Issue No. 367 4th SEPTEMBER 2026 **CEYLON INDEPENDENT** @+94 77 230 0305

"Questioning The Answers"

WHEN THE WATER RUNS OUT

Sri Lanka's drought is no longer merely a weather story. Wells are drying, farmers are losing crops, jobs are disappearing and the Government is now discussing relief for people whose livelihoods are being destroyed by El Niño.

- Six districts already affected, Government confirms
- Wells, rivers and tanks falling to critically low levels
- Crops failing, incomes shrinking, rural jobs at risk
- Drinking water deliveries intermittent in several areas
- Relief programme under discussion for those who have lost jobs
- Focus on protecting vegetable cultivation and preventing shortages

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NEWSLINE LEAD

Sri Lanka's developing drought has crossed an important and uncomfortable line. What began as warnings about El Niño and falling rainfall is increasingly becoming a story about drinking water, food, employment and the ability of rural families to survive.

The Government's special Cabinet subcommittee on El Niño has now met for the fourth time and acknowledges that people in six districts are already being affected. More significantly, the committee is discussing a programme to assist people who have lost their jobs because of the climatic conditions.

That changes the character of the problem.

Reuters reported yesterday that some farming communities in Ampara and Monaragala are facing exceptionally severe rainfall deficits, with wells, rivers and tanks drying or falling to critically low levels. In some of the affected areas, residents have reportedly faced long intervals between deliveries of drinking water.

For agricultural families, the consequences travel much further than an empty reservoir.

A farmer who loses a crop does not merely lose this month's vegetables. He may lose the money required for the next cultivation cycle, the income needed to repay borrowing and the ability to employ agricultural labourers who themselves depend upon the season for their livelihood.

Livestock and small rural businesses become casualties too. Reuters documented farmers losing crops and families turning to casual labour as traditional sources of income disappear.

The Government says particular attention is now being paid to protecting vegetable and fruit cultivation and preventing shortages. Officials are also examining measures to maintain continuous water supplies in the affected districts.

Those interventions are necessary, but the real test will be whether they reach communities before distress becomes desperation.

Sri Lanka has lived through drought before. It therefore has no excuse for behaving as though every dry spell is an administrative surprise.

The consequences should already be modelled district by district: available drinking-water capacity, irrigation reserves, crop exposure, livestock requirements, electricity-generation implications, tanker requirements and the number of households whose incomes are threatened.

There is another danger.

Reduced cultivation eventually reaches the supermarket. When supply falls, prices rise. A climatic event beginning hundreds of kilometres from Colombo can therefore arrive at an urban family's kitchen table disguised as a more expensive bundle of vegetables.

That matters particularly now. Colombo headline inflation has already accelerated sharply, reaching 8 per cent in August according to the latest reported CCPI figures. A prolonged disruption to domestic food production would add another pressure that households can scarcely welcome.

The Government's decision to establish a Cabinet-level mechanism indicates that it understands the seriousness of the threat. It must now demonstrate that the machinery underneath that committee works just as effectively.

Water bowsers, agricultural support and livelihood assistance cannot become programmes announced in Colombo and discovered weeks later in the provinces.

El Niño cannot be legislated away. Administrative lethargy, however, can.

The rain will eventually return. The question for Government is how many livelihoods will still be standing when it does.

Be that as it may.

AN ANTI-CORRUPTION LAW NOW FACES THE CONSTITUTION

Fourteen petitions have reportedly been filed against amendments to Sri Lanka's anti-corruption law. Fighting corruption is unquestionably in the public interest. The means used to fight it must nevertheless remain within the Constitution.

NEWSLINE CURRENT AFFAIRS

Sri Lanka's latest attempt to amend its anti-corruption regime has itself arrived before the Supreme Court, with 14 petitions reportedly challenging the constitutionality of the proposed Anti-Corruption Amendment Bill.

