

The Daily News Line by Faraz



The Scourge of Drugs Unchecked is far worse than anything ever before in Sri Lanka

The JVP NPP combine was elected as we in Sri Lanka know primarily on an anti-corruption ticket. In Opposition Anura Kumara Disanayake addressed various corrupt practises that had apparently become the norm in Sri Lanka. Growing the economy took a new twist: millions of US dollars were made by inflating prices paid by the people (via the State) on tenders and fancy but unrealistic projects. Many millionaires were made although a glance at revenue collection at the Inland Revenue and Customs did not balance the books. In that backdrop carefully exposed matters from the 'Bond scam' to the procurement costs of building highways were of course an insight to the tip of the iceberg and the election of Anura Kumara Disanayaka as the President really did not come as a surprise. It was inevitable that the people, weary of corruption and its impact on their daily lives were simply crying out for Change. Not a Change that was promised but turned out to be hollow rather the people chose a party that was largely free of allegations of corruption and whose promises to address this matter gelled with the weary public. Still there is something far more sinister than corruption that threaten the very fabric of Sri Lanka's quest to grow its economy and ultimately provide for a better life: the growth of the controlled drugs industry.



It almost beggars belief that a country that is an island has all but succumbed to the drug trade. The all too easy availability of highly addictive substances like 'Ice' threatens to affect the future generations of our society, indeed if it has not already passed the point of no return.

The recent news that an astonishingly large consignment of chemicals said to be used in the production of 'Ice' is excellent work by the Police. It was also essential that for these detections to have taken place, the corrupt elements within the Police force were dismissed and transferred and some may even end up in jail. Not a moment too late – as the President himself said recently, these rogue elements are nothing more than traitors.

They sold their professionalism for a fistful of rupees. The crunch came when for the first time ever in Sri Lanka the Inspector General of Police was dismissed and hopefully will lose out on his pension. That there is now a special unit to deal with illegally gained assets and the recovery of those assets is also welcome news.

However none of this is enough. President Anura Kumara Disanayaka must think of how he will be re-elected, as come time for the next elections the people will have enough time to analyse the results of their rationale in electing inexperienced legislators. All of course is never rosy and we admit there's plenty of accountability required even from the party that appealed to the public in the main because of a belief that these new boys and girls on the block were free of allegations of corruption save for a few bad eggs.

Even more important than charging and convicting some of those who held high office, the priority must be to fight tooth and nail the scourge of drugs in our nation. Thousand of families have been destroyed because a member of the family has become addicted to these controlled substances. In as much as the public wanted Change in terms of the economy the time is now for the public to consider the latest menace to hit our plans for a better life in Sri Lanka. We argue that any government with assurances to fight this ghastly menace will emerge as the winners at any election.

It is this that President AKD and his Cabinet must pay urgent attention to immediately address. In light of the perception that the JVP/NPP combine is far removed from the dizzy heights of corruption by other parties in the past, President AKD and his team have all the incentives necessary to bring this menace to an end. Now is far better than tomorrow.

We would venture further. We have seen what appears to be the beginnings of politically expedient cases against a host of those that enjoyed power. We argue that accountability and recovery are important but the matter that requires the attention of the government almost ICU-like, is tackling conclusively the scourge of addictive drugs.

COPE DISCLOSURES AT CEB TURNS OUT TO BE RATHER SHOCKING – RS 594.36 BILLION

The Committee on Public Enterprises (CoPE) recently disclosed that the Ceylon Electricity Board (CEB) recorded a jaw-dropping cumulative loss of Rs. 594.36 billion between 2014 and 2022 (excluding 2015), attributing much of the damage to internal inefficiencies and poor governance.

The revelations, made during a CoPE session chaired by MP Dr. Nishantha Samaraweera, have triggered renewed calls for deep structural reform and brought into sharp focus the proposed shift toward a cost-reflective tariff formula.



During the same hearing, the Auditor General's performance review for 2022–2023 and related years laid bare other malpractices: irregularities in shareholding arrangements of LTL, West Coast, and ESOT entities; a failure to deliver six vehicles worth Rs. 124 million for the Puttalam Coal Project; unauthorized provident fund loans exceeding Rs. 6.6 billion; and Rs. 507 million in allowances disbursed without Cabinet approval.

Of particular note: CEB lacked a permanent internal auditor for nearly a year before corrective action. CoPE has summoned LTL to appear before the committee next month.

While CoPE's critique centers on past mistakes, the debate now extends to present-day policy: can CEB justify increasing tariffs under a cost-reflective model, given its more recent financial performance?

According to Central Bank of Sri Lanka data, despite steep tariff cuts and market headwinds, CEB reported a net profit of Rs. 148.6 billion in 2024, up 142.8 percent year-on-year.

The 2024 result was aided by foreign exchange gains of Rs. 11.7 billion and a capital gain of Rs. 26 billion from the sale of shares in LTL Holdings.

However, the grace did not last. In Q1 2025, after regulators implemented a 20 percent tariff cut in January, CEB's revenue tumbled 44 percent (from Rs. 167 billion to Rs. 93.9 billion), and it posted a gross loss of Rs. 18.2 billion.

