Issue No. 338 31st July 2026 CEYLON INDEPENDENT @+94 77 230 0305

"Questioning The Answers"

NEWSLINE
Daily by Faraz
"Questioning The Answers"

EXPORTS PASS US$9 BILLION AS RECOVERY GAINS MOMENTUM

Strong numbers mask tougher questions about competitiveness and future growth

Sri Lanka's exports have crossed the US$9 billion mark during the first half of 2026, offering one of the clearest indications yet that the country's economic recovery continues to gather pace despite an increasingly uncertain global trading environment.

The latest figures show merchandise and services exports maintaining steady growth, led by apparel, tea, rubber products, information technology and business process outsourcing.

The performance comes at a time when many export-oriented economies are grappling with slowing demand in key international markets.

Economists say the figures are encouraging because export earnings remain one of the country's principal sources of foreign exchange, helping strengthen reserves and improve macroeconomic stability following the economic crisis.

Business leaders, however, caution against complacency.

Manufacturers continue to contend with relatively high borrowing costs, elevated energy prices and rising logistics expenses.

Competition from regional producers remains intense, while buyers are placing increasing emphasis on sustainability, labour standards and environmental compliance when awarding contracts.

The challenge for Sri Lanka, analysts argue, is to move beyond recovery and build a more resilient export economy based on innovation and higher value-added production rather than traditional manufacturing alone.

The coming months will therefore be critical. Sustaining export growth while expanding into new markets may ultimately determine whether Sri Lanka's recovery becomes firmly embedded or begins to lose momentum.

For policymakers, the message is clear: crossing US$9 billion is an important milestone, but long-term success will depend on creating an environment in which exporters can remain internationally competitive as global trading conditions continue to evolve.

TOURISM FACES A NEW REALITY AS VISITOR NUMBERS SOFTEN

Industry says success can no longer be measured by arrivals alone

After months of optimism, Sri Lanka's tourism industry is confronting a more challenging landscape, with June recording a decline in visitor arrivals compared with the same month last year.

The slowdown reflects more than seasonal fluctuations. Industry analysts point to continuing instability in the Middle East, changes in airline schedules, higher travel costs and softer demand from several traditional markets.

Revised methods for calculating tourism earnings have also complicated direct comparisons with previous months.

Yet industry leaders argue that focusing solely on arrival numbers risks missing a more important conversation.

Increasingly, the emphasis is shifting from attracting the largest number of tourists to attracting visitors who stay longer, spend more and travel beyond the traditional destinations of Colombo, Kandy and the southern beaches.

Sri Lanka Tourism has responded by promoting wellness tourism, marine and diving experiences, destination weddings, cultural tourism and business events, while stepping up marketing in India, the Middle East and Europe.

Economists say the country's long-term competitiveness will depend less on chasing record arrival figures and more on improving the quality of infrastructure, service standards and visitor experiences.

For an industry that remains one of Sri Lanka's largest foreign exchange earners, the message is increasingly clear.

The next chapter of tourism growth may not belong to the biggest crowds, but to the visitors who contribute most to the economy.

SRI LANKAN RESEARCHERS DEVELOP AI TOOL TO READ DECADES OF SINHALA LAW

University of Moratuwa team opens the door to faster legal research and digital preservation

Two young Sri Lankan researchers have developed an artificial intelligence system that could fundamentally change how lawyers, judges, journalists and historians search Sinhala legal documents.

Avisha Dilhara and **Nevidu Jayatilleke** of the **Department of Computer Science and Engineering at the University of Moratuwa** have created an advanced Sinhala Optical Character Recognition (OCR) system capable of reading printed legislative documents with remarkable accuracy.

Their research addresses a longstanding challenge faced by anyone working with Sri Lanka's legal archives. Thousands of Acts of Parliament, Gazettes and historical government publications exist only as printed volumes or scanned images, making them difficult to search electronically.

To overcome that problem, the researchers assembled and annotated more than **1,000 pages of Sri Lankan legislation**, training modern artificial intelligence models to recognise Sinhala text across publications spanning several decades.

The results are impressive. Their best-performing model achieved a character error rate of approximately **1.05 per cent**, outperforming several widely used OCR systems when tested on ageing legal documents.

The implications extend well beyond academic research.

For the legal profession, searchable legislation could significantly reduce research time. Journalists would gain quicker access to historical statutes and parliamentary material.

Government departments could digitise archives more efficiently, while universities and libraries would have new tools to preserve Sri Lanka's documentary heritage.

