NEWSLINE
Daily by Faraz
"Questioning The Answers"



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CANCER DOESN'T STOP THE BILLS. IT STOPS YOUR WAGES THOUGH.

Cancer patients already have to fight the disease. For many Sri Lankan families, they must simultaneously fight to keep the household going sometimes while wondering whether critically needed medicines will be available when treatment demands them. This Saturday, hundreds of voices will come together for children battling cancer. Having prayed for better delivery of medicines, perhaps patients are entitled to turn to music, human kindness and God's grace for some of the hope an imperfect system has not always been able to provide.

NEWSLINE

Cancer does not stop the electricity bill. It does not tell the landlord to wait. It does not postpone the cost of food, transport or a child's education. The mortgage still falls due, the telephone still needs paying and somebody still has to put dinner on the table.

Cancer can, however, stop your wages.

That may be one of the least discussed cruelties of the disease. A diagnosis does not affect only the body. It can change the economics of an entire household almost overnight. A patient who worked yesterday may be unable to work tomorrow.

A husband, wife, daughter or son may have to take time away from employment to become a carer. There are journeys to hospital, meals away from home, scans, tests and medicines, together with dozens of apparently small expenses which become enormous when the family's income is simultaneously disappearing.

For people living close to the edge financially, cancer therefore delivers a particularly vicious equation: income can fall precisely when expenditure rises.

That is difficult enough. There is another burden that cancer patients should never have to carry.

They should not have to wonder whether the medicine they critically need will actually be available when they need it.

Sri Lanka's public health system continues to provide cancer treatment to thousands of people, supported by doctors, nurses, pharmacists and other healthcare workers whose dedication can sometimes disguise the weaknesses elsewhere in the system.

NEWSLINE has repeatedly heard of extraordinary kindness from nursing and medical staff. The people beside the hospital bed are very often trying valiantly to solve problems they did not create.

But kindness cannot replace medicine.

Sri Lanka has experienced shortages, procurement difficulties and regulatory controversies involving essential pharmaceuticals. NEWSLINE's continuing investigation into Filgrastim has raised a particularly uncomfortable question about what happens when cancer medicine becomes caught between procurement, regulatory and administrative processes.

Officials can exchange letters. Institutions can dispute responsibility. Regulators can hold press conferences. Procurement agencies can explain contracts. Files can move from one desk to another.

Cancer does not wait for any of them.

For the patient sitting in Maharagama, the distinction between the regulator, procurement agency, supplier, laboratory and ministry is almost meaningless. That patient wants something considerably simpler. The medicine.

Against that background, an extraordinary gathering this Saturday deserves considerably more attention than another entry in Colombo's weekend entertainment calendar.

The Sri Lanka Cancer Society presents **"Experiencing God A Musical of Hope"** at the Cathedral of Christ the Living Saviour on Saturday, September 19, from 6.45 p.m. to 8 p.m. Around 700 voices will come together, including some 650 students from schools across Sri Lanka, standing in solidarity with children battling cancer.

The Music Ministry Choir will participate under the direction of Ishan de Lanerolle and Neranjan de Silva, with the De Lanerolle Brothers as soloists. Among the special guests will be children currently undergoing treatment, childhood cancer survivors and their families. Entrance is free, while donations and collections will go to the Sri Lanka Cancer Society.

The theme is faith, hope and courage.

Cancer patients require enormous quantities of all three.

But they should not require faith to believe that their medicine will be on the hospital shelf.

That remains the responsibility of the State.

There is, nevertheless, another Sri Lanka surrounding cancer which seldom attracts headlines.

It is made up of the relative who wakes before dawn to accompany a patient to Maharagama; the friend who quietly finds the bus fare; the neighbour who sends some food; the benefactor who pays a bill; the nurse who stays a little longer; and the cancer survivor who tells a frightened patient that there can still be another tomorrow.

They cannot cure cancer. They can make the journey less lonely.

NEWSLINE has received several requests to give prominence to Saturday's event, including from people affected by cancer and others trying valiantly to support them. We are more than happy to do so.

There is something particularly poignant about hundreds of children singing for cancer patients at this moment.

Patients have prayed for better treatment. They have prayed for medicines. Their families have prayed for another scan to bring good news. They have watched healthcare professionals do everything they can while occasionally confronting a pharmaceutical supply chain that has produced shortages, delays and regulatory controversies.

NEWSLINE has also been asking whether regulation has always been applied consistently. Patient safety must never be compromised, but neither should regulation become an excuse for administrative paralysis. Scientific regulation and rapid access to essential medicines are not opposing objectives. A competent regulatory system must be capable of delivering both.

Perhaps, having prayed for better service delivery and a dependable supply of medicine, some cancer patients are now turning to music and God's grace for salvation. Who could blame them?

Saturday evening therefore matters for reasons extending far beyond music.

Somebody sitting inside that Cathedral will know what it is like to receive a cancer diagnosis and immediately wonder whether they are going to die. Somebody else will know what it is like to wonder how the family will survive financially if they cannot work. Another will know the anxiety of waiting for treatment. Somewhere there may be a parent who would willingly exchange everything they possess for the assurance that their child will see another birthday.

