprise Resource Planning (ERP)</li> <li>• Webdesign &amp; Development</li> <li>• Offshore Accounting</li> <li>• Ebook conversion (New)</li> </ul>
Kingslake Engineering Systems (Pvt) Ltd	<ul style="list-style-type: none"> <li>• ERP Implementation – Infor</li> <li>• Progress Rollbase Implementation</li> <li>• Products – Transmart, Tracksmart and Storesmart</li> </ul>

## HAMBANTOTA INTERNATIONAL PORT – BOOTH 336 (Hall- B2)

The port provides a variety of services including but not limited to container, break bulk, Ro- Ro, bunkering, cruise, oil, bulk terminal, gas and project cargo. The Port is also focused on new technologies and environmental initiatives to boost digital information flow and sustainable practices throughout the supply chain. The port is envisaged to be unparalleled, as it will be the only port in the country, designed to handle the entire spectrum of services in the maritime and logistics sphere.

## Economic Overview of Sri Lanka - 2018

During 2018, the Sri Lankan economy confronted many global and domestic disturbances which caused to achieve a moderate economic growth rate which grew at 3.2%, compared to 3.4% in 2017. This growth was largely supported by services activities that expanded by 4.7% and the recovery in agriculture activities, which recorded a growth of 4.8%. Industry activities slowed down significantly to 0.9% during the year, mainly as a result of the contraction in construction. According to the expenditure approach, both consumption and investment expenditure supported growth. The total size of the Sri Lankan economy was estimated at USD 88.9 billion, while the per-capita GDP was recorded at US dollars 4,102 in 2018, which was marginally lower than in the previous year.

The external sector of the economy was volatile during the year due to both global and domestic factors. Globally, monetary policy normalization, particularly in the United States of America (USA), resulted in global financial conditions tightening, thus causing capital outflows from emerging market economies and increased pressure on exchange rates of twin deficit economies, in particular. In 2018, total export recorded USD 11.89 billion while the imports of the country increased USD 22.23 billion by representing the highest trade deficit in the history of Sri Lanka. Although services exports are estimated to have grown substantially, the deficit in the merchandise trade balance, stagnant workers' remittances and rising foreign interest payments resulted in a widened current account deficit of 3.2% of GDP during the year.

In terms of fiscal operations during 2018, Sri Lanka acquired some improvements with a higher primary surplus and a lower budget deficit, notwithstanding the decline in revenue mobilization. According to the annual report, the government revenue dropped to 13.3% of GDP in 2018 while expenditure and net lending declined, particularly due to lower public investment, which was affected by political tensions

that prevailed towards the end of the year resulting in delays in the implementation of budgetary operations.

The primary balance, which mirrors the difference between the government revenue and non-interest expenditure, registered a surplus of 0.6% of GDP in 2018 compared to the surplus of 0.02% of GDP in 2017. The budget deficit declined to 5.3% of GDP in 2018 from 5.5% of GDP in 2017 as a result of the substantial reduction in capital expenditure, but a deviation from the target level of 4.8% of GDP envisaged in the Budget 2018 was also observed.

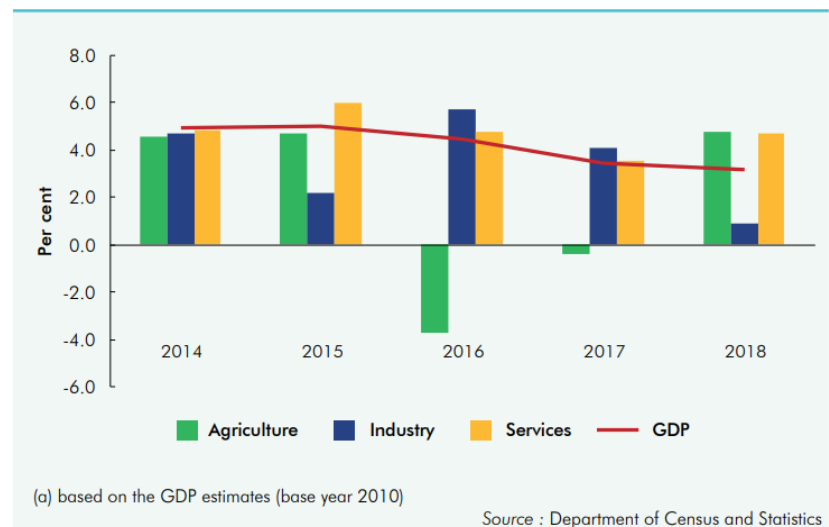
Further, 2018 annual report declares, even though the government has made efforts to maintain the country's macroeconomic stability over the past several years, because of the postponement of much needed structural reforms has led the Sri Lankan economy to a modest growth path. Sri Lanka's graduation to the middle income status almost a decade ago required far reaching policy reforms to move towards higher income status by avoiding the so-called middle income trap.

