



Pathfinder Economic Alert

## **The Election Manifestos: An Auction of Non-existent Resources**

### **Regrettably, more of the same.**

The Presidential candidates have issued their electoral manifestos. This note seeks to compare the two documents put out by the two main contenders with the Pathfinder Foundation's (PF) blueprint for economic reform 'Charting the Way Forward: Prosperity for All'. It focuses on the contents of the manifestos and not on various public statements made by the two candidates and their supporters.

Overall both manifestos (though the 'Mahinda Chintana Path to Success' is much better formulated and presented as well as being more substantive than 'A Compassionate Maithri Governance a Stable Country') tend to give credence to Lee Kuan Yew's perceptive observation that Sri Lankan elections were 'auctions of non-existent resources'. As has been customary, the manifestos are essentially populist and do not attach priority to a commitment to macroeconomic stability or some of the key strategic issues which need to be addressed if the economy is to be placed on a path of accelerated growth and development. The PF hopes that both candidates understand that without addressing these twin challenges, it will not be possible to meet the expectations of an increasingly aspirational society on a sustained basis.

The key to macroeconomic stability and a move away from repeating cycles of high inflation and balance of payments pressure, with their associated stop-go policies, is fiscal consolidation. Both documents contain a series of populist measures which are not costed; and there is very little discussion of how they will be financed.

In addition, while there have been a number of proposals for structural and institutional change, there is no coherent and joined-up approach addressing some of the key issues raised in the PF blueprint. These include:

- Shifting from a growth model based on debt-led infrastructure development to one which is driven by FDI-led export expansion.
- Shifting financial and human resources from low to higher productivity sectors.
- Systematically aligning education, training and skills development with the requirements of sectors with growth potential.
- Strengthening institutions and building capacity to improve service delivery across government.
- The overarching themes of increasing productivity and competitiveness.

One hopes that both sides recognize that full implementation of their manifestos is likely to fuel inflation, generate balance of payment pressure and constrain growth by undermining fiscal discipline. The PF has consistently argued that Sri Lanka currently enjoys the most propitious set of circumstances in 50 years to achieve an accelerated development path. It is difficult to be optimistic that these manifestos will serve to fully realise this potential, if all the promised give-aways are implemented (in the case of the government one would also need to take into account the measures introduced in the Budget Speech 2015).

One could argue that the opportunity to engage the electorate and explain the choices and trade-offs which need to be made to realize the country's potential has been foregone. At the same time, one needs to recognize that this would involve a significant deviation from the populist political culture of the post-independence era. However, it is important to recognize that a change in the political mind-set is necessary to turnaround the mediocre post-independence economic performance which has seen Sri Lanka decline from being second in Asia to Japan on many socio-economic indicators in 1948, and ahead of South Korea and Singapore in the 1960s, to lagging behind several East and Southeast Asian countries today.

At some point the country needs to move from an 'entitlement' culture to a more productivity/competitiveness oriented mind-set and 'entrepreneurial' culture. It is to be hoped that whoever wins the election embarks upon such a journey.

As a lower-middle-income country, Sri Lanka has now entered a new paradigm. It can no longer live beyond its means on the back of very concessional foreign financing, as has happened in the past. The country is no longer eligible for foreign aid. It is important, therefore, that the electoral auction of non-existent resources, which is currently underway, is no more than the usual attempt to delude the electorate. It is unlikely that the electorate does not see through this charade. There would be merit in knowing how many voters are actually influenced by unrealistic manifestos.

The following tabulation seeks to set out the actions recommended in the PF's blueprint as well as those contained in the two manifestos in relation to the areas covered by the former.

<b>Areas for Action</b>	<b>PF Blueprint</b>	<b>Mahinda Chintana Path to Success</b>	<b>A Compassionate Maithri Governance A Stable Country</b>
Maintaining Sound Macroeconomic Fundamentals	Sustainable medium-term budgetary framework; strengthening revenue performance; more progressive tax system with increased share of direct taxes; and rigorous public expenditure review.	Increase the purchase of paddy up to 10% of national production and issue such paddy stocks to small and medium scale mills at the guaranteed price; Measures to support journalists and media personnel; measures to tackle the drugs trade	Custom duties relaxed on 10 essential food items; public servants' salary increase of Rs. 10,000; monthly interim allowance of Rs. 3,500 for pensioners till their salary anomalies are