And around them will be hundreds of young Sri Lankans singing.

That is worth supporting.
It is also worth remembering what must happen when the music stops.

The State must make sure essential cancer medicines are available. The regulator must regulate scientifically, consistently and urgently. Procurement must anticipate demand rather than repeatedly react to shortages. And the people running these institutions must remember that behind every batch number, tender, regulatory file and consignment is a human being measuring life rather differently from an administrator measuring time.

Because cancer doesn't stop the bills. It can stop the wages though.

And no patient already carrying that burden should also have to carry the fear that when treatment day arrives, the medicine may not.

Be that as it may.

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MURUNGA THE MEDICINE TREE THAT WAS ALWAYS IN OUR BACKYARD

Long before the world discovered "moringa" powders, capsules and superfoods, Sri Lankans were putting murunga into curry. The humble drumstick tree may be one of those rare occasions when grandmother's kitchen and modern nutritional science find themselves remarkably close to agreement.

NEWSLINE

There is something wonderfully Sri Lankan about murunga. It grows without much ceremony, appears regularly at the pola, finds its way into a curry and, for generations, has been treated as an entirely ordinary vegetable.

Except that *Moringa oleifera*, to give murunga its botanical name, is anything but ordinary.

Across the world it has acquired considerably grander descriptions: the drumstick tree, the horseradish tree and, inevitably, the "miracle tree." Moringa powders, teas, capsules and extracts have become part of an international health-food industry.

Yet much of what is now being marketed abroad as an exotic superfood has been growing in South Asian gardens and being eaten at South Asian tables for generations.

The interesting part is that underneath some of the marketing hype lies a genuinely impressive food.

MORE THAN THE DRUMSTICK

For most Sri Lankans, murunga means the long green pods cooked in curry. The pleasure is almost ritualistic: split the cooked pod, scrape the soft flesh and seeds from inside with the teeth, and leave the fibrous outer skin behind.

But the pod is only part of the story.

The leaves are edible. So are the flowers and immature seeds, while different parts of the tree have long been used in traditional systems of medicine. Modern research has concentrated particularly heavily on the leaves because of their combination of nutrients and biologically active plant compounds.

Moringa leaves contain protein, carotenoids, vitamins and minerals as well as compounds including flavonoids, phenolic acids, glucosinolates and isothiocyanates. Researchers have consequently become interested not simply in moringa as a vegetable, but as a potentially valuable functional food.

That distinction matters.

Calling murunga nutritious is supported by substantial evidence. Calling it a medicine capable of curing a catalogue of diseases is an altogether bigger claim.

WHAT CAN IT ACTUALLY DO?

Laboratory and animal studies involving moringa have produced intriguing findings concerning antioxidant and anti-inflammatory activity and possible effects on blood glucose, blood lipids and other metabolic processes. There has consequently been considerable interest in its potential relevance to diabetes, cardiovascular disease and other chronic illnesses.

But here is where the miracle-tree enthusiasm needs some restraint.



A major systematic review concluded that although moringa has a long history in traditional medicine and possesses a large collection of interesting phytochemicals, the evidence from human clinical trials remains limited. Much of the pharmacological evidence comes from laboratory or animal studies rather than the large, rigorous human trials needed before something can legitimately be described as a treatment.

Indeed, a 2026 systematic review and exploratory meta-analysis examining moringa in relation to high blood sugar and hypertension found that human studies remain small and their findings contradictory.

In other words, eat your murunga. Just don't throw away your prescription medicine because somebody on the internet calls it a miracle tree.

A SERIOUS NUTRITIONAL FOOD

Where the argument becomes considerably stronger is nutrition.

Moringa leaves have attracted attention as a potentially useful food in communities affected by nutritional deficiencies. A systematic review examining moringa leaf supplementation found some promising human results involving haemoglobin and vitamin A status, although the researchers stressed that the evidence remained limited and that larger, better trials were required.

That may ultimately be murunga's greatest value.

Sri Lanka does not need to turn an inexpensive local food into an expensive bottle of imported-looking capsules before appreciating it.

The tree grows in tropical conditions. Different parts can be eaten. The leaves can be incorporated into ordinary food. The pods are already part of Sri Lankan cuisine. And the plant contains precisely the sort of micronutrients and phytochemicals that have made nutrition researchers take it seriously.

There is also something economically interesting here.

The world has managed to take *Moringa oleifera*, package it as a wellness product and sell it back to consumers in powdered, bottled and branded form. Scientific reviews now describe moringa not only in terms of nutrition and pharmacology but also as having substantial commercial potential in functional foods, nutraceuticals and other products.

Sri Lanka already has the tree, the climate, the culinary tradition and the agricultural knowledge.

Perhaps the question is whether we have recognised the value.

AND WHAT ABOUT THE MURUNGA CURRY?

There may be a lesson here about the way we think about food.