However, lack of introducing growth enhancing reforms in the areas of export promotion, attracting FDI, reducing budget deficits and debt levels, reforming factor markets, strengthening public administration, and ensuring the rule of law have largely

contributed to Sri Lanka's economic stagnation, while peer economies have progressed rapidly as a result of growth supporting reforms. Therefore, for Sri Lanka to succeed as a higher income economy and improve the wellbeing of its people, it is essential that the root causes for the continued low economic growth are addressed by expediting the required structural reforms with a focus on improving productivity and efficiency of the economy. In this background, it is vital that all stakeholders make concerted efforts to expedite the reform agenda that is already in place, which includes the National Export Strategy (NES) and New Trade Policy (NTP) to improve earnings from merchandise and service exports, the fiscal consolidation programme to improve fiscal discipline and debt sustainability, and the Central Bank's move towards adopting FIT by 2020 to ensure sustained price stability. The timely implementation of these reforms will not only improve Sri Lanka's economic outlook and its prospects as a highly sought-after destination for investments given the country's strategic location in the Indian Ocean, but also would be essential to uplift the overall standard of living and quality of life of its people.

*Source: Central Bank of Sri Lanka*

Annual GDP Growth Rate (a)





**Macroeconomic Performance (2014-2018)**

Indicator	Unit	2014	2015	2016	2017 (a)	2018 (b)
<b>Real Sector (c)</b>						
Real GDP Growth	%	5.0	5.0	4.5 (a)	3.4 (b)	3.2
GDP at Current Market Price	Rs. bn	10,361	10,951	11,996 (a)	13,418 (b)	14,450
Per Capita GDP (d)	US\$	3,819	3,842	3,886 (a)	4,104 (b)	4,102
<b>External Sector</b>						
Trade Balance (c)	% of GDP	-10.4	-10.4	-10.8 (a)	-10.9	-11.6
Current Account Balance (c)	% of GDP	-2.5	-2.3	-2.1	-2.6	-3.2
Overall Balance	US\$ mn	1,369	-1,489	-500	2,068	-1,103
External Official Reserves	US\$ mn	8,208	7,304	6,019	7,959	6,919
<b>Fiscal Sector (c)(e)</b>						
Current Account Balance	% of GDP	-1.2	-2.3	-0.6	-0.7	-1.2
Primary Balance	% of GDP	-1.5	-2.9	-0.2	0.02	0.6
Overall Balance	% of GDP	-5.7	-7.6	-5.3	-5.5	-5.3
Central Government Debt	% of GDP	71.3	77.7	78.3	76.9	82.9
<b>Monetary Sector and Inflation</b>						
Broad Money Growth ( $M_{2b}$ ) (f)	%	13.4	17.8	18.4	16.7	13.0
Private Sector Credit Growth (in $M_{2b}$ ) (a)(f)	%	8.6	25.0	21.6	14.7	15.9
Annual Average Inflation (g)	%	3.3	2.2	4.0	6.6	4.3

(a) Revised

(b) Provisional

(c) Based on the GDP estimates (base year 2010) of the Department of Census and Statistics.

(d) Estimates updated with the latest population figures

(e) Based on revised GDP estimates for 2016 and 2017 made available on 19 March 2019 by the Department of Census and Statistics

(f) Year-on-year growth based on end year values

(g) Data for 2014 is based on CCPI (2006/07=100) while data from 2015 onwards is based on CCPI (2013=100).

Sources: Department of Census and Statistics  
Ministry of Finance  
Central Bank of Sri Lanka