Perhaps most significantly, the project demonstrates that Sri Lankan researchers are contributing to the global development of artificial intelligence rather than merely adapting technologies created elsewhere.

At a time when AI is reshaping access to knowledge worldwide, ensuring that Sinhala is fully represented in the digital age may prove to be one of the country's most valuable technological achievements.

Research by Avisha Dilhara and Nevidu Jayatilleke, Department of Computer Science and Engineering, University of Moratuwa.

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CAN SRI LANKA BREAK ITS DEPENDENCE ON IMPORTED FUEL?

Business leaders call for faster transition to renewable energy

Sri Lanka's private sector is urging the Government to accelerate investment in renewable energy, warning that continued dependence on imported fossil fuels leaves the country exposed to global crises beyond its control.

The call follows recent discussions between government officials, industry leaders, academics and energy experts on the country's long-term energy strategy. Participants argued that the recent tensions in the Middle East once again demonstrated how quickly international events can affect electricity costs, transport and inflation in Sri Lanka.

Business representatives say expanding solar, wind and distributed renewable generation would improve energy security while reducing pressure on foreign exchange reserves.

They also argue that greater investment in clean energy would make Sri Lankan exports more attractive to overseas buyers, many of whom increasingly assess suppliers against environmental and sustainability benchmarks.

The discussion extends beyond climate policy.

Reliable, affordable electricity is becoming a key determinant of industrial competitiveness.

Manufacturers, technology firms and investors increasingly regard energy security as a deciding factor when choosing where to expand operations.

Sri Lanka has already announced ambitious renewable-energy targets for the decade ahead.

The challenge now lies in translating policy into projects that can be delivered at scale and at speed.

For a country that has repeatedly seen external shocks disrupt its economy, reducing dependence on imported fuel is no longer simply an environmental objective.

It is increasingly becoming an economic necessity.

INTEGRITY WEEK IS EASY. AN INTEGRITY CULTURE IS THE HARD PART.

Government launches nationwide campaign to make ethics part of public service

Sri Lanka this week concludes its first **National Integrity Week**, a Government-led initiative intended to embed ethical conduct, transparency and accountability across the public sector.

The programme, coordinated through the Presidential Secretariat and the Ministry of Public Administration, has seen ministries and state institutions focus each day on a different aspect of integrity - from financial and digital governance to environmental stewardship and public service delivery.

The initiative is ambitious in both scope and symbolism.

For decades, successive governments have promised cleaner administration, yet public confidence has often been undermined by allegations of corruption, delays in investigations and inconsistent enforcement of standards.

Officials say the campaign is designed not merely as a week of events but as the beginning of a longer-term effort to build an ethical public service.

Training programmes, institutional reforms and stronger governance practices are expected to follow.

Good governance specialists, however, caution that culture cannot be created by circulars alone.

Integrity becomes meaningful only when rules are applied consistently, procurement is transparent, public officials are held accountable irrespective of political affiliation and citizens can see tangible improvements in how government interacts with them.

For Sri Lanka, still rebuilding trust after years of economic and political upheaval, the success of National Integrity Week will ultimately be measured not by speeches or ceremonies but by whether the principles promoted this week become visible in everyday administration.

That will be the real test.

CAN EVERY SRI LANKAN REACH LIFE-SAVING CARE IN TIME?

New research maps the country's emergency treatment gap

A comprehensive study by Sri Lankan researchers has raised important questions about the country's emergency medical infrastructure, concluding that where a person lives can significantly influence their chances of receiving specialist treatment within the critical "golden hour."

The study analysed access to trauma and emergency care across all 25 districts, combining epidemiological data with mapping technology to measure how quickly patients can realistically reach specialised medical services.

The findings reveal striking regional disparities.

Researchers found that several districts in the Northern and Eastern Provinces face particularly severe accessibility challenges, where shortages of specialists and long travel times make timely emergency treatment substantially more difficult than in other parts of the country.

Importantly, the study argues that the principal constraint is not always the number of hospital beds.

Instead, shortages of specialist doctors and uneven distribution of critical medical services often create the greatest barriers to effective emergency care. The researchers suggest that redistributing specialist resources and improving accessibility in priority districts could significantly reduce the national treatment gap.

While the research is academic rather than government policy, it provides valuable evidence for health planners and policymakers.

As Sri Lanka continues to strengthen its healthcare system, ensuring that geography does not determine survival may become one of the country's most important public health priorities.

Happy to. Here are **two bonus stories** that are fresh, relevant and, to the best of my knowledge, have not featured in your NewsLine over the past fortnight.