The modern wellness industry has a habit of searching distant cultures for the next extraordinary ingredient. A familiar plant receives an unfamiliar English name, becomes a powder, acquires fashionable packaging and suddenly commands a price completely unrelated to what it once cost in the village market.

Murunga has travelled much the same road.

There is nothing wrong with developing moringa as an export crop or producing properly regulated value-added products from it. Quite the opposite: that could represent an opportunity for Sri Lankan agriculture.

But the science also suggests something considerably simpler.

A varied diet containing vegetables, leaves, pulses, fruit and other minimally processed foods remains rather more important than any single supposed superfood. Murunga can make a useful contribution to that diet because it happens to be nutrient-rich not because it possesses magical properties.

There are cautions too. Concentrated extracts and supplements are not the same thing as eating normal quantities of the vegetable, and reviews have identified potential toxicity at sufficiently high doses of some preparations. Anyone taking medication, particularly for conditions such as diabetes or hypertension, should therefore be wary of treating concentrated moringa products as harmless substitutes for medical treatment.
For generations Sri Lankans did something rather less complicated.

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MURUNGA THE MEDICINE...

They picked it. They cooked it. And they ate it.

Now science is examining in laboratories what generations discovered through food and experience: murunga is an unusually interesting tree and an exceptionally useful food.

Perhaps we became so accustomed to seeing it hanging over the garden fence that we stopped noticing what was there.

The world calls it Moringa oleifera and increasingly sells it as a superfood. We simply called it murunga. And, be that as it may, sometimes grandmother *Jazeema* knew rather more than the marketing department.

SRI LANKA WANTS INTO BRICS. SO WHAT HAPPENED TO OUR APPLICATION?

Sri Lanka decided that joining BRICS was in the national interest, Cabinet approved the move and an application followed. Nearly two years later, BRICS has just concluded its New Delhi summit and Sri Lanka is still outside. There are potentially considerable benefits to membership but also risks. The bigger question now is what has happened to our bid.

NEWSLINE

Sri Lanka wants to join BRICS, the increasingly influential grouping of emerging economies which began with Brazil, Russia, India, China and South Africa and has since expanded considerably. The attraction for a small economy recovering from sovereign default is understandable: some of the world's biggest emerging markets, important sources of investment and several of Sri Lanka's most important economic partners sit around the same table.

But Sri Lanka is not sitting there yet. Despite deciding in 2024 to seek membership, formally communicating its interest and approaching BRICS governments for support, Sri Lanka remains neither a full BRICS member nor one of its partner countries.

That is particularly striking after the BRICS summit held in New Delhi on September 12 and 13. India, the country Sri Lanka specifically approached for assistance with its membership ambitions, chaired the gathering, but there was no announcement that Sri Lanka had been admitted. The original decision to apply was not made casually.

An officials' committee examined the advantages and disadvantages of joining BRICS and its New Development Bank before Cabinet approved the proposal. Foreign Minister Vijitha Herath subsequently sought the support of BRICS countries, while Sri Lanka participated in BRICS outreach discussions in Russia.

President Anura Kumara Dissanayake went further during his December 2024 visit to India. In discussions with Prime Minister Narendra Modi, he sought India's support for Sri Lanka's BRICS application.

With India subsequently assuming the BRICS presidency, New Delhi was therefore always going to be important to Sri Lanka's ambitions.

The argument for joining remains persuasive. Sri Lanka needs markets, investment, technology, tourists, development finance and, perhaps above all, economic options. BRICS offers access to a political and economic network extending through Asia, Africa, the Middle East and Latin America.

India and China alone make membership significant for Colombo. They are already central to Sri Lanka's trade, investment, infrastructure and geopolitical calculations. The grouping also includes countries such as the United Arab Emirates, Russia, Indonesia, Egypt and other economies with which Sri Lanka could potentially deepen commercial relations.

Membership would not automatically produce exports or foreign investment. But international economic diplomacy is partly about access, and having Sri Lanka represented inside an organisation containing some of the world's largest emerging economies would provide another platform from which to pursue trade, tourism, investment and technology partnerships.



There is also the New Development Bank, established by the original BRICS countries to finance infrastructure and sustainable development. Sri Lanka separately expressed its intention to join the NDB, which potentially offers another source of long-term development financing at a time when the country has enormous requirements in energy, transport, water and other infrastructure.

But this is where expectations need to be controlled. BRICS membership does not produce free money and neither does membership of the New Development Bank. Loans remain debts, projects must make economic sense and somebody eventually has to repay the money.

Sri Lanka should understand that lesson better than most. Changing the nationality of the lender does not change the arithmetic of an unsustainable project.

There is nevertheless a legitimate argument for widening the country's financing options rather than remaining dependent upon a relatively narrow group of institutions and markets. Competition between credible sources of development finance could ultimately work to Sri Lanka's advantage, particularly if financing is attached to commercially productive projects rather than political monuments.

BRICS is also encouraging greater use of national currencies in trade and developing mechanisms intended to improve cross-border payments between its economies. This has sometimes produced dramatic claims that BRICS is about to replace the US dollar with a new currency, but the present reality is considerably less revolutionary.