The hearings commenced yesterday before a three-member bench comprising Justices Shiran Gunaratne, Mahinda Samayawardhena and Sampath Wijeratne.

The development deserves attention beyond the inevitable legal arguments surrounding individual clauses of the Bill.

Sri Lanka needs an effective anti-corruption framework. Few propositions in contemporary Sri Lankan politics command broader public agreement.

Years of allegations involving procurement, public property, political influence and the misuse of State resources have contributed substantially to the collapse of public confidence in institutions. The demand that wrongdoing be investigated and offenders prosecuted is therefore neither partisan nor controversial.

But precisely because anti-corruption legislation confers significant investigative and prosecutorial power, Parliament has a corresponding responsibility to ensure that those powers remain constitutionally sound.

Transparency International Sri Lanka is among those challenging the proposed amendments.

The Supreme Court's task is not to decide whether corruption should be fought. That question was settled long ago by the public interest.

Its task is to determine whether the particular legislative machinery Parliament proposes is compatible with the Constitution and, where applicable, whether any provisions require amendment, a special parliamentary majority or approval by the People.

There is an important distinction here.

Strong law is not necessarily law giving the State the greatest possible power. Strong law is legislation capable of surviving constitutional scrutiny, being applied consistently and ultimately producing prosecutions and convictions which themselves withstand judicial examination.

Sri Lanka has seen enough investigations announced with considerable noise only for cases to become bogged down years later in procedural and evidential disputes.

An anti-corruption system should therefore be judged not by the number of politicians summoned before investigators or the volume of headlines produced, but by something much less theatrical: lawful investigations, properly gathered evidence, independent prosecutions and sustainable judicial outcomes.

That standard must apply regardless of who occupies Government and regardless of whose name appears on the charge sheet.

The present administration came to office carrying a particularly powerful mandate to confront corruption. That mandate gives it political authority to act.

It does not give any Government authority to act outside constitutional limits.

Those two propositions are not contradictory. They are what the rule of law is supposed to mean.
Be that as it may.

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NEWSLINE Daily by Faraz

"Questioning The Answers"

THE SCAMMERS ARE HERE

Foreign nationals have been prosecuted for cybercrime from inside Sri Lanka, illegal gambling sites are being blocked and Police want a real-time centralised system to investigate digital financial crime. The question is whether Sri Lanka is becoming a convenient operating base for an international criminal industry.

NEWSLINE CURRENT AFFAIRS

Sri Lanka's cybercrime problem is acquiring an uncomfortable international dimension.

Information disclosed to Parliament has confirmed that legal action has been taken against foreign nationals living in Sri Lanka and allegedly engaging in cybercrime, while arrangements are being made with their respective embassies for their deportation.

The disclosure emerged from the Ministerial Consultative Committee on Public Security and Parliamentary Affairs, chaired by Public Security Minister Ananda Wijepala. The committee examined cybercrime, financial fraud and illegal online gambling as part of a broader review of public security.

Police officials told the committee that websites connected to illegal gambling and other unlawful activities were being blocked.

More revealing, however, was what the Police say they now need in order to fight the problem.

Software engineers and lawyers are being recruited to strengthen cybercrime investigations. New officers are to receive field and overseas training, while authorities are considering new technology and a centralised system capable of conducting investigations in real time.

The authorities also acknowledged difficulties in obtaining and sharing information internationally where cryptocurrency is involved.

Put together, those disclosures describe something rather larger than the occasional internet fraudster working from a laptop.

Modern scam operations can involve call centres, fake investment platforms, cryptocurrency transfers, social-media impersonation, online gambling, stolen identities and money moving across several jurisdictions before investigators have established where it went.

Sri Lanka is particularly vulnerable because the infrastructure required to operate such schemes is remarkably ordinary.

A rented house, several computers, high-speed internet connections, mobile telephones and access to international payment mechanisms may be enough to create an operation capable of targeting victims thousands of kilometres away.

