



Decisions taken at the meeting of the Cabinet of Ministers on the 03.01.2022

01. **Entering into a memorandum of understanding between the Open University of Sri Lanka and the International Rice Research Institute.**

A memorandum of understanding between the Open University of Sri Lanka and the International Rice Research Institute have been signed on the 19th October 2017 with the objective of promoting the activities of development of courses suitable for open and remote learning methodologies applicable to rice science and related study sectors, organizing exchange programmes of organizations and research members, conducting combined research projects and organizing seminars and research activities, exchange of publications and information etc. for mutual co – operation. The two parties have entered into a concurrence to sign a new memorandum of understanding by extending the period of the above memorandum of understanding for another 03 years. Accordingly, the Cabinet of Ministers granted approval for the resolution submitted by the Minister of Education to sign the relevant memorandum of understanding.

02. **Procurement of 500 new buses of 32 seating capacity to Sri Lanka Transport Board under the Indian loan grant scheme.**

Approval of the Cabinet of Ministers has been granted at their meeting held on the 08th January 2020 to procure 500 new buses of 32 – 35 seating capacity to Sri Lanka Transport Board under the Indian loan grant scheme. Accordingly, bids have been called from 03 institutions that accomplish pre requisite for the purchase of buses. Followed by evaluations of those bids, the Cabinet of Ministers approved the proposal submitted by the Minister of Transport for awarding the procurement of purchasing 500 new buses with 32 seating capacity to Asok Laylend Company of India as per the recommendation furnished by the standing procurement committee appointed by the Cabinet of Ministers.

03. **Awarding the contract for consultancy services of the construction project of Co-operative Square**

Approval of the Cabinet of Ministers has been granted at their meeting held on the 02nd August 2021 for building a co-operative trade centre called Co – operative Square. Subsequent to calling statements of aspirations, 7 institutions had been short – listed under the national competitive procurement methodology for obtaining consultancy services

applicable to all the sectors under the said project. Proposals for the relevant procurement have been forwarded by 06 institutions out of them. The Cabinet of Ministers approved the proposal furnished by the Minister of Trade for awarding the relevant consultancy services contract to Mihindu Keerthirathne Associates company subject to the recommendation of the consultancy procurement committee appointed by the Cabinet of Ministers

04. The procurement of the supply of 75,000 vials of 5 – 6 grams of human immunoglobulin for the use of inter-circular usage

International competitive bids have been invited for purchase / procurement of 75,000 vials of 5 – 6 grams of human immunoglobulin BP used for treating the patients suffering from diseases with life threats. The Cabinet of Ministers granted approval to the proposal furnished by the Minister of Health for awarding the relevant procurement to Reliance Life Science Private Limited as per the recommendation of the standing procurement committee appointed by the Cabinet of Ministers.

05. Procurement of 1,800,000 vials of 1 – gram Meropenem injection

International competitive bids have been called for the procurement of 1,800,000 vials of 1 – gram Meropenem injection that is utilized for treating various infections including infections related to respiratory system / channel caused by bacteria activity and 03 bids have been furnished in the regard. Based on the recommendations made subsequent to the evaluation of the said bids by the standing procurement committee appointed by the Cabinet of Ministers, the Cabinet of Ministers approved the resolution furnished by the Minister of Health for awarding 25% of the total vial requirement to Venus Remedies Company of India who is the minimum bidder with substantial response and to decide on the awarding of the remaining 75% of the vial based on the recommendations of the end consumers on the reactions of the injection.

06. Procurement of 750 jeeps for Sri Lanka Police

Approval has been granted at the meeting of the Cabinet of Ministers held on 16th November 2020 to purchase 750 jeeps for Sri Lanka Police including 150 jeeps for the Police Special Task Force under the Indian Line of Credit. Accordingly, bids have been invited from companies recommended by the Indian Export and Import Bank and the Cabinet of Ministers granted approval to the resolution furnished by the Minister of Public Security for awarding the above procurement to Mahindra and Mahindra Company of India subject tot the recommendation of the standing procurement committee appointed by the Cabinet of Ministers.

07. Special Goods and Services Tax Bill and bill to amend the Value Added Tax Act No 14 of 2002

The Budget 2021 and 2022 proposes to replace the taxes and levies imposed under various statutory laws with a single tax that is managed online to increase the efficiency of tax collection on liquor, cigarettes, telecommunications, betting and gaming and vehicles. . Budget 2022 proposes to increase the value added tax on financial services and to exempt medical equipment, devices and chemicals donated to government hospitals and the Ministry of Health under epidemic or public health situation from the Value Added Tax. The Attorney General's clearance has been received for the Special Goods and Services Tax Bill and the Value Added Tax (Amendment) Bill prepared by the legal draftsman for this purpose. Accordingly, the Cabinet of Ministers approved the proposal presented by Hon. Minister of Finance to gazette the bills above and to submit for parliamentary approval consequently.