**Gross Domestic Product by Industrial Origin at Constant (2010) Prices (a) (b)**

Economic Activity	Growth (%)		Contribution to Change (%)		As a Percentage of GDP (%)	
	2017 (c)	2018	2017 (c)	2018	2017 (c)	2018
<b>Agriculture, Forestry and Fishing</b>	- 0.4	4.8	- 0.7	10.2	6.9	7.0
Growing of cereals (except rice)	- 12.6	2.8	- 0.5	0.1	0.1	0.1
Growing of rice	- 7.1	33.9	- 1.2	5.5	0.5	0.7
Growing of vegetables	- 5.3	2.6	- 1.0	0.5	0.6	0.6
Growing of sugar cane, tobacco and other non-perennial crops	- 12.9	- 11.0	- 0.1	- 0.1	0.0	0.0
Growing of fruits	7.4	11.2	1.1	1.9	0.5	0.6
Growing of oleaginous fruits (coconut, king coconut, oil palm)	- 19.7	6.3	- 4.3	1.1	0.6	0.6
Growing of tea (green leaves)	4.5	- 0.8	0.9	- 0.2	0.7	0.7
Growing of other beverage crops (coffee, cocoa, etc.)	- 6.4	25.6	0.0	0.1	0.0	0.0
Growing of spices, aromatic, drug and pharmaceutical crops	0.4	5.3	0.1	1.1	0.7	0.7
Growing of rubber	4.9	- 0.6	0.4	- 0.1	0.3	0.2
Growing of other perennial crops	1.4	- 4.9	0.1	- 0.3	0.2	0.2
Animal production	5.6	4.7	1.0	0.9	0.6	0.6
Plant propagation and support activities to agriculture	- 7.3	1.7	- 0.2	0.1	0.1	0.1
Forestry and logging	19.2	- 0.9	3.3	- 0.2	0.7	0.6
Fishing	- 0.5	- 0.8	- 0.2	- 0.3	1.3	1.2
<b>Industries</b>	4.1	0.9	32.0	7.8	26.7	26.1
Mining and quarrying	9.1	- 5.1	6.4	- 4.0	2.5	2.3
Manufacturing	3.3	3.0	14.9	14.4	15.5	15.5
Electricity, gas, steam and air conditioning supply	2.6	4.1	0.8	1.3	1.0	1.0
Water collection, treatment and supply	4.6	4.0	0.2	0.2	0.1	0.1
Sewerage, waste treatment and disposal activities	7.9	7.0	0.7	0.6	0.3	0.3
Construction	4.3	- 2.1	9.1	- 4.8	7.2	6.8
<b>Services</b>	3.6	4.7	59.4	83.3	56.8	57.7
Wholesale and retail trade, transportation and storage, and accommodation and food service activities	3.6	4.0	24.1	28.7	23.1	23.3
Information and communication	9.5	8.9	1.6	1.7	0.6	0.7
Financial, insurance and real estate activities including ownership of dwellings	6.7	8.2	25.4	33.8	13.3	14.0
Professional services and other personal service activities	3.3	4.7	11.2	16.8	11.5	11.6
Public administration, defence, education, human health and social work activities	- 1.2	0.9	- 3.0	2.3	8.3	8.1
<b>Equals Gross Value Added (GVA) at Basic Price</b>	3.4	3.6	90.6	101.2	90.4	90.8
Taxes less subsidies on products	3.3	- 0.4	9.4	- 1.2	9.6	9.2
<b>Equals Gross Domestic Product (GDP) at Market Price</b>	3.4	3.2	100.0	100.0	100.0	100.0
Net primary income from rest of the world	-3.6	-6.6				
<b>Gross National Income at Market Price</b>	3.4	3.1				

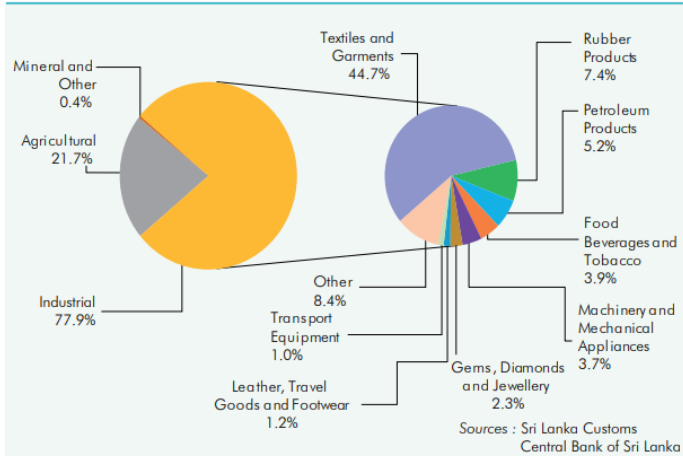
(a) Based on the GDP estimates (base year 2010)

