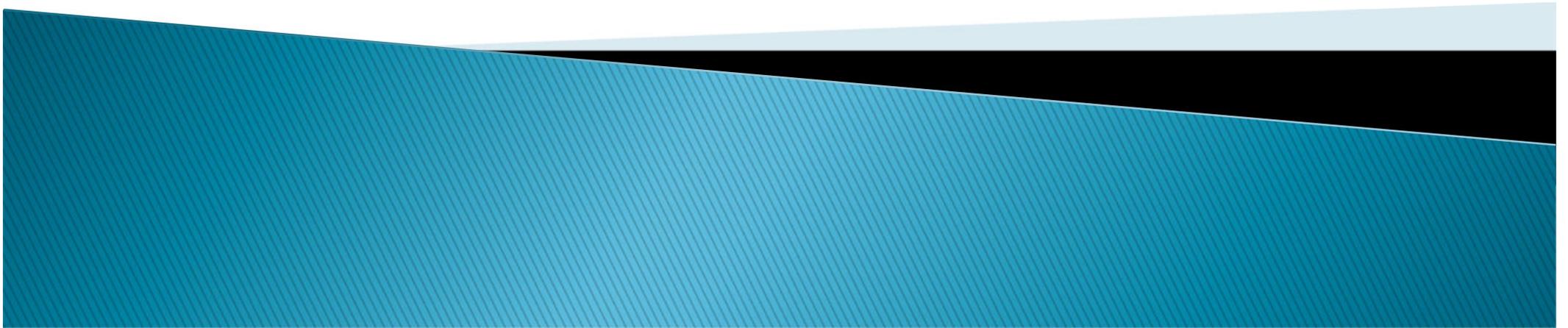


“Sri Lanka- We are in a top of a volcano ”

Pradeep Wanigasuriya

NAFSO



Inappropriate economic policies and Informal tax policies

Belief and ideology about the neo liberal market

Ability of capitalist to control the market economy

Inability of neo liberal economic model to mitigate the poverty

World Bank estimate- Poverty rate 11.7% in 2022

Rich became more rich and poor became more poor

There should be Own home made economic policies

Tax release for larger scale business

Tax defaults of larger scale business

No legal actions against tax defaulters



Issues of development priorities

- ▶ Invest money for the mega development projects which have no returns
 - ▶ (So called development of Hambanthota, Harbor, Air port, Lotus tower , international ground, shopping complexes, Highways)
 - ▶ Take political decisions without having scientific approach
 - ▶ Politicians have no absolute willing to develop the country
- 

Military budget-

- ▶ More than three decades internal conflict
- ▶ Expanded the military to face to the conflict
- ▶ Budget to do the supply for the military.
(Salary, Social protection, weapons, bullets, missiles, multi rockets , helicopters, Mig aircrafts , High security zones, military camps, constructions)



Collapsing of local industries

- ▶ No survival of local industries
 - ▶ Difficult to context with mega investors with huge capital
 - ▶ No protection mechanism for small Productions/producers
 - ▶ Nation totally depends on the import
- 