That raises a question extending beyond arresting the people sitting behind the computers.
How are these operations entering Sri Lanka, renting premises, establishing communications infrastructure and moving money without attracting attention?

If foreign nationals are operating organised cybercrime from Sri Lankan territory, immigration authorities, banks, telecommunications providers, landlords and financial intelligence agencies all potentially occupy different parts of the same enforcement picture.

That does not mean each should become an arm of the Police. It means the State requires the ability to connect information quickly when reasonable suspicion exists and the law permits it.

There is also an important civil-liberties boundary.

The answer to cybercrime cannot be indiscriminate surveillance of everybody using the internet. Police powers must remain subject to law, judicial supervision where required and safeguards protecting the privacy of ordinary citizens.

Effective policing and individual liberty are not competing objectives. A competent criminal-justice system should be capable of protecting both.

The parliamentary committee has correctly recognised that technology is changing the nature of crime. Recruiting software engineers and creating specialist investigative capacity is therefore sensible.

But Sri Lanka must move quickly.

Cybercriminals do not wait for procurement committees, recruitment examinations and administrative circulars.

The Police are effectively telling Parliament that the criminals have gone digital.
The State had better catch up.

Be that as it may.

Parliament says foreign nationals have faced legal action, deportation arrangements are being made, illegal gambling sites are being blocked, specialist personnel are being recruited and a real-time centralised investigative system is under consideration.

FOREIGN INVESTORS SOLD RS. 55.7 BILLION MORE THAN THEY BOUGHT

Foreign selling on the Colombo Stock Exchange has more than doubled in the first eight months of 2026. Yet the market itself rose in August. The numbers deserve examination rather than panic.

NEWSLINE BUSINESS

There is a curious contradiction developing at the Colombo Stock Exchange.

Sri Lankan investors have continued to support a market whose principal indices actually advanced during August, but foreign investors have been heading in the opposite direction.

Net foreign outflows reached Rs. 55.7 billion during the first eight months of 2026, more than twice the Rs. 22.34 billion recorded during the corresponding period last year, according to figures analysed by CT Smith Securities.

The composition of that number is perhaps more important.

Foreign investors sold approximately Rs. 85.3 billion worth of shares during the eight months to August, an increase of 44.6 per cent from a year earlier. Foreign purchases, meanwhile, declined by 19 per cent to approximately Rs. 29.6 billion.

In other words, foreigners sold almost three rupees of Sri Lankan shares for every rupee they bought.

August produced the largest monthly net foreign outflow on record at approximately Rs. 19.46 billion.

Those are substantial numbers and deserve attention. They do not, however, justify the simplistic conclusion that foreigners have lost confidence in Sri Lanka.

The detail tells a more complicated story.

Three counters accounted for approximately 84 per cent of August's net foreign selling. Commercial Credit and Finance recorded about Rs. 9.58 billion, Cargills approximately Rs. 4.07 billion and RIL Property approximately Rs. 2.7 billion in net foreign sales.

That concentration matters enormously.

If most of a month's foreign outflow is generated by a handful of large transactions, the number cannot automatically be treated as a referendum by international investors on the entire Sri Lankan economy.

At the same time, dismissing Rs. 55.7 billion of cumulative net selling would be equally foolish.

Foreign portfolio money is mobile. International fund managers compare Sri Lanka not merely with Sri Lanka last year but with every other market in which their capital could be deployed.

Their decisions may reflect valuations, liquidity, currency expectations, global asset allocation, the need to realise profits or investment opportunities elsewhere. The headline number alone cannot tell us which factor predominates.

There is another important part of the picture.

While foreigners were selling heavily, the All Share Price Index still gained approximately one per cent during August to finish around 21,339 points. The S&P SL20 rose approximately 1.2 per cent to around 6,010.

Average daily turnover also rose sharply, from approximately Rs. 1.86 billion in July to Rs. 3.6 billion in August.

"Questioning The Answers"

FOREIGN INVESTORS...