(b) Provisional

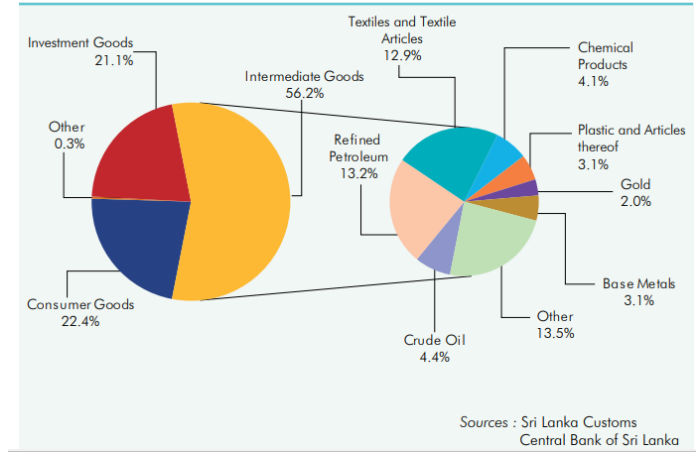
(c) Revised

Source : Department of Census and Statistics

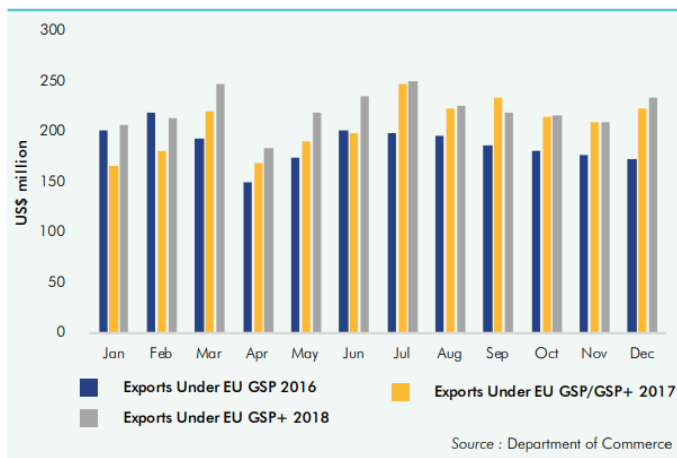
## Composition of Exports - 2018



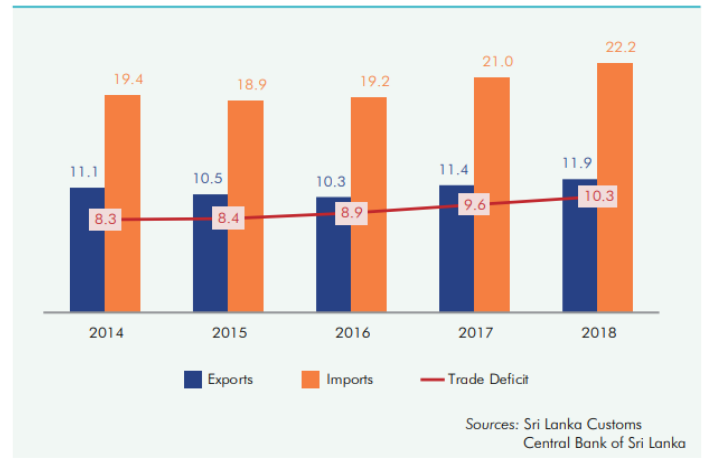
## Composition of Imports - 2018



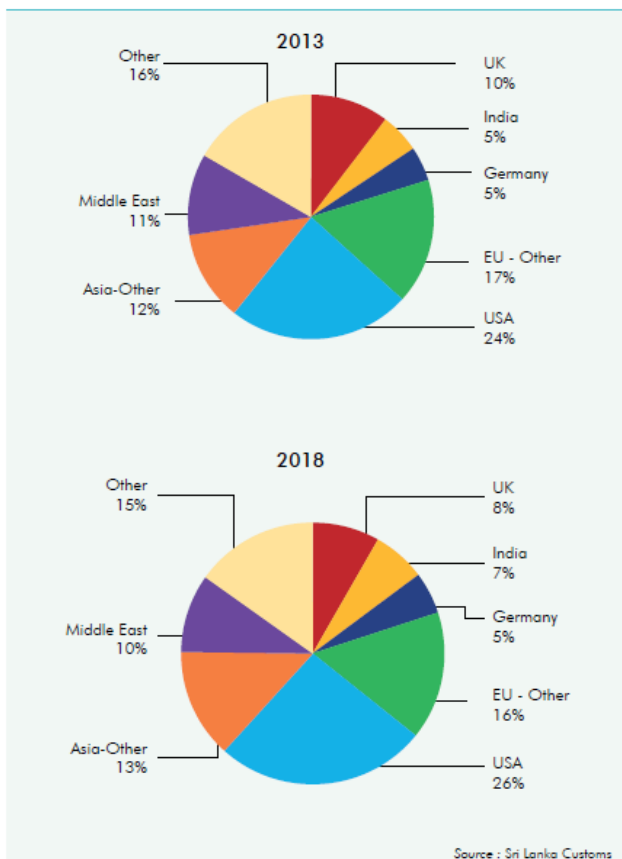
## Exports under EU GSP/GSP+ Scheme



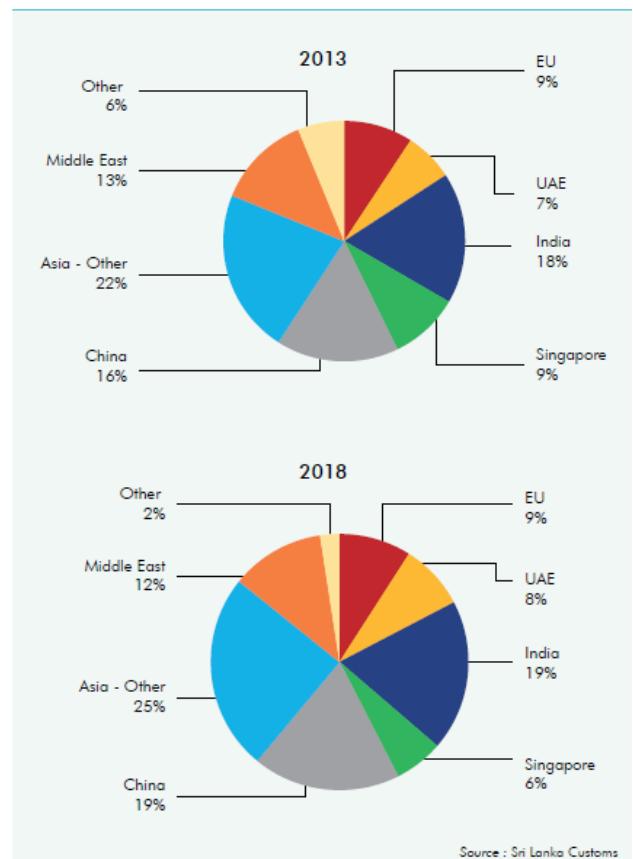
## Exports, Imports and Trade Deficit (US\$ billion)



## Exports by Destination



## Imports by Origin



## From Waste to Wearable: The Journey of the New Sri Lanka Cricket Jersey

MAS Holdings, through its groundbreaking sustainability initiative 'Ocean Plastics', implemented in partnership with the Sri Lanka Navy, Eco Spindles and Sri Lanka Cricket, has successfully upcycled waste plastic recovered from the beaches of Sri Lanka, to produce the official jerseys to be worn by Sri Lanka's national cricket team during the ICC Cricket World Cup 2019. Through this alliance, MAS is contributing towards establishing a long-term solution for the pressing marine pollution issue, which threatens the coastal belt of Sri Lanka.

With one-third of the island nation's population residing along its extensive 1,340 km coastline, Sri Lanka makes a disproportionate impact to marine pollution. In 2015 as part of the company's sustainability mandate, MAS commenced an open dialogue with the Sri Lanka Navy, who were already clearing up to 800kg of coastal waste each week through an especially established Marine Conservation and Monitoring Unit (MCMU). This led to the signing of a Memorandum of Understanding (MoU) between MAS and the Sri Lanka Navy to upgrade the existing project to a comprehensive waste collection and segregation initiative in 2016. As part of its initial involvement, MAS donated three plastic crusher machines to the Sri Lanka Navy, for installation at selected waste collection sites.

*"Ocean Plastics is a project that will positively impact our coastline, marine life, and our coastal communities. The navy has a unique perspective on the impacts of plastic, and we see the potential that this project and other public-private partnerships have to preserve our nation for future generations," Navy Commander Piyal de Silva added.*