SRI LANKA'S DIGITAL ECONOMY TAKES ITS NEXT STEP

Government moves to accelerate paperless public services

Sri Lanka's transition towards a digital economy is gathering momentum, with the Government accelerating plans to expand online public services and reduce reliance on paper-based administration.

Officials say the objective extends beyond convenience. Faster digital services are expected to reduce processing times, improve transparency and lower administrative costs for both government institutions and the public.

Businesses have long argued that cumbersome documentation and multiple approvals remain among the biggest obstacles to investment. Digitising approvals, registrations and licensing could significantly improve Sri Lanka's standing as a destination for both domestic and foreign investors.

Technology experts caution, however, that digital transformation is about more than purchasing new software.

Success will depend on cybersecurity, data protection, staff training and ensuring that rural communities are not excluded through limited internet access or inadequate digital literacy.

The Government's digital agenda also coincides with increasing interest from international technology companies looking at South Asia as a growth market.

For Sri Lanka, the opportunity is not merely to modernise government, but to create a digital ecosystem that encourages innovation, attracts investment and improves public confidence in state institutions.

The real measure of success will be whether citizens notice a tangible difference when interacting with government rather than simply hearing announcements about reform.

SRI LANKA'S AGEING POPULATION DEMANDS A NEW POLICY CONVERSATION

Experts say planning can no longer be delayed

Sri Lanka is entering a demographic transition that will reshape its economy, healthcare system and labour market over the coming decades.

Demographers note that falling birth rates and longer life expectancy mean the proportion of older citizens is increasing faster than many policymakers anticipated.

The implications extend well beyond pensions.

Healthcare services will face growing demand for chronic disease management, rehabilitation and long-term care. Employers may need to rethink retirement policies, while communities will require more age-friendly transport, housing and public services.

Economists also point to a shrinking working-age population, raising questions about productivity, automation and future economic growth.

Rather than viewing ageing solely as a challenge, specialists argue it should be seen as an opportunity to develop new industries focused on healthcare, assisted living, financial planning and technology designed for older adults.

Countries across Asia are already adapting to similar demographic changes.

For Sri Lanka, beginning that conversation now may prove far less costly than waiting until demographic pressures become impossible to ignore.

THE NEXT BATTLE WILL NOT BE OVER THE JUDGES. IT WILL BE OVER THE APPOINTMENTS.

The debate over extending the retirement age of superior court judges has dominated headlines this week. Yet once that argument subsides, a more consequential question is likely to emerge.

Who will appoint the next generation of judges?

Whether the retirement age is extended or not, Sri Lanka's higher judiciary is approaching a period of significant transition. Several vacancies are expected over the next few years as judges retire, creating an opportunity to reshape the composition of both the Supreme Court and the Court of Appeal.

The Constitution provides the framework for appointments, but public confidence depends upon something beyond legality. It depends upon transparency, merit and the perception that judicial independence is being protected rather than managed.

For President Anura Kumara Dissanayake, the issue carries particular significance.

His administration has repeatedly pledged institutional reform and accountability. The judges appointed during his tenure will inevitably be viewed as part of that legacy. The challenge is therefore not simply choosing capable jurists.

It is ensuring the process commands public confidence from the outset.

History shows that debates over judicial appointments rarely end when a name is announced.

They begin there.

The Government therefore has an opportunity to establish standards that future administrations will find difficult to ignore.

That could become one of the most enduring constitutional reforms of this Presidency.

THE IMF PROGRAMME IS NO LONGER THE STORY. GROWTH IS.

For much of the past three years, Sri Lanka's economic conversation has revolved around stabilisation.

Inflation. Debt restructuring. Foreign reserves. Fiscal discipline. Those objectives remain important, but they no longer answer the country's biggest question.

Where will sustained economic growth come from?

A balanced Budget is not an economic strategy by itself. Nor does macroeconomic stability automatically generate investment, employment or rising household incomes.

Businesses increasingly argue that Sri Lanka has entered the next phase of recovery.

The challenge now is to remove the structural barriers that discourage investment: inconsistent regulation, lengthy approvals, unpredictable taxation and delays in commercial dispute resolution.

Foreign investors compare Sri Lanka not with its own past but with Vietnam, Indonesia, Malaysia and India.

The competition has changed.

The IMF programme may have restored confidence in Sri Lanka's finances.Only domestic reform can restore confidence in Sri Lanka as a place to invest.

That is likely to become the defining economic debate of the next five years.

WHO WILL HOLD THE REGULATORS TO ACCOUNT?

Public attention often focuses on ministers, Parliament and the courts.Far less attention is paid to the country's regulators.