Domestic money therefore appears to have absorbed a considerable amount of foreign selling without the market collapsing underneath it.

That is a sign of depth worth recognising.

But there is a broader economic question for policymakers.

Sri Lanka is attempting to persuade the world that economic stabilisation has created the foundation for sustained recovery. Portfolio investment is not the only measurement of confidence, and arguably not the most important one. Long-term foreign direct investment, export growth, reserves, productivity and private-sector expansion matter considerably more.

Nevertheless, when international investors repeatedly take more money out of the equity market than they put into it, somebody should be asking why.

Not with alarm.
With curiosity.

Because Rs. 55.7 billion is large enough to deserve an explanation, even if the explanation ultimately proves less dramatic than the headline.

Be that as it may.

The latest reported figures put January-August net foreign outflows at Rs.55.7 billion versus Rs.22.34 billion a year earlier. August alone recorded approximately Rs.19.46 billion of net selling, while the ASPI and S&P SL20 nevertheless rose during the month.

SEVEN YEARS FOR RS. 330,000

Former Civil Aviation Minister Piyankara Jayaratne has been sentenced to seven years' rigorous imprisonment over the use of SriLankan Catering money for meals for political supporters. The amount may appear comparatively small. The principle certainly is not.

NEWSLINE CURRENT AFFAIRS

Former Civil Aviation Minister Piyankara Jayaratne has been sentenced by the Colombo High Court to seven years' rigorous imprisonment after being found guilty of corruption involving money belonging to State-owned SriLankan Catering.

The case concerned approximately Rs. 330,000 used in 2014 to provide meals for political supporters attending a United People's Freedom Alliance May Day rally.

According to the prosecution, Jayaratne used his position as Civil Aviation Minister to influence an executive of SriLankan Catering to make the payment from company funds. The prosecution maintained that the transaction caused a loss to the State.

Colombo High Court Judge Mohamed Mihail found the former Minister guilty.

Two seven-year sentences were imposed but ordered to run concurrently, producing an effective prison term of seven years. Jayaratne was additionally fined Rs. 200,000. He is reportedly expected to appeal the judgment.

The amount involved immediately invites comparison with the billions of rupees that feature in some of Sri Lanka's larger corruption allegations.

That would miss the point.

The significance of this case lies not simply in whether Rs. 330,000 was improperly spent. It lies in the proposition that money belonging to a State enterprise cannot be treated as an extension of a Minister's political wallet.

SriLankan Catering was not a political party fund.

Its money belonged to a State-owned commercial enterprise. Ultimately, therefore, the public had an interest in how that money was spent.

Sri Lanka has for decades lived with an unhealthy blurring of the boundary between the State and whichever political party happens to control it.

Government vehicles have appeared at political events. State employees have been drawn into political activity. Public buildings, institutions and resources have repeatedly become entangled with the machinery of electioneering and party organisation.

The sums involved can sometimes appear trivial beside the enormous budgets of Government.

But public accountability cannot operate according to a rule under which taking a little is somehow permissible while taking a great deal becomes corruption.
The principle must be considerably simpler.

Public money is public money.

If a Minister can lawfully direct Rs. 330,000 belonging to a State enterprise towards feeding political supporters, where precisely would the line be drawn? At Rs. 3 million? Rs. 30 million? Rs. 300 million?

That is why the size of the transaction should not distract from the institutional importance of the case.
There is another reason the judgment matters.

Sri Lanka has heard countless allegations of corruption. Far fewer travel the entire distance from investigation through indictment, trial and judgment.

Justice also requires an important qualification. Jayaratne retains his appellate rights, and a conviction at first instance should not be reported as though the judicial process has necessarily reached its final destination.

But unless and until a higher court determines otherwise, there is now a High Court judgment carrying an unmistakable message for those exercising public power.

A Ministry is not a political party office.
A State company is not a party treasury.