Chronic indebtedness of the county

Budget deficit in every budget after 1978

Deficit of balance of payment

781 USD Million of Trade Deficit by February 2022

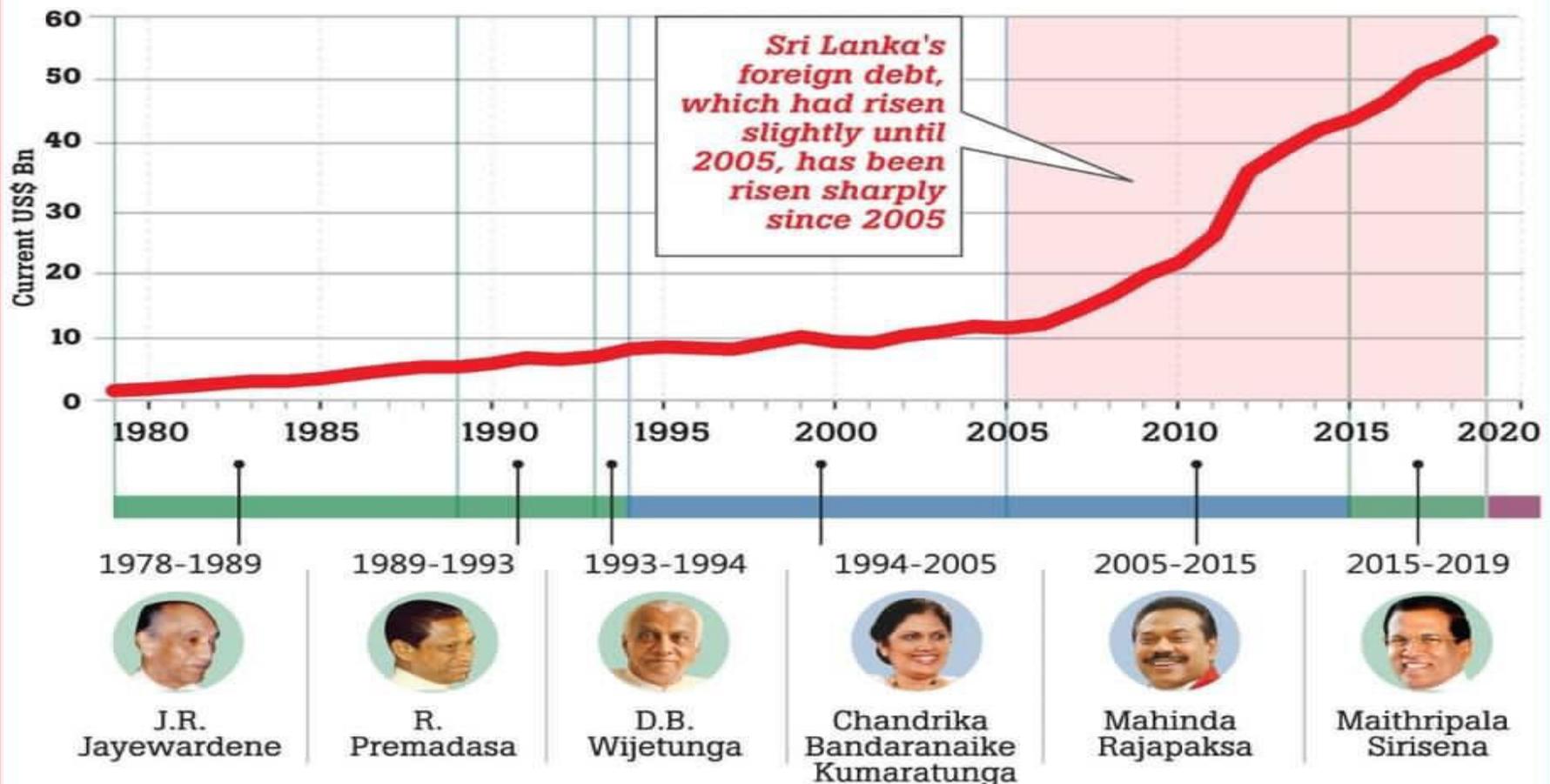
50.7 Billion USD external debt at the end of last year