Yet regulators increasingly influence almost every aspect of national life - from banking and insurance to telecommunications, energy, aviation, securities, consumer protection and competition.

The powers entrusted to these institutions are substantial. So too is the need for accountability.

Questions of consistency, transparency and timely decision-making arise periodically across numerous regulatory bodies.Some decisions reshape entire industries. Others affect millions of consumers.

The issue is not whether regulators should exercise strong powers.They should.

The question is who evaluates their performance, measures outcomes and ensures that regulatory independence does not become regulatory isolation.

As Sri Lanka seeks to attract greater foreign investment, confidence in its regulatory institutions may become almost as important as confidence in its political institutions.

Strong regulators are essential. Trusted regulators are indispensable.

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WHO OWNS A GOVERNMENT REPORT?

Tamil Nadu copyright row raises a larger question about public information

An unusual controversy has emerged in Tamil Nadu after questions were raised over whether the copyright to a government-appointed committee's report had effectively been placed in private hands rather than remaining in the public domain.

Critics argue that reports commissioned using public funds should ordinarily belong to the people, not be subject to private copyright restrictions.

The issue extends well beyond Tamil Nadu.

Legal academics note that governments increasingly rely on expert committees to shape policy on education, healthcare, infrastructure and governance. If access to those reports becomes restricted, public scrutiny of the policy-making process is inevitably weakened.

Transparency advocates argue that the value of such reports lies not merely in the recommendations they contain but in allowing citizens, researchers and journalists to understand how governments arrived at their conclusions.

It is a debate likely to resonate across India, including Sri Lanka, where commissions of inquiry and expert committees frequently shape public policy.

MADHAVAN'S OTHER BLOCKBUSTER ISN'T A FILM

Actor quietly restores barren land into a thriving ecosystem

Away from cinema, actor **R. Madhavan** has spent the past three years transforming a barren tract of land near Palani into a flourishing coconut plantation using environmentally sustainable farming methods.

What began during the pandemic has evolved into a project that has restored biodiversity and created a largely self-sustaining ecosystem.

Unlike many celebrity environmental campaigns, this project has been undertaken largely out of the spotlight.

Madhavan says the experience has taught him as much about patience and nature as it has about agriculture, and he hopes to expand similar initiatives elsewhere in India.

At a time when climate resilience and sustainable farming are becoming increasingly important, the project offers a practical example of ecological restoration rather than merely advocating for it.

It is a refreshing reminder that some of the most meaningful environmental stories begin quietly, far from political platforms and social-media campaigns.

CHENNAI'S WATER TURNAROUND BECOMES A MODEL FOR INDIA

Cities study Tamil Nadu capital's journey from severe shortages to greater resilience

Only a few years ago, Chennai was internationally recognised as one of the world's most water-stressed cities.

Reservoirs had run dry, tanker queues stretched for kilometres and concerns were growing over whether the city could sustain its rapid expansion. Today, urban planners are pointing to Chennai as an example of how long-term planning can begin to reverse a seemingly impossible situation.

The city's progress has not come through a single mega project but through a combination of measures implemented over many years.

Mandatory rainwater harvesting, restoration of lakes and wetlands, expansion of desalination capacity and increased recycling of treated wastewater have all contributed to strengthening water security.

Officials acknowledge that Chennai remains vulnerable to climate change. A weak monsoon or prolonged dry spell could still place pressure on supplies. However, they argue the city is now considerably better prepared than it was during the severe shortages experienced in 2019.

Urban development specialists say the lessons extend well beyond Tamil Nadu. Many fast-growing Asian cities face similar challenges of increasing populations, ageing infrastructure and unpredictable rainfall patterns.

Rather than responding only when crises occur, Chennai has gradually shifted towards planning for resilience.

Several Indian states are now studying elements of Chennai's approach as they develop their own long-term water strategies. Experts believe the experience demonstrates that sustainable water management requires consistent investment over many years rather than emergency responses during droughts.

The story also has relevance for Sri Lanka. Cities such as Colombo and Kandy face growing pressure on water resources as urban populations expand.

Environmental planners say the balance between conservation, infrastructure and responsible water use will become increasingly important throughout South Asia as climate variability continues to increase.

TAMIL NADU ACCELERATES ITS SHIFT TO ELECTRIC BUSES

Cleaner public transport expected to reduce costs and improve urban mobility

Tamil Nadu is continuing to expand its electric bus programme as part of a wider effort to modernise public transport and reduce dependence on conventional diesel-powered fleets.