		<p>and large-scale criminal activities with the assistance of the army and navy; strengthen pension and provident fund rights of public servants; implement a new housing scheme for public servants; provide the police with accommodation and vehicles; vehicle permits with concessional tax for those returning from long term employment abroad; revitalize farmers' loans scheme; 5 year tax relief to those entrepreneurs importing equipment for mechanised farming; young entrepreneurs engaged in mechanised agriculture to be provided loans up to Rs. 2.5 million at minimum interest rates; concessional loans to modernize rice flour production; promote young livestock farmers through a special concessionary package; provide concessional loan scheme to promote production of high quality tea plants; concessional loans for production of subsidiary crops on rubber and coconut plantations; new training institute for rubber industry;</p>	<p>settled; pensions for employees in the banking and financial sectors; 15% interest on the first Rs. 1,000,000 senior citizens' fixed deposits; monthly allowance to poor senior citizens increased by Rs. 1,500; 50% of all farmers' loans will be written off and a grace period to reassess of payment of balance outstanding; farmers pensions will be increased to correspond to cost of living; crop damage insurance will be provided with a contribution from the government; guaranteed price for milk will be increased by Rs. 10 per Litre; guaranteed price of Rs. 50 per kilo for paddy and Rs. 80 per Kilo for Potatoes; taxes on Ayurvedic and Western medicines will be relaxed; education provision increased from 1.7% -6 % of GDP; Mahapola scholarship grants increased to Rs.</p>
--	--	--	--

		<p>concessional loans to enhance production of cardamom, cocoa and arecanut; concessional loans for small multi-day fishing boats; a concessional SME credit scheme through all state banks; financing through a revolving fund for youth to engage in production of traditional goods for international market; loan facility at 6% for importation of small lorries by 25,000 entrepreneurs below the age of 35 and exemption from income tax for 5 years (lorries used to collect and distribute produce of small farmers and SMEs); Divi Diriya program of unsecured loans up to Rs 50,000 from SMIB at 6% interest for three wheeler drivers as well as provision of housing, pension and health insurance for three wheeler, private buss and lorry drivers; scholarship worth Rs1000 per month for technology students; a Pirivena Education Fund similar to the Mahapola scheme to provide a monthly allowance of Rs 2500; expand annual university entrants to 100,000 by 2020; upgrade 7 selected universities to rank among the top 20 in</p>	<p>5,000; long term concessional loans for tertiary education; excessive taxes on fishing boats, nets, fishing implements and boat engines will be withdrawn; government will contribute to provide insurance cover of Rs. 1,000,000 for each fisherman in case of loss of life at sea; pension scheme for fishermen; removal of Rs. 40 billion tax on oil; special subsidies for public transport services, three-wheelers and motor cycles; price of LPG gas cylinder reduced by Rs. 30.</p>
--	--	--	--

		<p>Asia; establish a separate service constitution for university staff and ensure the right for living quarters close to their universities; establish a national post-graduate university; a series of measures have been included to improve the terms of service, training and foreign scholarships for teachers; extend the nutrition support program for pregnant mothers until the new born reaches 1 year; build a children's hospital in each province; a number of measures have been introduced to improve sports facilities and performance; stop unskilled women workers from employment abroad while permitting skilled male workers, recruitment of 15000 community health assistants; maintain low kerosene prices; low interest loan scheme for new electricity connections; special electricity tariff for SMEs; concessions and incentives provided to promote Arts.</p>	
Improving the Business Climate	Predictable and consistent policies based on wide consultation;	Build two port cities in Colombo and Hambantota; further develop Trincomalee	Strategic plan to obtain suitable domestic and foreign investment; an

	<p>deregulation to reduce transaction costs; effective one-stop shops; minimizing discretion through rigorous application of streamlined rules and regulations; clarity regarding the roles of the public and private sectors and a level playing field; PPPs; transparency and competition in context of procurement processes; rule of law and avoidance of impunity to boost investor confidence; a harmonious society to minimize the risk premium attached to the economy ; and strengthened diplomatic relations with both emerging and traditional partners.</p>	<p>port and make it a Free Port; port- related development to generate 300,000 direct jobs and 200,000 indirect jobs in the next 6 years; reduce delay in clearing containers out of the Colombo port; national agenda for industrial development generating 600,000 direct jobs and 1,000,000 livelihood opportunities; introduction of an Industrial Development Act; provide institutional support to obtain all approvals under one roof and simplify procedures; training informal service providers for tourists; introduction of a National Construction Policy; the Maha Bhimani national programs to train 600,000 construction sector workers; create national construction information network; invite top ranking 200 listed corporates to open 325 factories one in each Divisional Secretariat supported by concessions and incentives; establish a national research and development fund to support industrialists; commence a National Mineral Industry Development program; link villages producing traditional</p>	<p>efficient mechanism for attracting investment with conditions of transparency and justice; tax concessions for industries with substantial local contribution in the fields of technology transfer, local value addition and local end-product manufacturing; import substitutes encouraged through gearing up the banking system; marketing, technology and enterprise upliftment, involving both the state and private sectors; and economic strategy oriented toward a knowledge and innovation economy.</p>
--	---	---	--