What is developing is greater interest in settling some transactions in national currencies and improving connections between payment systems.

For a country that has experienced a catastrophic shortage of dollars, diversification is worth examining, although conducting a transaction in another currency does not solve Sri Lanka's fundamental foreign-exchange problem.

We still have to earn enough from exports, tourism, services, remittances and investment to pay for what we import. BRICS cannot repeal arithmetic any more than the IMF can.

There are geopolitical disadvantages as well. BRICS includes Russia and Iran, both involved in profound confrontations with Western governments, while China and the United States are engaged in a much broader strategic competition that extends increasingly into the Indian Ocean.

Sri Lanka cannot afford to become collateral damage in somebody else's geopolitical contest.

The United States and Europe remain critically important export markets, particularly for garments, while Western countries, Japan and Western-led multilateral institutions remain important sources of investment, finance and economic support.

Joining BRICS therefore cannot sensibly be presented as Sri Lanka choosing the East over the West. The intelligent policy would be East and West. India itself demonstrates how that can work. New Delhi sits at BRICS with China, Russia and Iran while simultaneously maintaining deep economic and strategic relationships with the United States, Europe, Japan and Australia. India calls that strategic autonomy.

Sri Lanka needs its own version of it, although as a much smaller and economically weaker country our margin for diplomatic error is considerably narrower. China presents another complication. Its sheer economic size inevitably gives Beijing enormous influence within BRICS, and closer participation could create considerable opportunities for Sri Lanka.

But this country has already discovered how quickly ports, infrastructure, research vessels and investment can become issues in the strategic competition between China, India and the United States.

BRICS membership should therefore increase Sri Lanka's options rather than reduce them. Colombo gains little if joining one organisation is interpreted internationally as entering another country's geopolitical camp.

That brings us back to the more immediate question: what has happened to Sri Lanka's application?



"Questioning The Answers"

SRI LANKA WANTS INTO BRICS...

When reports emerged in late 2024 suggesting Sri Lanka's membership request had been rejected, the Foreign Ministry disputed them. The Government's position was that Sri Lanka had not been rejected; BRICS had simply decided not to undertake another immediate expansion and Sri Lanka's application remained among those to be considered.

That was an important distinction then. Nearly two years later it becomes reasonable to ask what has happened since.

BRICS now operates with both full members and a category of partner countries. Sri Lanka currently belongs to neither. The New Delhi summit specifically referred to expanding engagement with BRICS partner countries, yet Sri Lanka has not so far entered even that group.

There is a similar question surrounding the New Development Bank. Sri Lanka's intention to join was welcomed publicly in 2024, but the Bank's current published membership information does not list Sri Lanka among either its members or prospective members. That does not necessarily mean either application has failed. It does mean the Government should tell the country precisely where they stand.

Is Sri Lanka's application for full BRICS membership still formally under consideration? Has Colombo been offered or discussed partner-country status? Does every existing BRICS member support our admission? Has any country raised an objection? What diplomatic effort was undertaken ahead of the New Delhi summit, and what was the response?

There is an especially obvious question for New Delhi. President Dissanayake personally asked Prime Minister Modi for India's support in December 2024. India has now chaired BRICS and hosted its leaders virtually on Sri Lanka's doorstep. Does India support Sri Lanka becoming a member, and if so, what is preventing the application from moving forward?

On balance, there remains a good case for Sri Lanka joining. Membership could widen our diplomatic reach, deepen access to important emerging economies, create another avenue for investment and development finance and give a small country another forum in which to advance its interests.

But BRICS will not rescue Sri Lanka's economy. It cannot make inefficient state enterprises efficient, manufacture competitive exports, eliminate corruption, restore investor confidence or compensate for bad economic policy. Those remain Sri Lanka's responsibility.

What BRICS can provide is another table and another set of relationships. For a strategically located island of some 22 million people attempting to navigate an increasingly divided world, having more serious economic relationships rather than fewer is generally an advantage.

Sri Lanka should be capable of working with China without antagonising America, deepening its relationship with India without surrendering its independence, maintaining relationships with Russia without abandoning Europe and seeking BRICS financing without walking away from the IMF, World Bank or Asian Development Bank.

That is not choosing sides. It is pursuing Sri Lanka's interests.

Be that as it may, Colombo decided almost two years ago that joining BRICS was sufficiently important to make a formal application, seek support from member governments and ask the Indian Prime Minister personally to help. The BRICS leaders have now met in New Delhi and gone home, while Sri Lanka remains outside.

The question is no longer simply whether BRICS would be good for Sri Lanka. It is what happened to our application and does BRICS actually want us?

US$127 MILLION BUT HOW MUCH IS ACTUALLY COMING INTO SRI LANKA?

Prime Melwa's Port City development has been presented as a US$127.6 million investment and its marina-front project as a major vote of confidence in Sri Lanka. The project itself appears substantial and potentially valuable. But NEWSLINE went looking behind the headline number and the Government's own Gazette tells a rather more complicated story.