And the taxpayer is not obliged to buy lunch for anybody's political supporters.

Be that as it may.

The High Court imposed an effective seven-year rigorous-imprisonment sentence, with the two seven-year terms running concurrently. Contemporary reports put the transaction at about Rs.320,000-Rs.330,000 and say Jayaratne is expected to appeal.

TOURISM MISSED THE PERAHERA LIFT

Sri Lanka welcomed 191,704 visitors in August, 3.3 per cent fewer than a year earlier. Even the Kandy Esala Perahera could not push the month above August 2025.

NEWSLINE ECONOMY

Sri Lanka's tourism industry has produced another number that deserves considerably more attention than celebration.

The country welcomed 191,704 tourists during August, according to the latest Sri Lanka Tourism Development Authority figures.

That is a substantial number of visitors.

It is also 3.3 per cent fewer than arrived during August last year.

The result is particularly interesting because the first half of August had been accompanied by a perfectly reasonable explanation for the weakness then appearing in the numbers.

The Kandy Esala Perahera was later this year.

In 2025 the festival ran from late July into early August, while this year's Perahera took place principally during the second half of August. Comparing the first weeks of the two months therefore risked comparing two different tourism calendars.

Fair enough.

We now have the result for essentially the entire month.

And August still finished behind last year.

Sri Lanka recorded 191,704 visitors during August 2026 compared with 198,235 in August 2025.

The month's performance was also approximately 2.6 per cent below July's 196,845 arrivals.

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TOURISM MISSED...

There is some good news.

Total tourist arrivals during the first eight months of the year reached 1,535,122. Sri Lanka therefore remains firmly above the 1.5 million mark and tourism continues to provide one of the country's most important sources of foreign exchange and employment.

India remains overwhelmingly the largest source market. Some 47,253 Indian visitors arrived during August, accounting for approximately one quarter of the month's total.

The United Kingdom provided 19,588 visitors and China 12,321.

But the broader trajectory requires attention.

Sri Lanka began 2026 speaking about three million tourists and US$5 billion in tourism revenue.
Those ambitions have subsequently moved.

The tourism authorities are now talking about approximately 2.7 million visitors and US$4.2 billion in foreign exchange earnings.

Targets can legitimately change when circumstances change. The Middle East conflict has affected aviation, routes and travel costs and Sri Lanka does not control international geopolitics.

What it does control is the quality and consistency of its tourism strategy.

For years Sri Lanka has possessed almost everything tourism marketing departments elsewhere would struggle to manufacture: beaches, wildlife, ancient cities, mountains, tea country, surfing, diving, food, culture and extraordinary geographical variety compressed into a relatively small island.

What the country has struggled to manufacture is consistency.

Promotion campaigns are announced, delayed, redesigned and announced again. Targets rise and fall. Tourism institutions change leadership. The industry repeatedly debates whether Sri Lanka should pursue volume, high-value visitors or somehow both simultaneously.

Meanwhile the traveller makes a much simpler calculation.

What will it cost? How easy is it to get there? What will I experience when I arrive? And is somewhere else offering me something better?

The August result is not a tourism crisis. A 3.3 per cent decline should not be exaggerated into one.

But neither should 1.5 million cumulative arrivals become an excuse for premature applause.

The real question is not whether Sri Lanka can attract tourists. Decades of evidence show that it can.

The question is whether the country can finally convert one of Asia's most naturally marketable destinations into an industry performing consistently at its genuine potential.

August suggests there is still some distance to travel.

Be that as it may.

The final August figure is 191,704, down 3.3% year-on-year and 2.6% from July, with cumulative 2026 arrivals reaching 1,535,122. Importantly, the earlier argument that the weak August numbers merely reflected the later timing of this year's Esala Perahera can now be tested against the near-complete monthly result. The SLTDA's official reporting page confirms the 2025 August comparator of 198,235.