		<p>products with National Design Centre; stabilize domestic market for handicrafts sector through forward contracts implemented by Laksala; revive traditional industries in each village through funds from the Divi Neguma Bank; measures included to support women entrepreneurs; establish day care centres in each Divisional Secretariat, as well as Women Protection Centres in all Investment Zones ; facilitate access to internet via Wifi similar to the Hot spots in Korea; measures to support young entrepreneurs, including Youth Entrepreneurship Development Board, Youth Bank Scheme, long term land leases concessional loans and a to government procurement; establish an ICT centre in each district and build 100 BPO centres and 400 Mahindodaya and Missaka E-Learning laboratories</p>	
Factor Markets	<p>Review land use and agricultural product mix; release value of underutilized state land in urban areas; review land legislation obstructing productive use of land; clear and transparent policies in</p>	<p>Allocate land not used for food production in accordance with direction of Parliamentary Consultative Committee on Lands; establish a land bank and place land registry</p>	<p>A National Land Commission will be established; New legislation for long-term contractual relations between employers and employees in SOEs.</p>

	<p>relation to sale/leasing of state land; and development of a bank of pre cleared land bank.</p> <p>Tripartite review to modernize labour laws.</p> <p>Ensure financial consolidation leads to greater systemic stability and increased access for SMEs; develop long-term debt market; develop mortgage industry and boost pension industry to meet ageing population.</p>	<p>information on the Internet; banking system to issue securities, indemnities and bonds to obtain capital for industrial development;</p>	
Exports and FDI	<p>A competitive exchange rate and trade policies which boost rather than constrain exports; signed bilateral and regional FTAs while building on traditional markets; trade facilitation; targeted investment promotion; increased connectivity through continued infrastructure development; increased economic diplomacy capacity; insentivize companies and business association to establish trade and investment promotion offices in major markets; and China and India to establish trade and investment offices in Colombo.</p>	<p>Support securing of export markets for livestock and dairy products; promote expansion of nutmeg production in Kandy and Matale; establish 10 processed food collection centres to enable farmers producing indigenous foods to supply ships and vessels; make Galle a high end tourist centre; modernize Kankasanthurai and Trincomalee ports; these along with Oluvil will facilitate people in the North and East sourcing local and foreign markets and linking into supply chains; port-related development to attract FDI exceeding \$10 billion in the next 6 years; implement a program to locate new</p>	<p>Tax and energy concessions for export manufacturers; diversification of exports and improvement of new export items such as ICT; and guaranteed price of Rs. 80/90 per kilogram for green leaf tea and Rs. 350 per kilogram for rubber.</p>

		<p>export markets for fish products; construction of 80,000 hotel rooms by 2020 in the tourist sector and the generation of 100,000 new livelihood opportunities; promote agriculture, environment and forest-based tourism; provide foreign employment opportunities for construction workers; support production of high quality apparel (soft and special textiles); support local and foreign investors to establish sports equipment industries; join the SAARC Regional Electricity Network and energy trade between Sri Lanka and India; increase high tech exports to 15% by 2020; establish industrial parks and promote exports through development of value added industries.</p>	
SMEs	<p>Streamline fragmented institutional structure; coordinated interventions on training, inputs (including technology), financing and marketing; create an eco-system which encourages start-ups, innovation and business expansion; links to domestic and external supply chains;</p>	<p>A national scheme to promote small and medium scale rice mills; special program for SMEs to provide ancillary services to large-scale maritime and port industries; provide young entrepreneurs in Batticaloa district with capital and technology to improve domestic textile production;</p>	<p>Special plan for SME development; a technology policy and institutional framework to promote quality, access to markets and efficient financial and personnel management; and the availability of skilled labour; and financial and technological</p>