The MAS – Sri Lanka Navy partnership was followed by one of the largest coastal clean-ups across the island, with 1,500 volunteers from MAS and the Sri Lanka Navy collecting 9 tonnes of trash from 25km of coastline along 13 Sri Lankan beaches in just one weekend, setting a precedence for other corporates and volunteers to follow. Eco Spindles (formerly Beira Enviro Solutions), a subsidiary of The Beira Group and long-term recycling partner of MAS Holdings was then introduced to add value to this partnership, by salvaging and recycling PET (Polyethylene Terephthalate) plastics.

During this rapid progress of the Ocean Plastics project, MAS was also aligning its overall operations, practices and partnerships with the UN's Sustainable Development Goals (SDGs). This resulted in MAS recalibrating the drive for innovation to better integrate with its sustainability initiatives, and one such innovation-driven collaboration came from MAS' partnership with Sri Lanka Cricket (SLC).

The MAS – SLC partnership of over ten years, focused heavily on elevating performance characteristics of apparel to support the national cricket team in optimizing their on-field execution of the game. The Ocean Plastics project afforded MAS a different perspective of sustainably advancing both process and product with already mastered technologies

Such as moisture management, and 4 years of deep research into waste management. Eco Spindles began recycling PET plastics into polyester yarn that MAS Holdings then used in its perfected manufacturing process of performance apparel. This culminated in producing breakthrough fabric used to produce the Sri Lanka national cricket team jerseys for the ICC Cricket World Cup 2019.

Sea turtles are an important part of Sri Lanka's coastal ecosystem, with our shores providing abundant nesting for 5 of the 7 existing species of sea turtles in the world. Jellyfish and seaweed make up a large share of their diet, so it came as no surprise that sea turtles were falling victim to Sri Lanka's marine pollution, vulnerable to waste at all stages of life from eggs to hatchlings, and from juvenile turtles to adults. The Ocean's Plastic project will contribute to reducing the pollution caused by waste plastic in our coastal waters and to mark this, a design element of the jersey represents sea turtles.