THE GOVERNMENT DOES NOT OWN THE MONEY

Every rupee collected by the State belongs ultimately to the people who earned it. Governments are permitted to spend it, officials are entrusted to administer it and politicians are elected to decide how it should be used. None of them owns it.

NEWSLINE EDITORIAL

There is something instructive about the conviction this week of former Civil Aviation Minister Piyankara Jayaratne. The amount at the centre of the case was approximately Rs. 330,000, reportedly spent from the funds of State-owned SriLankan Catering to provide meals for supporters attending a political May Day rally in 2014.

By the standards of Sri Lanka's public finances, Rs. 330,000 is almost microscopic. Governments deal in trillions, ministries in billions and even relatively modest public projects routinely cost hundreds of millions of rupees.

Yet the Colombo High Court has imposed an effective sentence of seven years' rigorous imprisonment following Jayaratne's conviction. He retains his right of appeal and the judicial process must therefore be allowed to take its course.

The wider principle, however, should survive regardless of the identity of the politician concerned. Public money does not cease to be public money because the amount involved is small.

Sri Lanka has spent decades allowing the distinction between the State and the government of the day to become dangerously blurred.

A ministerial vehicle becomes a political vehicle, a State institution becomes an instrument of patronage and public resources somehow acquire the colours of whichever party happens to occupy office.

This is not the invention of one administration or one political movement. Successive governments have participated in it and successive oppositions have discovered their objections to it most enthusiastically when they were no longer in government.

That is precisely why the principle must be institutional rather than political.

A government is elected to administer the State. It does not purchase the State at an election.

The money collected through VAT does not belong to the Minister of Finance. The money held by a State-owned company does not belong to the minister under whose portfolio that company happens to fall. A government vehicle is not the personal property of the politician fortunate enough to be driven around in it.

These are elementary distinctions, yet much of Sri Lanka's history of public-sector abuse begins when they are forgotten.

The consequences extend far beyond corruption prosecutions. Every unnecessary political appointment, every extravagance paid from the public purse and every State resource diverted towards partisan advantage ultimately transfers a cost to somebody who had no part in making the decision.

That somebody is the citizen.

The shopkeeper paying VAT, the employee whose salary is taxed, the business paying corporate taxes and the family paying duties embedded in the price of imported goods are financing the State every day.

They are entitled to expect considerably more than assurances that their money is being properly spent.
They are entitled to proof.

That means procurement capable of scrutiny, accounts published on time, State-owned enterprises required to explain their expenditure and politicians prepared to accept that transparency is not an inconvenience inflicted upon government but one of the conditions attached to governing.

The same standard must apply to the present administration.

The NPP came to power carrying perhaps the strongest anti-corruption mandate Sri Lanka has given a government in recent political history. That mandate creates an opportunity to change the culture of public administration, but it also creates a higher standard against which this Government will inevitably be measured.

It cannot be enough to prosecute yesterday's misuse of public money while tolerating tomorrow's.

Nor should anti-corruption become synonymous merely with arrests, court appearances and dramatic allegations against former politicians.

"Questioning The Answers"

THE GOVERNMENT...

The most successful anti-corruption system is one which makes abuse difficult before the police ever need to become involved.

That requires institutions rather than personalities.

Auditors must be able to audit without fear. Procurement officials must be able to refuse improper instructions. State company directors must understand that their fiduciary obligations do not disappear when a minister telephones. Public servants must know that obedience to political authority does not include obedience to an unlawful instruction.

And politicians must finally understand the most important distinction of all.

Winning an election gives them authority over public administration for a limited period. It does not give them ownership of public property.

There is a useful simplicity to the Rs. 330,000 at the centre of this week's case. Strip away the personalities, political parties and courtroom drama and what remains is a question every public official should be capable of answering before spending a single rupee.

Whose money is it?

The answer is the public's.

Sri Lanka might save itself an extraordinary amount of money if everyone entrusted with spending it remembered that before reaching for the cheque book.

Be that as it may.

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