

The Daily News Line by Faraz



PALM OIL IMPORT BAN COULD COST USD 40 MILLION

Sri Lanka's palm oil based industry, once a promising foreign exchange earner under the Indo-Sri Lanka Free Trade Agreement (ISFTA), continues to suffer heavy losses due to lingering policy confusion stemming from the crude palm oil (CPO) imports ban imposed by the Gotabaya Rajapaksa regime in 2021–2022.

At the heart of the issue is the continued restriction on crude palm oil imports, which has disrupted the operations of a BOI-approved companies that manufactures and exports hydrogenated palm oil, bakery shortening, margarine, and specialty fats.

Sri Lanka is to incur a potential loss of around US\$ 40 million due to the ban on the importation of crude palm oil (CPO), which is used in the production of bakery fats and margarine for export mainly to Indian market, companies operating under the Board of Investment reiterated.

The importation of crude palm oil (CPO) was banned during the 2021/2022 period under a policy decision taken by the administration of President Gotabaya Rajapaksa. The related gazette notification also restricted the issuance of import and export licenses for the commodity.

Additionally, the importation of palm-related raw materials such as crude palm olein (CPOL), palm stearin, and crude palm kernel oil has been brought under a licensing system.

Companies operating under the BOI, which manufacture goods for export to India, are now required to obtain special bulk shipment import licenses for their raw materials. These companies have described this as a highly unfortunate situation.

Sri Lanka enjoys a 27 percent cost advantage compared to other countries when exporting bakery fats and hydrogenated fats (vanaspati ghee) to India under the Indo-Sri Lanka Bilateral Trade Agreement.

Although palm oil imports were banned in 2022, the recent reduction of import tariffs in India over the past quarter presented a major opportunity for Sri Lankan companies. However, with India increasing its import tariffs by 32 percent from April 2025, the competitive edge for Sri Lankan products has further improved.

The Indian government has allocated a quota of 250,000 metric tons to Sri Lanka, under which the Sri Lankan companies estimate they need to import at least 6,000 metric tons of palm oil monthly to meet production targets.



Unfortunately, even BOI-registered companies are barred from importing crude palm oil due to the standing gazette notification.

Amid Sri Lanka's ongoing severe foreign exchange crisis, the government has yet to implement any positive or effective measures to facilitate the importation of essential raw materials without disruptions.

Despite the BOI granting approvals for import licenses, companies have been forced to turn away already imported palm oil shipments at the port, unable to offload them due to the ban



Manufacturers have also pointed out to the government that without this critical raw material, their overall production volume of value-added goods could drop by 25 percent, while the value of primary products relying on the banned raw material may decline by as much as 75 percent.

They claim that there is a complete lack of awareness or understanding of this issue among present government officials. The licensing requirement, introduced in April 2021 under Gazette No. 2222/31, effectively blocked the import of crude palm olein into the country.

Meanwhile, a value-added tax (VAT) of 18% and a social security levy (SSCL) of 2.5% were imposed on locally refined oils from January 2024 and October 2022, respectively.

These changes have paralyzed Sri Lanka's domestic refining sector. The once thriving local industry is now at a standstill due to price distortions that make imported finished oils cheaper than domestically refined alternatives. (LNW)

SLOW PROGRESS ON ENFORCED DISAPPEARANCES CAUSES UNCONCERN

The United Nations Committee on Enforced Disappearances (CED) has expressed deep concern over Sri Lanka's minimal progress in addressing the complex legacy of enforced disappearances, highlighting significant gaps in accountability, investigation, and forensic capacity.

The findings, released following the Committee's review of Sri Lanka's implementation of the International Convention for the Protection of All Persons from Enforced Disappearance, underscore the persistent impunity surrounding unresolved cases dating back to the country's armed conflict.

According to the Committee, the Office on Missing Persons (OMP) has successfully traced only 23 individuals out of 16,966 registered cases. This stark figure illustrates a systemic failure in investigating and prosecuting enforced disappearances and reflects a broader climate of impunity. The Committee stressed the urgent need for a comprehensive and up-to-date register of disappeared persons, along with a strengthened mandate for the OMP to ensure accountability across all cases.

The review also highlighted legislative gaps, urging the Sri Lankan Government to incorporate war crimes and crimes against humanity into domestic law and to expedite the establishment of an independent Office of the Public Prosecutor. Such measures, the Committee notes, are essential for bolstering judicial mechanisms and ensuring that perpetrators face consequences.



A particularly alarming aspect of the report pertains to the discovery of at least 17 mass graves across Sri Lanka. The Committee observed that limited forensic (Continued in page : 2)

SRI LANKA TOURISM SURGES AHEAD WITH NEW RECORD FOR OCTOBER ARRIVALS – SUN, SEA AND FUN!