Central Bank has announced a debt default

High inflation and cost of living



SRI LANKA EXTERNAL DEBT



Former presidents and respective governing periods

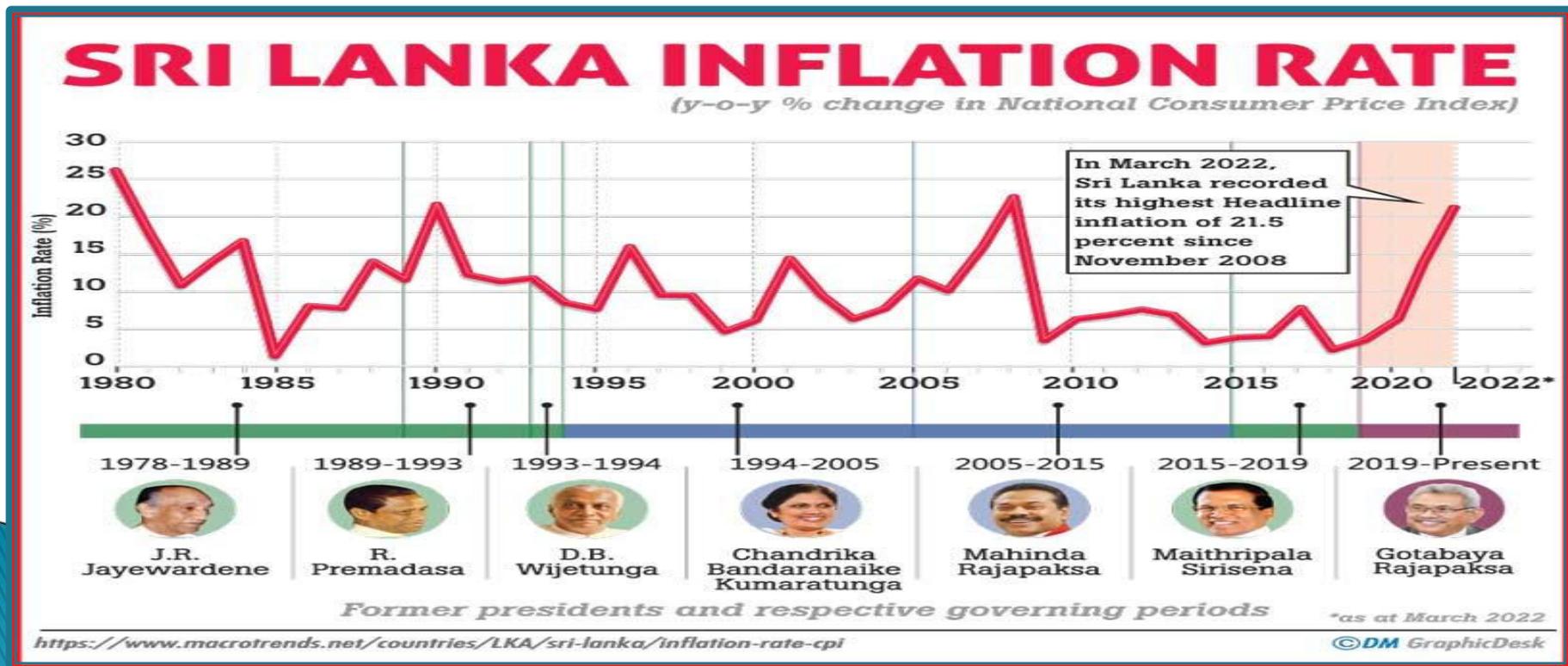
Source: <https://www.macrotrends.net/countries/LKA/sri-lanka/external-debt-stock>

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Destruction of income sources

- ▶ Collapsing of rural economy
- ▶ No foreign remittance- 4 Billion per year
- ▶ No sufficient income from Tourism
- ▶ Collapsing of tea industry
- ▶ High inflation and cost of living



Culture of the politics and politicians

- ▶ Politic is number one business of the country
 - ▶ Corruption, Bribe, Fraud, Irregularities, nepotism, Stealing money, not respect to the rule of law, absence of transparency and accountability, misappropriation of resources (Land)
 - ▶ Around 75 % of budget had been allocated to the ministries of Rajapaksha's
 - ▶ Huge complains against the Rajapaksha's on corruption
 - ▶ Circle of corruption- Politicians/ Top level govt. officers/ selected business community
 - ▶ Pandora paper- overall wealth total- 160 USD million
- 

Challenge of democracy

- ▶ Inequality of power among the parliament/ executive/ judiciary
 - ▶ Accumulated more power around the executive through 20 amendments
 - ▶ Executive does not accountable to the parliament
 - ▶ Shadow parliament
- 

Youth campaign for system change

- ▶ Stepped down the Prime Minister
- ▶ New cabinet
- ▶ Changes of the central bank
- ▶ Change of the dominate positions of the government
- ▶ Attempt to amend the constitution



Thank You