08. Amendment of Public Administration Circular 3/2016 to eliminate salary anomalies in teacher principal services.

In 2018, the Ministry of Education has submitted a proposal to the then Special Salaries and Remuneration Commission, which was prepared in consultation with the trade unions, regarding the elimination of salary anomalies in teacher-principal services. Cabinet approval has been granted to base the said proposal on the elimination of salary anomalies in teacher-principal services. Steps have also been taken to allocate funds through the 2022 budget proposals to implement that proposal. Teacher Advisors Service was not established at the time of preparing the relevant salary proposal in 2018. Therefore, the Cabinet of Ministers approved the proposals made by Minister of Education to amend Public Administration Circular 03/2016 to introduce salary scales for that service and to eliminate salary anomalies in the Teachers' and Principals' services. Teacher Advisors Service was not established at the time of preparing the relevant salary proposal in 2018. Therefore, the Cabinet of Ministers approved the proposals made by Minister of Education to amend Public Administration Circular 03/2016 to introduce salary scales for that service and to eliminate salary anomalies in the Teachers' and Principals' services

09. Promotion Program for Installation of Battery Energy Storage Battery Systems for Rooftop Solar Systems Promotion Program for Installation of Battery Energy Storage Battery Systems for Roofing Solar Systems.

The Government has taken a policy decision to take the necessary steps to generate 70% of the electricity requirement from renewable energy sources by 2030 and to zero carbon

emissions by 2050. At present the about 400 MW of the country's power grid is being supplied by rooftop solar systems. Encouragement for installation of battery systems for these systems on self-financed investment through a new tariff system will enable consumers to have a more reliable supply of electricity. In this context, a committee of officials has been appointed to identify the technical challenges that may arise in connecting a large percentage of electricity from renewable energy sources to the national grid and make recommendations. The Cabinet has decided to appoint a Cabinet Sub-Committee on 23 November 2021 to further study the recommendations of the Committee Report. Accordingly the cabinet of Ministers approved the proposal presented by Minister of power to implement the proposed program in accordance with the recommendations made by the said Cabinet Sub-Committee

10. Trincomalee Oil Tank Complex Development Project

After reviewing the three existing agreements with the Government of India regarding the Trincomalee Oil Tank Complex through diplomatic talks the two countries have reached an agreement to implement a joint development project. Accordingly, the Cabinet of Ministers approved proposal presented by Minister of Power to allocate 24 oil tanks for the business activities of the Ceylon Petroleum Corporation, to allocate 14 tanks of the Lower Oil Tank Complex already in use by Lanka IOC for the company's business activities and to implement a development project by a company named Trinco Petroleum Terminal Pvt.Ltd. of the remaining 61 tanks, 51% to be owned by Ceylon Petroleum Corporation and 49% by Lanka IOC.

11. 2022 Economy and Outlook

The budget for the year 2022 which has been approved by the parliament and commenced to effect from 01st of January, 2022 and the Minister of Finance submitted the following information on the external outlook of the Sri Lankan economy in detail which is expected to achieve through the budget for the consideration of the Cabinet of Ministers.

- Information regarding the estimated foreign exchange that outflow from the country in 2022 including the payment of foreign debt services and expected Import expenses on goods and services.
- Expected foreign exchange inflow in 2022 including export earnings ,earnings from Tourism ,Remittance from foreign employees ,direct foreign investments.
- Proposed Short and Middle term measures to recuperate the expected foreign exchange deficit .

- The following concessions that were proposed in order to reduce the economic difficulties the people have to face due to the increase of prices of goods and services under the prevailing economic condition.
 - (i). Provide a monthly allowance of Rs.5000 for the public servants and pensioners.
 - (ii). Take measures to provide the said concession for the employees of the private sector by discussing with the employers of the private sector.
 - (iii). Provide an extra allowance of Rs.1000 for the Samurdi Beneficiaries who have a monthly allowance of Rs.3500.00 and provide the said allowance to the Samurdi Beneficiaries .
 - (iv). Provide a supplementary price of Rs.25 per a Kilogram of paddy additionally to the certified price of Rs.50 per a Kilogram of paddy which provide currently if there is any decrease of the harvest in the forthcoming season.
 - (v). To bear the supplementary price that provide by the government as not to effect on the price of rice in the market.
 - (vi). Implementing mentoring a gardening programme to encourage the growing of vegetables and fruits for the own consumption and provide an encouraging allowance of Rs.10,000/= as per the extent of the land subject to a maximum of an acre which necessary for land preparation and buying inputs such as seeds.
 - (vii). Provide 15 Kilograms of Wheat Flour at a concessionary price as Rs.80/= per a kilogram for an estate labour family.
 - (viii). To release the all essential foods and medicines from taxes completely in order to take measures to protect the local farmers and manufacturers where if necessary.

The Cabinet of Ministers decided to agree for implementing the programme which include the aforesaid proposals that was submitted by the Minister of Finance.