Decisions taken at the meeting of the Cabinet of Ministers held on the 30.05.2022

01. Fundamental agreement with the global fund for the period of 2022 – 2024

The Global Fund to Fight AIDS, Tuberculosis and Malaria has been established with the objective of supressing / combating the 03 contagious diseases namely AIDS, Tuberculosis and Malaria which have become global health crisis. The fund has entered into 24 agreements for funding United States Dollars 114 million to Sri Lanka by the fund since the year 2003. The Ministry of Health have entered into 15 agreements among them, while the other agreements have been signed with Sri Lanka National Sarvodaya Movement, Tropical and Environmental Diseases and Health Associates (Private) Limited and Sri Lanka Family Planning Association. The Ministry of Health has entered into agreements worth United States Dollars 88.3 million grants while actions have been taken to utilize United States Dollars 71 million by 31st October 2021 out of them. The Global Fund has agreed upon granting another United States Dollars 9.4 million for the period 2022 – 2024. Accordingly, the Cabinet of Ministers have granted approval to sign the relevant agreements when the Minister of Health made the Cabinet of Ministers aware of the measures taken to sign the relevant agreements to obtain the said grant.

02. Engaging the dry stock vessels of Ceylon Shipping Corporation Limited within the South Western monsoonal period of the year 2022.

Aspirations have been called for engaging / operating the two vessels Mv. Ceylon Breeze and Mv. Ceylon Princess belongs to Ceylon Shipping Corporation in services within the international rental market during the South Western monsoonal period of the year 2022. Accordingly, the Cabinet of Ministers approved the proposal furnished by the Minister of Ports, Shipping and Aviation subject to the recommendation of the standing procurement committee appointed by the Cabinet of Ministers, to award the contract for operating the vessels during the said period under the commercial management methodology to M/s Wallem Shipping Pte Ltd. of Singapore.

03. Payments for the suppliers submitted bids for supplying laboratory equipment, consumer commodities and reactive.

Approval of the Cabinet of Ministers has been granted at their meeting held on the 25th April 2022 for making payments for the medicine and clinical equipment to which Letters of Credit (LC) as per the emergency fluctuation in the exchange rates occurred due to the prevailing economic crisis within the country. Therefore, the Cabinet of Ministers has granted approval to the resolution submitted by the Minister of Health for making payments to the suppliers who have opened letters of credit (LC) for importing clinical equipment, consumer commodities as well as reactive and to make payments to the other suppliers relevant to those opened bids including those procurers after calling quotations by the State Pharmaceutical Corporation based on the prices existing to the date of payments applicable to letters of credit (LC).

04. Amendment of the Termination of Employment of Workmen (Special Provisions) Act No. 45 of 1971 and the Industrial Disputes Act No. 43 of 1950.

Approval of the Cabinet of Ministers has been granted on the 08th of March 2021 to amend the Termination of Employment of Workmen (Special Provisions) Act No. 45 of 1971 and the Industrial

163, කිරුළපන මාවත, කොළඹ 05, ශ්‍රී ලංකාව.
163, கிருலப்பனை அவனியூ, கொழும்பு 05, இலங்கை.
163, Kirulapona Avenue, Colombo 05, Sri Lanka.
(+94 11) 2515759
(+94 11) 2514753
infodept@slt.lk
www.news.lk

Disputes Act No. 43 of 1950 to enable imposing provisions as applicable so that a security can be deposited when filing an application of appeals, amendments and writ applications against grants and decisions given under them. Accordingly, clearance from the Attorney General has been granted for the draft bills those have been prepared by the Legal Draftsman. Therefore, the Cabinet of Ministers granted approval to the resolution furnished by the Minister of Labour and Foreign Employment Promotion to publish the said draft bills of the acts in the government gazette.

05. Submission of the regulations issued under the Imports and Exports (Control) Act No. 1 of 1969 to the Parliament for approval.

It has been proposed limitations for certain payment methods selected by the Central Bank of Sri Lanka with the objective of preventing the widening of illegal foreign exchange market activities and preventing invoices for lower values in regard to the imports. Accordingly, the gazette notification on 06th May 2022 has been issued imposing 'import control regulations for payment methods No. 07 of 2022' under Imports and Exports (Control) Act No. 1 of 1969 to enable limitation of documentation payment methods on open accounts payment methods, the basis of payment of money after goods are sold, payment methods of documents on payments and payment methods on recognition. Such a regulation, once published should be submitted to the Parliament for its approval subject to the approval of the Cabinet of Ministers within a month from the date the same was issued as per Imports and Exports (Control) Act. Therefore, the resolution furnished by the Hon. Prime Minister as the Minister of Finance, Economic Stability and National Policies was approved by the Cabinet of Ministers in order to submit the import control regulations for the payment methods No. 07 of 2022 to the Parliament to be approved.

06. Submission of Supplementary Estimates to Parliament

The government has introduced a assistance package for Samurdhi Beneficiaries Estate Communities, Pensioners and Government Servants at the beginning of 2022 to reduce as much as possible the hardships faced by the public due to the adverse economic conditions. It has been decided to submit a supplementary estimate to Parliament to cover the cost and secure the necessary funds to maintain the essential public services without hindrance. Accordingly, the proposal made by the Prime Minister in his capacity as Minister of Finance, Economic Stabilization, and National Policies to submit a supplementary estimate to the Parliament for the provision of Rs. 695 billion under the "Budget Assistance Services and Emergency Responsibilities" project of the National Budget Department was approved by the Cabinet of Ministers.

07. Increasing the revenue for economic stability

The government has decided to introduce a relaxed tax policy later in 2019 to reduce the rates of value added tax, personal income tax, corporate income tax and to shrink the tax base on value added tax and income tax. As a result, government revenue has dropped significantly. In this context, the cabinet of ministers approved the proposal presented by the Prime Minister in his capacity as the Minister of Finance, Economic Stabilization, and National Policies to instruct the legal Draftsmen to prepare the necessary Bills to amend the following Acts with a view to increasing Government Revenue.

- **INLAND REVENUE ACT, No. 24 OF 2017**
- **Value Added Tax Act, No. 14 of 2002**
- **Telecommunication Levy Act No21 of 2011**
- **Betting and Gaming Levy Act, No.40 of 1988**
- **Fiscal Management (Responsibility) Act No. 3 of 2003**

08. Calculation of GDP

The Department of Census and Statistics updates the base year of National Accounts Estimation every 5 years taking in to account the facts such as, accurate identification of the real structure of the economy, more accurate estimation of the values of economic growth rate, adaptation to the new recommendations and procedures put forward by the relevant international bodies on national accounts. Accordingly, it has been decided to use the year 2015 as the new base year instead of the year 2010 which is currently based on the preparation of national accounts. The Department of Census and Statistics has prepared quarterly and annual National Accounts Estimates for the period 2015 to 2021 using the base year 2015. The Cabinet of Ministers approved the proposal made by the Minister of Finance to publish those reports and to issue National Accounts Estimates under the new base year 2015 from the first quarter of 2022 onwards.

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