It is MAS' hope, that the Sri Lankan cricket jersey will create awareness among both locals as well as foreign tourists who visit Sri Lanka annually to witness the turtle nesting season, driving a message of conservation along with sustainable waste management through the Ocean Plastics initiative. The front of the cricket jersey displays an abstract



abstract sea turtle design that depicts the yarn spun from recycled plastics, with a blue and yellow colour combination illustrating golden sunrays striking the sea. The design element on the back of the jersey has been aesthetically inspired by the turtle shell.

"Through our groundbreaking waste-to-wearable sustainability initiative, we have been able to manufacture a revolutionary performance fabric that promises to be a two-fold solution; first as part of MAS' progressive innovation mandate, and next as part of a high-impact eco-friendly sustainability initiative. We expect to drive this innovation forward, and are excited at the prospect of reaping greater results as our product and process evolves," concluded Rashmika Peiris, Business Director at MAS Active.

A significant milestone in MAS' sustainable journey, the success and potential of the Ocean Plastics initiative highlights the conglomerate's long-term investments in sustainable manufacturing over the past three decades of operation.



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LAUGFS Terminals Ltd. officially inaugurated operations of its state-of-the-art LPG Transshipment Terminal at the Hambantota International Port, the largest of its kind in South Asia, with the first of its LPG cargo brought in by the Sri Lankan flagged vessel Gas Success, part of LAUGFS Maritime's own LPG vessel fleet.

The new LAUGFS LPG Terminal is an important energy infrastructure in the Indian Ocean, having strategically located amidst key international maritime trading routes connecting West to East.

The first LPG cargo discharge on board LAUGFS Maritime's LPG ship - Gas Success - was ceremoniously initiated by LAUGFS Chairman W.K.H. Wegapitiya, LAUGFS Group Managing Director Thilak De Silva and Hambantota National Port Group CEO Ray Ren, with the presence of Hambantota International Port Service Co. Ltd. CEO Captain Ravi Jayawickrama, LAUGFS Maritime Director/CEO Dr. Leslie Hemachandra, LAUGFS Terminals Director/CEO Ananda Premachandra and General Manager Heshan De Silva.

"This marks a historic occasion not just for LAUGFS, but for our nation as well as the entire Asian region," commented LAUGFS Chairman W.K.H. Wegapitiya. "The first revolutionary step taken towards realizing Sri Lanka's vision to become a maritime and logistics hub in South Asia was propelled in the early 1970s by the ground-breaking initiatives taken at the Colombo Port to create a hub for container transshipment. What we are initiating today with the LAUGFS LPG Transshipment Terminal will be a trigger for the second such revolution in fulfilling this ambitious vision of our country by creating an energy hub surrounding the Hambantota International Port. The economic and social impact of this to Sri Lanka is tremendous and multi-fold," he elaborated.

## South Asia's largest LPG transshipment terminal by LAUGFS starts



With a projected annual export value of \$ 500 million, the 30,000 MT LPG terminal represent a significant investment in infrastructure development in Sri Lanka. The new LPG Transshipment facility will also serve to initiate coastal shipping services between Hambantota and Colombo Ports for the first time in the country. The LAUGFS terminal operations are expected to create and support many direct and indirect industries surrounding its activities, generating employment and income generation opportunities for the country.

"Over the past two decades LAUGFS has been able to stride ahead with true entrepreneurial vision as a world class Sri Lankan conglomerate that could proudly etch the Sri Lankan flag on the global map. We have achieved this with especially the expansion of our energy businesses, which has been possible due to the untiring efforts, deep passion and courage of our LAUGFS team. The LAUGFS Transshipment Terminal is another such feat, where we have conquered the impossible in the face of many challenges and have been able to create history in the energy sector not only in Sri Lanka, but also within the South Asian region," remarked LAUGFS Group Managing Director Thilak De Silva.

Strategically located in close proximity to some of the largest emerging LPG markets and key international trading ports in the region, the LAUGFS LPG Transshipment Terminal will garner multiple benefits to regional LPG

players, elevating its significance as a central LPG hub in South Asia. With tremendous opportunities to support the regional growth of the LPG industry, plans are also underway for capacity to be extended to 45,000MT by the completion of the second phase of the project, marking a total project investment of \$ 85 million. The new LAUGFS LPG Terminal will operate as a central hub for LPG importing, re-exporting as well as the provisioning to retailers.