The cost of sales actually increased year-on-year, compounding the damage. In the following quarter (Q2 2025), CEB engineered a turnaround with a profit of Rs. 5.31 billion (group level profit Rs. 7.4 billion), largely by reinstating tariff adjustments mid-year and containing costs. +2

CONTINUED IN PAGE : 2

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Yet, over the first half of 2025, CEB still faced a cumulative loss of Rs. 13.1 billion. These volatile swings in profitability highlight the precarious balancing act CEB must perform. On one hand, the legacy losses unearthed by CoPE suggest that unsustainable cross-subsidies and operational weaknesses plagued the utility. On the other, recent figures show that tariff cuts can swiftly reverse gains and plunge CEB back into red territory.

Proponents of a cost-reflective tariff formula argue that the utility must be priced to cover its production, transmission, and financing costs to avoid perpetuating state-sponsored losses. In Sri Lanka's context, such a move is also seen as a structural necessity under the IMF-backed reform agenda to stabilize the power sector and limit contingent liabilities.

Critics, however, warn that frequent tariff hikes if not matched with efficiency improvements risk rubbing salt into consumers' wounds in a country already under economic stress. Tariffs that oscillate with fluctuations in fuel costs or foreign exchange rates may prove politically unsustainable unless accompanied by stricter governance, prudent capital investment, and tougher accountability at all levels of the CEB.

As CoPE prepares to grill LTL and revisit CEB's internal control failures, the public eye remains fixed on the tariff debate. Sri Lanka may soon confront a test: can the power sector be made self-sustaining and fair after decades of losses, mismanagement, and political interference?

WILL ELECTORS EVER LEARN?

The Opposition has got an opportunity to go on the offensive on the propaganda front. It is all out to inflict maximum possible damage on the government as part of its strategy to recover lost ground. The JVP/NPP is defending itself like a kickboxer under a barrage of blows in a ruthless contest guided by no rules.

The propaganda battle between the NPP and its rivals has got down and dirty. The Opposition politicians are making the most of their JVP/NPP counterparts' asset declarations submitted to the Commission to Investigate Allegations of Bribery or Corruption (CIABOC).

The JVP has defended its members' right to acquire assets despite being the full-time cadres. The Opposition has fired another salvo; it claims the government politicians have not paid income tax for their assets declared to the CIABOC.

Addressing the media yesterday, former Minister Udaya Gammanpila warned the government that its leaders would be prosecuted one day for tax evasion. The Opposition has reportedly sought information from the Inland Revenue Department about income tax paid by the government politicians, and made a large number of complaints to the CIABOC. If the JVP/NPP politicians have nothing to hide, they should be able to prove that they have paid taxes for their assets, provide documentary proof and put the matter to rest.



However, whether they will be able to mitigate the political fallout of the Opposition's propaganda onslaught remains to be seen, for they have claimed that their party looks after them. There is also an ethical dimension to the issue at hand. Is it ethical for the JVP members with substantial assets to depend on their party for financial support?

The Opposition, which has taken on the government with might and main, would do well to bear in mind that it is wielding a double-edged sword. It is not only the government politicians who should be called to account for financial disclosures. Their Opposition counterparts are also politicians of substance, as it were. Some of them are members of the political families accused of having amassed ill-gotten wealth. They haven't had any known sources of income. How come they have acquired so much wealth? Have they paid income tax for their assets? They cannot absolve themselves of their sins by bashing the government politicians.

When the previous government decided to pay compensation to the then ruling party members whose properties suffered damage in arson attacks during *Aragalaya* (2022), we argued that first of all it had to be ascertained whether those assets had been acquired legally and declared to the tax department.

However, the SLPP politicians were not asked to account for the damaged assets at issue, and the compensation they received allegedly exceeded their actual losses. A special probe should be conducted into this issue as state funds were utilised to pay compensation. Similarly,

the perpetrators of arson attacks in question must be traced and prosecuted for their crimes. The incumbent government will not do so as it does not want to open a can of worms.

Among the assets declared by the politicians of both the government and the Opposition are large amounts of gold. Time was when this country was not short of statespersons who were worth their weight in gold, so to speak. It looks as if the present-day politicians had gold hauls weighing as much as their own plump bodies.

One hopes that the irony of politicians having gold assets has not been lost on the public known for their blind loyalty to political parties. Politicians have acquired gold while ordinary people are selling or pawning their gold jewellery, unable to make ends meet. Loan sharks are preying on farmers, who lose their land and equipment put up as collateral for loans.

The politicians who promised to share in the economic hardships of the public are living the high life. Will electors ever learn?

Jaguar Land Rover has said it will resume some production in the coming days after a cyber-attack forced the carmaker to suspend operations.

Work at its three UK facilities in the West Midlands and Merseyside were halted on 1 September after a cyber-attack the night before.

The luxury car-making plants have paused production since 31 August. The cyber attack halted car-making across the supply chain, with staff off work as a result.

More than 33,000 people work directly for JLR in the UK, many of whom are on assembly lines in the West Midlands, with the largest facility located in Solihull, and a plant in Halewood on Merseyside.



Roughly 200,000 more are employed by several hundred companies in the supply chain, who rely on JLR orders as their biggest client.

"As the controlled, phased restart of our operations continues, we are taking further steps towards our recovery and the return to manufacture of our world-class vehicles," a company spokesperson said.

The shutdown was said to last until at least 1 October.