	and empowering regional chambers.	implement Jaya Bhima Lanka program to link SMEs to the global market; strengthen IDB to promote training, technology and market information; restructure EDB to guide SMEs to venture into international markets; establish a National SME Council with participation of all stakeholders; internet based Dana Janani program for youth to generate income from home.	facilities in every village for revival of hereditary and modern industries; popularization of high level, as well as green technology.
Agricultural (livestock & fisheries) Productivity	Legal reforms to address land fragmentation and incentivise consolidation; promote commercially viable agriculture to address rural poverty through higher productivity activities; introduce health and environmental standards to address problems such as CKD; reduce post-harvest losses by encouraging improved transport and storage; and strengthen extension services and research capacity.	A food security bill to formulate a legal framework to facilitate food production, marketing and maintenance of food stocks; accelerated production of indigenous food items; water for Northern farmers by creating a freshwater tank through accumulating water flowing along the Kanakarayan Aru Oya; complete Moragahakanda – Kalu Ganga reservoir scheme to provide water for NCP; divert lower Malwathu Oya to provide water to the Mannar district; implement Uma Oya project to service Hambantota and Monaragala districts; address water problems in Southern Province through Jin	Immediate ban on the import and distribution of agrochemicals identified as causing kidney diseases; expand use of traditional seeds; increased knowledge and capacity of agro-technological institutions; prevent corporates from monopolizing seed varieties; special subsidy scheme for organic fertilizer and non-chemical agriculture; state support for production of pesticides utilizing indigenous herbal extracts; timeframe for gradual elimination of chemical fertilizers and agro chemicals; repair clogged irrigation systems

		<p>Ganga project; commence a National Tank Fund to provide finances to maintain tanks and canals; ensure rehabilitation of 30,000 village level tanks under the auspices of Divi Neguma project; availability of seeds through a legal framework as well as a national program; seed research centres; 50kg fertilizer bag to continue to be provided at Rs. 350; encourage use of organic fertilizer; increase in guaranteed price for paddy for those using organic fertilizer; categorize the country into 46 agri-environmental regions and identify production capacity of each region; refrigeration plants for vegetable farmers; provide goat calves to families in the North and East; improve nurseries and enhance research in the tea sector; establish Leave Collection Centres in relevant administrative areas; continue minimum guaranteed price for rubber; promote rubber cultivation in non-traditional areas; establish state- owned nurseries and introduce a new mix of fertilizer to support the rubber industry;</p>	<p>and de-silting of tanks; high priority for an agro irrigation scheme for the Northern Province, principally for the Jaffna Peninsula; remove anomalies to strengthen the market mechanism involved in linking the farmer to the consumer; new methods for agro processing, value addition to agro products, storage and transport; and sustainable agriculture based on indigenous resources to liberate the country from dependent agriculture.</p>
--	--	--	---

		<p>scheme to introduce use of advanced technology in rubber production; CRI to research into using hybrid coconut plants to increase yield; new processes for fishing according to international standards with training through the Ocean University; abandoned fields for fresh water fisheries; increase domestic sugar production by 40%; modernize sugar factories; increase sugar cane cultivation and build modern factories generating 25,000 direct employment opportunities in the factories and provide livelihood opportunities for 100,000 farmer families; establish a network of milk collection and storage throughout the country; establish 9 milk related industries in each of the provinces; establish 4 milk powder factories</p>	
<p>Education, Skills and Training</p>	<p>Shift from exam-based learning by rote to fostering creativity, lateral thinking and innovation; strengthen maths, science and English education; align training and skills development to the growth sectors of the economy; increase investment in tertiary</p>	<p>Increase intake of veterinary students in universities; establish a national level institution to train dairy farmers; implement New Education Act approved by the Parliamentary Select Committee; a series of measures to enhance</p>	<p>Provision for education increased from 1.7% - 6% (see also macro fundamentals section above); regulatory mechanism for all education from the pre-school level; a new system of primary schools; junior secondary</p>

	<p>education based on pragmatic approach to provision; regulate and upgrade learning and skills development institutions and schemes; and make state-owned universities internationally competitive.</p>	<p>pre-school provision; increase schools with primary classes to 10,000 by 2020; complete work on the 1000 Mahindodaya secondary schools by 2016; transform 5000 schools into fully fledged Mahindodaya feeder-schools; establish a laboratory in each school with classes up to O/L and increase schools teaching the Science stream to 1000; establish a Mahindodaya secondary school in each divisional secretariat by 2016, including Tamil medium schools; establish a premier national school in each of district; appoint a Presidential Commission to improve Mathematics education; ensure each student following the Technology stream will receive a NVQ certificate; establish a University College in each of the districts for students who pass A/L but do not gain university entrance; teach ICT at all schools in the Island by 2020; promote a national vocational education program for 250,000 annually with the help of the private sector; measures have been included to establish 20 special</p>	<p>schools feeding on the former and main schools catering to advance level students will be established; eventually the primary and secondary sections will be gradually removed from the current 55 main schools; schools with facilities to study for science A/Ls in the Tamil medium for plantation children; international schools will come under the full supervision of the government and their curricula will have to conform to national education policy; a methodology will be worked out to select students for tertiary education on the basis of O and A/L's; technical and vocational education will be broadened; loan facilities will be introduced for students entering technical education institutions; the higher education sector will be restructured to develop human resources for a modern economy; the national university system will be expanded and admissions will be doubled; autonomy will be granted to</p>
--	--	--	---