The Terminal is also expected to support LAUGFS Gas's rapid expansion plans in the region to become an integrated regional LPG player in the Indian Ocean Rim area by leveraging on the synergies and strengths within its energy value chain. Over the years, LAUGFS's energy presence has rapidly expanded across the region in line with the Sri Lankan government's keen interest in the sector. LAUGFS's presence in the sector ranges from LPG downstream activities in Sri Lanka and Bangladesh by LAUGFS Gas, to LPG ocean freight services and related logistics with its own fleet of LPG vessels by LAUGFS Maritime and energy trading by Dubai-based SLOGAL Energy DMCC. LAUGFS has continued to build its stake in the energy value chain with strong investments in energy infrastructure, and the LAUGFS Transshipment Terminal at Hambantota will be an important addition to this journey.

*Source: Daily FT-2 May 2019*

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**For more details, contact:**

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<p>TRANSPORT LOGISTIC 2019</p> <p>4-7 June 2019 in Munich</p> <p><a href="https://www.transportlogistic.de/index-2.html">https://www.transportlogistic.de/index-2.html</a></p>	<p>Transport Logistic is the world's leading trade fair for logistics, mobility, IT, and supply chain management, and global industry gathering in Munich. It provides visitors a complete look at the entire process chain of the transport and logistics sector. At the trade fair, more and more exhibitors from Germany and all around the world present their innovative products and services. Transport Logistic Munich also features an extensive program of related events and conferences. Furthermore, the trade fair serves as ideal platform for knowledge transfer and networking.</p>	 <p><b>transport logistic</b></p> <p>THE LEADING EXHIBITION</p>
<p>GIFA 2019</p> <p>25-29 June 2019 in Düsseldorf</p> <p><a href="https://www.gifa.com/">https://www.gifa.com/</a></p>	<p>GIFA is an international exhibition for foundry, foundry products and foundry technology and one of the world's largest and most competent fairs of this kind. The focus of GIFA is on the subjects foundry equipment, raw materials and supplies, die-casting technology, foundry chemicals, suppliers, loading and processing technology.</p>	
<p>SPOGA+GAFA 2019</p> <p>1-3 September 2019 in Cologne</p> <p><a href="http://www.spogagafa.com/">http://www.spogagafa.com/</a></p>	<p>Spoga+gafa takes place every year in Cologne and is the leading international trade fair for the garden and leisure industry and open to trade visitors only. The fair is characterized by the high internationality of exhibitors and visitors, making it the most important platform in the industry to conquer new markets, to find new contacts and to learn about the latest trends and innovations.</p>	
<p>REHACARE 2019</p> <p>18-21 September 2019 in Düsseldorf</p> <p><a href="https://www.rehacare.de/">https://www.rehacare.de/</a></p>	<p>Rehacare is one of the world's leading international trade fairs for rehabilitation, prevention, care and inclusion. It takes place once a year in Düsseldorf and looks back on 30 years of expertise. The fair is an information and communication platform for people with disabilities, need of nursing care, for the elderly and the chronically ill people. Whether mobility and daily living aids, outpatient or inpatient care aids, communication equipment, barrier-free living concepts or sports, travel and leisure ideas, visitors of the Rehacare will find everything under one roof.</p>	
<p>ANUGA 2019</p> <p>5-9 October 2019 in Cologne</p> <p><a href="http://www.anuga.com/anuga/index-2.php">http://www.anuga.com/anuga/index-2.php</a></p>	<p>Anuga ("General Food and Drink Trade Fair") - is a large-scale trade show for the food catering, retail and trade industries. The event takes place every two years and its last edition in 2017 was attended by 165,000 visitors. Additionally, over 7,400 exhibitors presented top culinary delights from across the globe.</p>	
<p>EXPO REAL 2019</p> <p>7-9 October 2019 in Munich</p> <p><a href="https://www.exporeal.net">https://www.exporeal.net</a></p>	<p>EXPO REAL is the working and networking trade fair for the decision-makers of the property and investment sector. 41,775 participants from 75 countries used the 2017 show to initiate new projects, close new deals and make contacts on the decision-making level—throughout the life cycle of a property: From development, financing and implementation to marketing, operation and use. This is where the who's who of the property industry meet. It makes EXPO REAL the unmissable platform for generating new business and maintaining contacts.</p>	
<p>K- MESSE 2019</p> <p>16-23 October 2019 in Düsseldorf</p> <p><a href="https://www.k-online.com/">https://www.k-online.com/</a></p>	<p>K Düsseldorf (plastics fair Düsseldorf) is an international trade fair for plastics, rubber, plastics processing and plastics manufacturing worldwide. The exhibition offers of the more than 3,000 national and international exhibitors of K Messe Düsseldorf (plastics fair Düsseldorf) including machinery and equipment, raw and auxiliary materials as well as semi-finished products, technical parts and reinforced plastic products. The leading trade fair Düsseldorf K Messe is supplemented by a supporting program with a special show.</p>	



