



මාධ්‍ය නිවේදනය
ஊடக வெளியீடு
PRESS RELEASE



Tel : 011 2 386572 Fax : 011 2 333717
ජනාධිපති මාධ්‍ය අංශය, ජනාධිපති කාර්යාලය, කොළඹ 01
ஐனாதிபதி ஊடகப் பிரிவு, ஐனாதிபதி அலுவலகம், கொழும்பு 01
President's Media Division, President's Office, Colombo 01

Address by President Gotabaya Rajapaksa from the Presidential Secretariat at the virtual 'High – Level Event on Financing for Development in the Era of COVID – 19 and beyond' organized by the Prime Ministers of Canada, Jamaica and the UN Secretary General on May 28th, 2020.

Excellencies,

I thank the Prime Ministers of Canada and Jamaica and the Secretary General of the United Nations for convening this meeting.

Global trade, tourism, investments and employment have come to a standstill. The pandemic has suddenly disrupted once sustainable businesses and economies, to unsustainable state of affairs.

Countries which have been systematically reducing fiscal deficit have seen a reverse as real economy is no longer income and employment generating. Debt which has also been on a declining trend has seen a corresponding reversal.

Banking is getting a hit as non-performing assets have risen and confronted with a liquidity crisis. Entire Saving – Investment equation has collapsed and this is why financing of development is a topic of relevance to the global economy.

In Sri Lanka main transmission channels through labour income, export related income, tourism and connected services have impacted our real economy. Loss of employment and livelihood is large.

Whatever the difficulties we have confronted "our policy of people first" cannot be compromised as human development is the only asset we value most.

As this is a crisis beyond the control of government and business, international support by way of unconditional budget support and compensatory debt deferment facilities for official debt will have to come from multilateral and bilateral official lenders so that private debt and equity markets will not lose confidence.

The multilateral and bilateral official creditors to developing countries have a special responsibility to be innovative in creating such space for developing world to revive their economies and should not insist on normal conditionalities of lending, after all, most countries have honoured their debt obligations and time has come to provide new space through a decent haircut by official creditors.

Our priority to develop agriculture and food security, environment conservation, renewable energy resources, digital economy and digital governance, rural economy and poverty reduction, market access to people and business community, through improved connectivity to villages and creating green cities in line with our environment conservation strategies suffered a setback with almost 2 months lockdown in the economy.

We have taken steps to ease restrictions from this week while keeping health quarantine standards to ensure community will not be vulnerable to COVID-19 health risks. However as two months loss in the real economy and likely time line to reach normalcy will be longer, external funding must be "development centric" by all aspects of such facilities.

The profiling of official debt and medium term emergency budget support loans by each major bilateral and multilateral lenders will not only provide macroeconomic space to meet private debt obligations and relax trade and payments systems but also restore confidence among private sector creditors to re-energise growth and investments.

I underscored the need for development financing when I spoke with His Excellency Xi Jinping, President of People's Republic of China, India Prime Minister Hon. Narendra Modi and US National Security Advisor Mr. Robert O'Brien.

It is noted that Middle Income Countries seem to get subsumed under the overarching classification of developing countries and thereby their requirements are not wholly met.

The fast actions by large bilateral, multilateral agencies without placing conditionalities among themselves and coming forward as development partners in respective developing and middle income economies is the responsibility of leading agencies and leaders of the world.

This dialogue must concentrate on how developing and middle income countries are assisted with emergency funding facility, while encouraging countries to focus on human development aspect including education, health, women and children, new export industries, food security and environment for a better and stable world.

Excellencies,

I conclude recalling the words of the Buddha "arogya parama labha", meaning good health is the greatest gain.

Thank you.

President's Media Division

28.05.2020