Sri Lanka's tourism industry has entered October on a high note, welcoming 34,046 arrivals in just the first six days of the month, according to the Sri Lanka Tourism Development Authority (SLTDA).

This promising start follows a record-breaking performance in September, signalling sustained growth for the sector.

The country is averaging 5,299 visitors per day, putting it firmly on track to meet the monthly target of 197,693 tourists set for October 2025. This represents a 14% year-on-year increase compared to the 25,965 arrivals recorded during the same period last year, reflecting renewed confidence in Sri Lanka as a prime South Asian travel destination.

(Continued in page : 2)

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Slow progress...

capacity and the absence of centralized ante-mortem and post-mortem databases severely hinder proper investigation. Recommendations include developing a national genetic database and enhancing forensic capabilities across competent authorities to locate, identify, and safeguard human remains, ensuring their dignified return to families.

The Committee's findings are likely to intensify international scrutiny of Sri Lanka's human rights record. They signal that continued inaction could undermine the country's global standing and affect its diplomatic relations and access to international support. Moreover, the report emphasizes the critical role of sustained international engagement, including technical and financial assistance from UN bodies, in strengthening domestic institutions to address the legacy of enforced disappearances.

CED's observations follow a session in Geneva reviewing Sri Lanka alongside other State parties, reflecting the global community's growing impatience with protracted delays in accountability. Analysts suggest that the Government must balance political sensitivities with international obligations to achieve meaningful progress, restore public trust, and reconcile with families of the disappeared.

Srilanka Tourism...

India continues to dominate the source markets, contributing 10,738 visitors, or 31.5% of total arrivals in the first week. China follows with 3,684 tourists (10.8%), while the United Kingdom (2,200; 6.5%), Germany (1,988; 5.8%), and Bangladesh (1,577; 4.6%) round out the top five markets.

Year-to-date figures indicate that Sri Lanka has now surpassed 1.75 million arrivals. India leads with 386,030 visitors (22%), followed by the UK with 164,093 (9%) and Russia with 123,414 (7%). Industry analysts note that the strong early October performance builds on momentum from the third quarter, underpinned by improved air connectivity, strategic marketing campaigns, and a renewed government focus on attracting high-value tourists.



Experts attribute part of this success to promotional campaigns launched under previous administrations, which focused on digital marketing, social media outreach, and collaborations with international travel influencers to enhance Sri Lanka's visibility in key source markets. The current government has capitalised on these initiatives while introducing new strategies, including thematic tourism circuits, luxury travel packages, and targeted promotions aimed at affluent travellers from India, Europe, and China.

The new government's approach emphasises both quality and sustainability, promoting experiences such as cultural tours, eco-tourism, and wellness retreats that appeal to niche segments. Analysts suggest that these combined efforts are driving not just increased arrivals, but also higher revenue per tourist, supporting the broader economic recovery.

To achieve the revised 2025 target of 2.6 million tourist arrivals, Sri Lanka will need to attract an additional 840,460 visitors during the final quarter. While the initial goal for the year was set at 3 million arrivals, the sector's continued momentum, strategic government policies, and strong performance in key markets provide optimism for closing the year on a strong note.

DEPARTURE FROM DUE PROCESS AND UNILATERAL ACTION COSTS GOVERNMENT RS 15 MILLION LOSS – WILL THE OFFICERS BE HELD PERSONALLY LIABLE?

OLOMBO (News 1st); A staggering Rs. 15 million in public funds has been spent by the Construction Industry Development Authority (CIDA) in connection with legal proceedings following the dismissal of a senior official without a formal disciplinary inquiry, according to revelations made at the Committee on Public Enterprises (COPE).

The issue came to light during a COPE session held yesterday (8), where CIDA officials were summoned to discuss the institution's progress and internal governance.

COPE Chairman Dr. Nishantha Samaraweera questioned the rationale behind the dismissal of the former Director of Finance in October 2021, without initiating a proper disciplinary process.

It was revealed that the dismissal was based on allegations related to the misuse of vehicle allowances, despite no internal investigation or formal charge sheet being presented.

The decision was signed off by the then Director General, bypassing standard procedures.

Following the dismissal, the former official filed legal action against the authority.

The case, which extended over several years, resulted in a court ruling in favor of the dismissed employee, ordering reinstatement.



However, the authority chose to pursue further legal avenues, ultimately withdrawing the case after incurring Rs. 15 million in legal expenses.

COPE members, including Samanmali Gunasinghe, raised serious concerns over the lack of accountability and the absence of internal reviews before escalating the matter to court.

Legal Officer Shandalee Alwis confirmed that no institutional-level investigation had been conducted prior to the dismissal.

The committee also criticized the delay in ongoing disciplinary inquiries within the authority, some of which have remained unresolved since 2023, citing administrative inefficiencies and internal conflicts.