<p>A+A 2019 "Safety, Security and Health at Work International Trade Fair with Congress"</p> <p>5-8 November 2019 in Düsseldorf</p> <p><a href="https://www.aplusa-online.com/">https://www.aplusa-online.com/</a></p>	<p>A-A Congress is a 4-day event being held from 5th to the 8th November 2019 at the Fairground Düsseldorf in Düsseldorf, Germany. This event showcases work safety, health at work, high-risk prevention, operational environmental protection, avoid damage and deterioration, metrology prevention of accidents. safety engineers -and commissioned manager, entrepreneur, operational, staff councils, occupational physicians, occupational physicians, supervisory bodies, governmental and BG Set.</p>	 <p><b>A+A</b> 5 - 8 NOVEMBER 2019 DÜSSELDORF, GERMANY</p>
<p>MEDICA 2019</p> <p>18-21 November 2018 in Düsseldorf</p> <p><a href="https://www.medica-tradefair.com/">https://www.medica-tradefair.com/</a></p>	<p>MEDICA is the world's largest event for the medical sector. The event is the largest medical trade fair in the world – it attracted more than 5,100 exhibitors from 70 countries in 17 halls.</p>	 <p><b>MEDICA®</b> World Forum for Medicine <a href="http://www.medica.de">www.medica.de</a></p>

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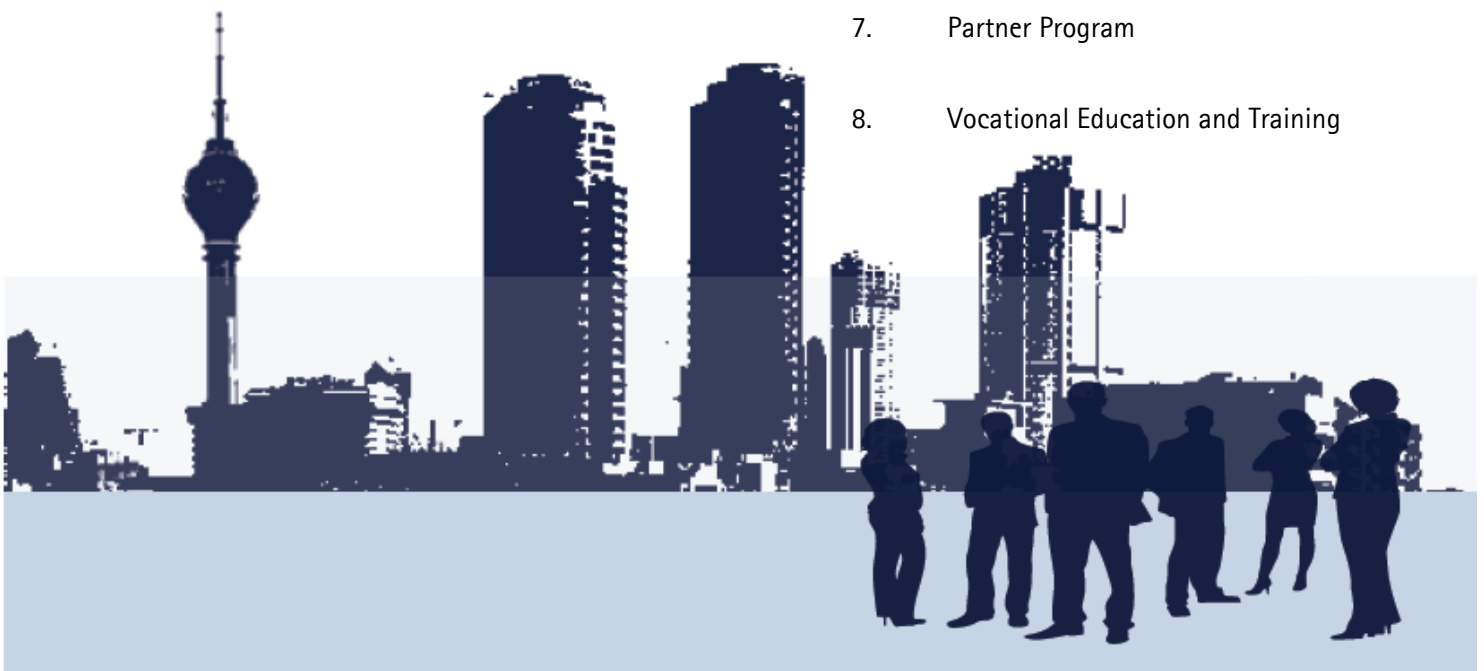


Informational business trip to Germany on "Renewable Energy Technologies"	6 <sup>th</sup> - 10 <sup>th</sup> May 2019
Delegation visit to Transport and Logistic fair in Germany	June 2019
German Sri Lankan Logistic Conference	July/August 2019
Initiation of business trip from Germany to Colombo on "Sustainable Mobility, Traffic & Public Transport Solutions and Logistics"	December 2019

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