Transport authorities say the transition is intended to improve both environmental performance and passenger experience. Electric buses are quieter, require less routine maintenance and are expected to reduce operating costs over their lifetime despite higher initial purchase prices.

Chennai has already introduced electric buses on several routes, while additional vehicles are expected to enter service in other cities across the state over the coming months. The expansion forms part of a broader national programme encouraging cleaner public transport in India's major urban centres.

Industry analysts note that Tamil Nadu is well placed to benefit from the transition because it already possesses a strong automotive manufacturing base. Several companies producing electric vehicle components, batteries and related technologies have established operations within the state, creating new employment opportunities while supporting domestic production.

Public transport experts believe electrification will become increasingly important as cities seek to improve air quality while accommodating growing numbers of commuters. The success of the programme, however, will depend not only on the buses themselves but also on reliable charging infrastructure and effective fleet management.

Officials say passenger feedback has generally been positive, particularly regarding the quieter operation and smoother ride offered by electric vehicles.

For neighbouring countries, including Sri Lanka, Tamil Nadu's experience may provide useful lessons.

As governments consider the future of public transport, electric buses are increasingly being viewed not simply as an environmental initiative but as a long-term investment in more efficient urban mobility.

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MADRAS CHECK RETURNS TO THE WORLD STAGE

Traditional Tamil Nadu textile enjoys a global revival as sustainable fashion gathers pace

One of Tamil Nadu's oldest textile traditions is finding new life in international fashion markets, with the iconic Madras check once again attracting attention from designers and retailers seeking authentic handwoven fabrics.

The distinctive checked cotton cloth, which originated around Chennai - formerly Madras - became popular internationally during the 1950s and 1960s.

Over time, however, cheaper machine-made alternatives and changing fashion trends led to a decline in demand, placing considerable pressure on traditional weaving communities.

That trend is now beginning to reverse.

Fashion houses in Europe, North America and Japan are increasingly looking towards natural fibres and handcrafted textiles as consumers place greater emphasis on sustainability and ethical production.

Textile exporters in Tamil Nadu say enquiries for genuine Madras checks have increased, particularly from brands seeking fabrics with a recognised heritage and a transparent production history.

Industry representatives believe the revival offers more than commercial benefits. It also provides younger generations with an incentive to remain in the weaving industry rather than abandoning traditional skills in favour of other employment.

Government agencies and textile organisations have also stepped up efforts to promote geographical indication branding, ensuring that authentic Madras checks are distinguished from lower-cost imitations produced elsewhere.

Economists say heritage industries can become valuable contributors to export earnings when combined with modern marketing and quality standards.

Rather than competing solely on price, producers are increasingly competing on craftsmanship, authenticity and cultural value.

For Tamil Nadu, the renewed interest in Madras checks is a reminder that traditions which once appeared to be fading can still find relevance in a rapidly changing global marketplace.

TAMIL NADU STRENGTHENS ITS PUSH INTO HIGH-TECH MANUFACTURING

State aims to move beyond automobiles into semiconductors, aerospace and advanced engineering

Tamil Nadu is accelerating its efforts to position itself as India's leading centre for advanced manufacturing, with new investment continuing to flow into sectors such as semiconductors, aerospace components, medical devices and precision engineering.

The state has long been recognised as one of India's automotive powerhouses, producing vehicles and components for both domestic and international markets. Policymakers are now seeking to build on that foundation by attracting industries that rely on higher levels of technology, research and skilled labour.

Recent investment announcements have highlighted growing interest from multinational companies looking to expand manufacturing capacity in southern India. Industry experts attribute much of Tamil Nadu's success to its established industrial infrastructure, major ports, engineering universities and experienced workforce.

State officials say collaboration between universities and industry will become increasingly important as manufacturers adopt automation, artificial intelligence and advanced production technologies.

Companies are also investing more heavily in research and development, recognising that future competitiveness will depend on innovation rather than labour costs alone.

Economists believe Tamil Nadu is well placed to benefit from global efforts by manufacturers to diversify supply chains and reduce dependence on single production centres.

As international companies seek reliable manufacturing partners, states offering skilled labour, stable infrastructure and efficient logistics are likely to attract increased investment.

The developments also carry significance for Sri Lanka. Stronger industrial growth in southern India presents opportunities for regional supply chains, particularly in engineering, logistics and technology services. At the same time, it serves as a reminder that maintaining competitiveness will require continued investment in skills, innovation and industrial productivity.

As manufacturing becomes increasingly knowledge-driven, Tamil Nadu is positioning itself not simply as a production hub but as a centre for advanced industrial capability.

That strategy could shape the state's economic trajectory for decades to come.