NEWSLINE

There is little doubt that Prime Melwa's proposed luxury waterfront development at Colombo Port City is a significant project. Cabinet has granted Prime Melwa Port City (Pvt) Ltd the status of a Primary Business of Strategic Importance, while the developer has subsequently signed an agreement for what has been described as the remaining marina and waterfront residential development within Port City.

The figure widely attached to the project has been US$127.6 million.

That sounds like US$127.6 million being invested in constructing a new luxury development in Sri Lanka.

The Government's own Gazette, however, provides considerably more detail.

Gazette Extraordinary No. 2488/04 of May 11 identifies Prime Melwa Port City (Pvt) Ltd as the authorised business, specifies its Port City plot as 1-02-04 and gives the land area as 16,406.35 square metres.

More importantly, it breaks the proposed investment into its constituent parts.

The proposed investment for the lease of the land is Rs 16,586,608,397.

The proposed investment in development is US$75,770,000.

The project is expected to generate 835 employment opportunities and carries an implementation period of four years.

Those figures help explain how the much larger US$127.6 million headline number appears to have been reached.

Convert approximately Rs 16.59 billion into dollars at the relevant exchange rate and the land component is worth roughly US$52 million. Add the US$75.77 million development investment and the result comes remarkably close to US$127.6 million.

That is an important distinction.

It suggests that the US$127.6 million figure should not necessarily be understood as US$127.6 million of new foreign capital arriving in Sri Lanka to construct the development. A substantial part of the headline project value represents the cost of obtaining the Port City land.

There is nothing improper about including land in the total value of a development. Developers routinely calculate project costs that way.



But when Sri Lanka is measuring foreign direct investment, the distinction between the total value of a project and actual foreign currency entering the country matters enormously.

Port City's own subsequent announcement makes that distinction particularly interesting.

In June the Colombo Port City Economic Commission said three Primary Businesses of Strategic Importance Prime Melwa, Marina Hotel Holdings and Home Lands Port City had combined land and development costs of approximately Rs 125 billion.

But it separately said those projects included approximately US$262 million in foreign inflows over the following five years.

That is arguably the more important number.

Sri Lanka does not simply need projects with impressive valuations. It needs dollars coming into the country, productive investment, construction, employment and eventually economic activity capable of generating recurring foreign exchange.

Prime Melwa's development may well deliver all of those things. The marina-front location is among Port City's most valuable pieces of real estate and the project is being positioned at international high-net-worth buyers and expatriates as well as the luxury domestic market.

Prime Melwa subsequently signed a Sales and Purchase Agreement with CHEC Port City Colombo for what was described as the only remaining marina and waterfront residential development within Port City.



"Questioning The Answers"

US$127 MILLION...

The proposed development is expected to contain a luxury residential tower overlooking the marina and Indian Ocean.

That appears consistent with the Prime Melwa development which received strategic status earlier in May rather than evidence, by itself, of an entirely separate second investment.

And this is where NEWSLINE believes some clarification is necessary.

Reports have subsequently referred to a US$112.2 million waterfront development together with a substantial rupee component. NEWSLINE has searched the official Cabinet material presently available, the Gazette governing Prime Melwa's strategic status, Port City Commission announcements and the developer's own material.

We have not presently located an official Cabinet decision establishing that this represents an additional US$112.2 million Prime Melwa investment separate from the already approved project.

Until that is clarified, simply adding US$112.2 million to the previously reported US$127.6 million risks counting investment that may overlap.

There is a second issue worth considerably more public attention: the incentives.

Prime Melwa has been designated a Primary Business of Strategic Importance. That status matters because it provides access to exemptions and incentives under the Port City regulatory regime.

The present Government has actually tightened that regime.

The earlier framework permitted extraordinarily long tax concessions, including a 25-year full exemption for qualifying Primary Businesses followed by another ten years at a reduced rate. The revised framework substantially shortened those concessions, with the maximum corporate income-tax holiday for Primary Businesses reduced to 15 years.

That is an important improvement in fiscal discipline. But the public should still be able to see the bargain.

If Sri Lanka grants a developer tax concessions worth millions of dollars, the relevant question is not simply whether tax has been forgone. It is whether the investment, employment, foreign-exchange earnings and wider economic activity created by the concession are worth more to the country than the revenue sacrificed.

The 2026 amendments to the Port City legislation have strengthened that principle. Businesses receiving strategic incentives are required to file tax returns, while the Finance Ministry must publish annual information concerning the tax expenditure associated with Businesses of Strategic Importance.

That creates the possibility of measuring Port City by something rather more meaningful than press releases.

How much tax did Sri Lanka give up? How much genuine foreign capital came in?

How many jobs were created? How much foreign exchange was subsequently earned?

And did the country receive more economic value than it surrendered in concessions?

Prime Melwa's project therefore remains potentially good news.

A major Sri Lankan private-sector consortium committing capital to Port City, constructing a landmark marina development and attempting to sell Sri Lankan property internationally would be a welcome sign of confidence after the economic collapse.