COPE emphasized that such decisions, driven by personal bias or internal power struggles, have led to significant financial losses and undermined public trust in state institutions.

The committee called for urgent reforms in disciplinary procedures and governance practices within CIDA.

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Shorts

Update: Israeli PM Benjamin Netanyahu says the agreement is "a great day for Israel". The Israeli Cabinet is to meet today (9) to approve the deal.- newsfirst.lk

Update: U.S. President Donald Trump thanks Qatar, Türkiye and Egypt for their role in negotiating the Gaza ceasefire agreement.- newsfirst.lk

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MUCH DELAYED CEASEFIRE GIVES HOPE TO ALL – NETANYAHU DOES NOT MENTION AN END TO THE WAR, UNLIKE HAMAS WHICH DID

The ceasefire and hostage deal between Israel and Hamas, announced after intense negotiations in Egypt, is a long-awaited breakthrough that brings them closer to ending the two-year-old war in Gaza.

But, despite the momentum, there is no guarantee that this will happen.

The main difference in these efforts has been the personal involvement of US President Donald Trump, who has put pressure not only on Hamas but also on Israel for an agreement. This is a major diplomatic victory for someone who wants to be seen as the man who ended the war – and, in the process, be rewarded for it.

Israel launched the war in Gaza in response to the Hamas attacks on 7 October 2023, when around 1,200 people were killed, mostly Israeli civilians, and 251 were taken hostage.



Israel's military offensive has killed more than 67,000 Palestinians, mostly civilians and including more than 18,000 children, according to the territory's Hamas-run health ministry. Its figures are seen as reliable by the UN and other international bodies. It has destroyed most of the territory and led to a catastrophic humanitarian crisis.

What has been agreed is the first phase of a plan the president announced at the White House last week alongside the Israeli Prime Minister Benjamin Netanyahu, who has been accused of sabotaging efforts for a deal in the past.

This time, Trump, reportedly impatient and irritated with Netanyahu, appears to have used the power only the Americans have to influence Israel, leaving the prime minister with no option other than to engage with the process.

Threatened by Trump with "complete obliteration", Hamas was under intense pressure too. Arab and Muslim countries embraced the president's plan, and there was heavy involvement from Egypt, Qatar and Turkey in the negotiations.

Details of the deal have not yet been published but the outline is that the remaining hostages will be freed – the 20 believed to be alive at once, possibly as soon as Sunday, while the remains of up to 28 deceased captives will be returned in stages.

Hundreds of Palestinian prisoners will be released from Israeli jails, Israeli troops will withdraw from parts of Gaza, and there will be an increase in humanitarian aid entering the territory.

The push for a deal gathered pace after the failed Israeli attempt to kill senior Hamas officials - including those involved in negotiations in Doha last month - which led to regional anger, including from some important US allies. Trump's team appears to have spotted an opportunity.

Trump has publicly expressed his desire to be awarded a Nobel Peace Prize, which will be announced on Friday, a deadline that could have guided the negotiations. On social media, he employed his usual hyperbole, calling it a "historic and unprecedented event" and the "first steps toward a strong, durable and everlasting peace".

The impact of Israel's two-year assault on Gaza has been devastating, with homes destroyed and families torn apart

This is, without a doubt, a significant moment but it gives no certainty that a peace deal for Gaza will happen, as crucial details still need to be worked out. They include the key Israeli demand that Hamas must disarm, the extent of the Israeli withdrawal and a plan for who will govern Gaza.

In Gaza, Palestinians celebrated the announcement in the middle of the night, hoping that this will bring an end to their suffering. In Tel Aviv, people gathered in Hostages Square, which has become a symbol of the ordeal of the captives.

Hamas knows that, by releasing the hostages, it will lose the leverage it has in negotiations. It has demanded guarantees that Israel will not resume the fighting once they have been freed - but has reasons to be suspicious: in March, Israel broke down a ceasefire and returned to war with devastating air strikes.

In Israel, however, a country exhausted by the conflict, polls have consistently suggested that most people want the war to end. Israelis are increasingly aware of the damage it has caused to their country's image and how isolated it is. Resuming the war, with pressure at home and abroad, seems less likely.



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But Netanyahu may still face political hurdles. He relies on the support of ultranationalist ministers who have threatened to quit his governing coalition in the case of a deal - a concern that many suspect has led him to prolong the war. An election must be held by the end of October 2026 so, as time goes on, fear of a Netanyahu government collapsing becomes less of an issue.

Netanyahu has promised to achieve "total victory" against Hamas, and any deal will have to allow him to say he has done that. Netanyahu has called the announcement a "diplomatic and a national and moral victory for the State of Israel". Notably, unlike Hamas, his statement did not say it would end the war.