But confidence should not require creative arithmetic.

A US$127.6 million project is not necessarily the same thing as US$127.6 million of foreign investment. The official documentation tells us that Prime Melwa's project includes approximately Rs 16.59 billion for land and US$75.77 million for development.

And before another US$112.2 million is added to the Port City investment scoreboard, somebody should establish whether it really represents another project and another pot of money or another description of investment already announced.

Be that as it may, Port City has spent years selling Sri Lanka a very large promise. As buildings finally begin moving from artists' impressions towards reality, the Government now has an opportunity to do something equally important.

Show us the money not merely the headline number.

WE REGULATE YOUR ELECTRICITY BILL. WHY NOT YOUR FUEL AND WATER?

Sri Lanka has an independent regulator overseeing electricity, but two other essentials reaching into virtually every household fuel and water remain outside the same comprehensive regulatory structure. A proposal before Parliament wants to change that. It raises a deceptively simple question: who independently protects the consumer when the State is also the supplier?

NEWSLINE

Every time the price of petrol changes in Sri Lanka, millions of people feel it almost immediately. The motorist sees it at the filling station, but within days it travels through bus fares, three-wheelers, delivery charges, food prices and eventually much of the economy.

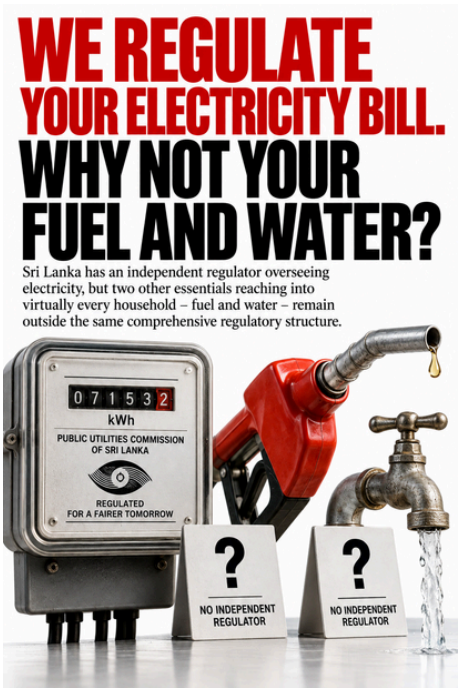
Water is even more fundamental. It arrives through a State-controlled system and the consumer has little practical choice about where to buy it.

Yet neither petroleum nor water presently sits within the same comprehensive independent regulatory framework that applies to electricity.

A proposal placed before Parliament by Opposition MP Nalin Bandara Jayamaha seeks to bring industries connected with petroleum, fuel and water under the regulation of the Public Utilities Commission of Sri Lanka.

It deserves considerably more attention than an ordinary Private Member's Motion because behind it lies an important question about how Sri Lanka regulates monopolies and essential services.

The Public Utilities Commission is already familiar to electricity consumers. It examines tariff proposals, holds public consultations, considers costs and can require the electricity industry to justify what consumers are being asked to pay.



That system is by no means perfect. Consumers may disagree violently with a tariff decision and governments inevitably remain involved in energy policy. But there is at least an institution standing between the producer and the person receiving the bill.

Petroleum presents a rather different picture.

Sri Lanka now has more than one fuel supplier following the entry of international operators, but the market remains heavily influenced by Government policy, taxation, import costs, exchange rates and the pricing formula. Fuel prices are announced periodically and the public is essentially presented with the result.

The consumer sees the number on the filling-station board.

What he does not necessarily see in equally accessible form is every component which produced it.

How much represents the international cost of the product? How much is freight? What is the exchange-rate impact? What are the distribution margins? What taxes and levies have been imposed by the State? What return is being permitted to suppliers, and is that return reasonable?

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WE REGULATE YOUR...

-There may be perfectly legitimate answers to all those questions.

Independent regulation provides a mechanism for asking them.

The issue becomes particularly important because Government occupies several positions simultaneously. It makes policy, imposes taxes, regulates aspects of the industry and, through State entities, participates commercially in the market.

That does not automatically produce abuse, but it does create an obvious argument for independent scrutiny.

The principle is straightforward. The institution selling an essential product should not effectively be the only institution determining whether the price charged for that product is reasonable.

Water presents an even stronger case.

Most households receiving piped water cannot choose another supplier. There is no competing water company offering a better tariff next door. The National Water Supply and Drainage Board therefore occupies the position of a natural monopoly for much of the population it serves.

Monopolies are precisely where independent economic regulation can matter most.

The Water Board has genuine costs. Water must be collected, treated, pumped and distributed. Infrastructure has to be maintained and expanded. Electricity costs alone can be substantial, while old pipelines and non-revenue water impose further costs on the system.

Nobody seriously suggests clean drinking water can be produced and delivered without somebody paying for it.
The question is who decides what constitutes an efficient cost and how much of inefficiency should be passed to the consumer.

If a utility loses an excessive proportion of its product through leaking infrastructure, should consumers simply pay more? If staffing costs become excessive, should they automatically appear in the tariff? If capital expenditure is poorly managed, who independently examines whether the resulting cost should be transferred to households?

Those are regulatory questions rather than political ones.
There is also an important protection for the utilities themselves.

Independent regulation does not necessarily mean lower prices. Sometimes an independent regulator may conclude that a tariff actually needs to increase because the existing price does not cover the legitimate cost of providing the service.

That can make the regulator unpopular.

But it also makes the decision more credible.
Sri Lanka has repeatedly damaged State enterprises by allowing politicians to suppress prices for electoral reasons, only for losses eventually to emerge somewhere else in the public finances. Consumers may temporarily enjoy an artificially cheap service, but taxpayers eventually receive the bill.

A genuinely independent regulator should protect consumers from unjustified prices while also protecting utilities from politically manufactured prices.

There is, however, a danger in simply adding petroleum and water to the PUCSL's responsibilities without first ensuring the regulator has the technical expertise, statutory authority and institutional independence to perform those additional functions properly.

Regulating electricity is already complicated. Petroleum markets require different expertise involving international commodity prices, refining, storage, distribution and retail margins. Water regulation requires knowledge of treatment, networks, quality standards, infrastructure investment and the economics of natural monopolies.

Giving an institution a bigger nameplate without the people and expertise necessary to do the work achieves very little.

There is another question Parliament should address. If petroleum and water are brought under independent economic regulation, how transparent will the process actually be?

Consumers should be able to see the calculations.

If a litre of petrol costs a particular amount, publish the components in a form an ordinary motorist can understand. If a water tariff rises, show how much relates to electricity, wages, infrastructure, debt and losses in the network.

Transparency does not guarantee that people will like the price.

It allows them to understand why they are paying it.

Sri Lanka is attempting to rebuild confidence in the State after an economic collapse in which opaque decisions, badly managed public enterprises and enormous accumulated losses eventually landed on the population.
Independent regulation is one way of preventing that happening again.

The proposal before Parliament may therefore be worth developing beyond a Private Member's Motion and into a serious discussion about the architecture governing essential public services.

The Government does not have to accept the proposal exactly as presented. There may be better institutional arrangements, separate regulators or amendments necessary to the existing law.

But the underlying question is difficult to dismiss.

A Sri Lankan switching on a light has an independent regulator somewhere in the system examining what he is being charged.

The same Sri Lankan can drive to a filling station and fill his tank, then return home and open the water tap.

Why should the principle of independent consumer protection suddenly disappear?

Be that as it may, petroleum and water are too important to become political footballs whenever prices have to change. If the Government believes the prices consumers are being charged are fair, efficient and economically justified, independent scrutiny should not frighten it. It should prove it.

SRI LANKA HAS JUST BUILT A GIANT BATTERY. IT COULD CHANGE HOW WE MAKE ELECTRICITY

Something rather important happened in Galle last week with remarkably little fanfare. Sri Lanka's first commercial-scale Battery Energy Storage System was connected to the national grid. It can store electricity when we have too much and give it back when we need it and that could remove one of the biggest obstacles standing between Sri Lanka and substantially cheaper renewable electricity.

NEWSLINE

Sri Lanka has spent years talking about solar panels, wind farms, renewable-energy targets and reducing the country's dependence on imported fuel. On September 10, something rather less glamorous but potentially just as important happened at Bataduwa near Galle.

Sri Lanka's first commercial-scale Battery Energy Storage System, or BESS, began operating on the national electricity grid.

The installation has a capacity of 10 megawatts and can store 40 megawatt-hours of electricity. Put simply, it is an enormous rechargeable battery connected not to somebody's house but to the electricity system itself.

That matters because renewable electricity has always had an inconvenient problem. The sun does not necessarily shine when Sri Lanka most needs electricity and the wind does not wait for the evening peak before deciding to blow.

Solar power can produce large amounts of electricity during daylight hours, precisely when household demand may not be at its highest. Then evening arrives, people return home, lights and air-conditioners are switched on and demand rises just as solar generation disappears.

Traditionally the electricity system has had to replace that disappearing solar energy with another source capable of producing power when required. In Sri Lanka that has frequently meant hydro where water is available, coal or considerably more expensive oil-fired generation.

A battery changes the equation.

Instead of wasting or restricting renewable electricity when supply exceeds what the grid can immediately absorb, some of that energy can be stored. When demand rises later, the battery discharges it back into the system.

The Bataduwa installation can provide its rated 10 MW output for approximately four hours.



"Questioning The Answers"

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One battery will not transform Sri Lanka's electricity system, but Bataduwa is not intended to remain alone.

The original procurement called for 160 MW and 640 MWh of standalone battery storage divided among 16 grid substations around the country, with individual 10 MW/40 MWh projects planned for Kilinochchi, Vavuniya, Polonnaruwa, Valachchenai, Ampara, Vavunathivu, Monaragala, Mahiyanganaya, Chunnakam, Beliatta, Galle, Matara, Hambantota, Old Anuradhapura, Maho and Panadura.

That means what has just happened in Galle should be regarded as the first piece of a much larger electricity-storage network.

And Government ambitions have already become considerably bigger.

The National System Operator is now pursuing another 250 MW/1,000 MWh of standalone battery storage and has also invited proposals for 150 MW/600 MWh of battery systems integrated with existing ground-mounted solar plants.

If those projects materialise, Sri Lanka could move relatively quickly from virtually no commercial grid battery storage to hundreds of megawatts of it.

That is not simply an environmental story.

It is an economic one.

Sri Lanka spends valuable foreign exchange importing fuel. Every additional unit of electricity that can economically be generated from indigenous renewable resources rather than imported fossil fuel potentially reduces that exposure.

But simply installing ever more solar panels does not solve the problem. An electricity system must remain balanced every second of every day.

Generation and demand have to match, voltage and frequency must remain stable and somebody must be able to respond rapidly when supply suddenly changes.

Batteries are unusually good at doing that.

They can respond almost instantaneously, absorb surplus electricity, release it when required and assist with frequency and voltage control. That makes them useful not merely as enormous rechargeable batteries but as tools for keeping an increasingly renewable electricity system stable.

Sri Lanka's own electricity planners have recognised the problem. The Public Utilities Commission approved bringing forward battery storage originally envisaged for later years because renewable generation was growing faster than expected and battery prices had declined.

Cabinet subsequently approved accelerated procurement. The Government has said the country's increasing night-time peak demand is appearing roughly two years earlier than anticipated in the Long-Term Generation Expansion Plan, strengthening the case for storage.

There is therefore an intriguing possibility.

For decades Sri Lanka's electricity debate has repeatedly returned to the same argument: what power station should we build next?

Coal, LNG, hydro, solar, wind or something else.
Storage introduces a different question.

How much more electricity could we obtain from generating capacity we already have if we became better at deciding when that electricity is used?

A megawatt-hour of solar electricity produced at noon and unwanted at noon is not particularly useful if the country desperately needs it at seven in the evening. Store it for seven o'clock and its value changes.

There are, however, questions NEWSLINE believes should accompany the enthusiasm.

Battery storage is not free electricity. Somebody pays to build the facility and the operator must recover the investment and earn a return. The relevant comparison therefore is between the cost of storing and later supplying that electricity and the cost of generating an alternative unit when it is required.

Those numbers should be transparent.

The Bataduwa project has reportedly been developed by Galilee BESS Limited, a subsidiary of WKV Hydro Technics, ultimately owned by Singapore-based Khen Energy Limited. The broader programme is structured on a Build, Own and Operate basis, with private developers responsible for financing, constructing, operating and maintaining the batteries over a 15-year operating period. That means taxpayers do not simply purchase hundreds of millions of dollars of batteries upfront. But electricity consumers ultimately pay for the storage service through the power system.

The tariff therefore matters enormously.

How much will the National System Operator pay for electricity stored and returned from these facilities? What was the winning price at Bataduwa? How does that compare with the cost of oil-fired generation displaced during peak periods? What return is being guaranteed to the developer and who carries the risk if battery performance deteriorates faster than expected?

There are technical questions too.

Large lithium-based battery installations require rigorous fire protection, thermal management, monitoring and emergency procedures. Sri Lanka's regulators and standards authorities have already been working on safety and technical standards for BESS installations as the technology begins spreading across the country.

Those safeguards will become increasingly important as dozens of installations appear.

But none of those questions diminishes the significance of what has happened at Galle.

Sri Lanka has a target of obtaining 70 percent of electricity generation from renewable sources by 2030. Achieving anything approaching that level requires more than simply constructing solar and wind capacity. The grid itself has to become capable of accepting and managing large quantities of variable electricity.
Storage is one of the missing pieces.

It could also become increasingly relevant to the hundreds of thousands of rooftop solar installations appearing across the country. The electricity system of the future may look very different from the old arrangement in which several enormous power stations generated electricity and everybody else merely consumed it.

Homes and businesses are increasingly becoming generators. Large solar and wind farms will feed variable electricity into the grid. Batteries will store some of it. Eventually an electricity interconnection with India could provide another mechanism for importing or exporting power depending upon availability and price.

The National System Operator rather than the old vertically integrated CEB structure will increasingly have to orchestrate that complicated market while ensuring somebody's light still comes on when the switch is pressed.

That makes the modest-looking battery installation at Bataduwa considerably more important than its 10 MW rating suggests.

Sri Lanka has just demonstrated that commercial grid-scale electricity storage can actually be connected and operated here.

Now comes the real test: whether the remaining projects arrive on schedule, whether the tariffs represent value for consumers and whether storage actually allows the country to replace expensive fossil-fuel generation rather than merely becoming another cost added to the electricity bill.

Be that as it may, for more than a century electricity had one particularly inconvenient characteristic: once generated, enormous quantities of it were difficult and expensive to keep until later.

Sri Lanka has just started changing that.

The sun may still go down at six. Our solar electricity no longer necessarily has to go down with it.