		education centres to expand foreign employment opportunities and support vocational education through establishment of a Pre-required Learning Test and SLQF; establish an IT city in Mullativu; raise ICT literacy to 100% by 2020 and create 10,000 new employment opportunities; establish Professional Institute for ICT sector.	universities and their Senates will be empowered to appoint and remove Vice Chancellors; all students who pass in three subjects at the A/L will be provided with a long-term concessional loan to study for a degree or higher diploma (see also macro fundamentals section above); an institute to teach vocal and instrumental music, dancing and creative activities; an institute to train youth in sports activities as well as more research and training capacity.
Reform of SOEs	Introduce autonomy and accountability of decision-making as well as strong boards and management; introduce flexibility into ownership structures; where majority private ownership is considered unfeasible, list minority stakes; increase operational independence to respond to market signals; benchmark performance against international standards; and implement COPE recommendations.	Establish an upgraded National Audit Commission empowered to conduct independent investigations.	A plan corresponding to Singapore's 'Themasek' model to strengthen management and operations.
Towards Efficient Public Service Delivery	Autonomy and accountability of public servants; independent and demand-driven recruitment system;	Implement a system of home delivery of government services such as NICs and examination	Contract and casual employees with 180 days service will be made permanent; concessional loans

	<p>independent arrangements for appointment, promotions, etc; induction and subsequent in-service training; stronger performance appraisal system and greater recourse to performance based pay; and using electronic databases and ICT solutions to improve service delivery.</p>	<p>certificates; priority to women entrepreneurs in providing training and knowledge transfer through Divi Neguma officers; a series of measures to support the self-employed; measures to assist three wheeler owners operators; the Health Services Act will be strengthened and submitted to Parliament , covering pricing of drugs, protection of patients and national health insurance; measures to improve training of doctors, nurses and other health workers; measures to promote Indigenous medicine and Aruvedic medical practitioners; create 500,000 new job opportunities by expanding the public service, SOEs, tourism and the ICT sector; establish a Job Bank at each Divisional Secretariat; proposals have to strengthen the railway system, including the introduction of an electric train between Colombo and Katharagama as well as a mono-rail service between Malabe and Kelaniya; transport centres in 50 cities co-locating bus, railway, three wheeler and taxi stands as well as a car park; 50 Smart Arcades close to these</p>	<p>for state employees to buy a piece of land, build a house, purchase a motor cycle and any other urgent need; the motor cycle loans granted to public servants will be written off; a single agency to be instituted combining all existing product regulatory agencies; unified services provided through better coordination of western, eastern and indigenous medicine systems; an institution for producing and purchasing indigenous and western drugs and cheaper prices.</p>
--	--	---	--

		<p>transport centres; establish a National Transport Training Centre to improve road discipline; relief measures for families where the head of household has died from a traffic accident; enable payment of traffic fines via SMS; Community Court System for non-fatal motor accidents; all payment requirements at Ministry of Transport to be computerized and transactions enabled through the internet; introduction of Smart Cards in place of season tickets; construct 60,000 housing units in the next 6 years under the Urban Re-generation Program, build 50,000 estate houses during 2015/16 and housing for communities living in natural disaster - prone areas; housing loans under the Jana Sevana Program to low- income earners; several proposals to develop the road network, including extension of Southern Highway , including Ratnapura Expressway, the Northern Expressway, the Outer Circular Road and the quality of roads will be improved to meet the standards set by the International</p>	
--	--	---	--

		<p>Roughness Index; increase drinking water capacity for Colombo and the suburbs; proposals for developing the energy sector, including doubling refinery capacity and establishing regional storage facilities; Energy Efficiency Labelling will be introduced to encourage use of energy efficient products; convert 300 government provided services into internet-based service delivery; implement a national program to use Space Technology to improve efficiency of the key sectors; establish a National Science Centre and a Sri Lanka Innovation Fund; establish a Science and Technology Innovation Task Force and create National Research Force; organise Deyata Kirula in North and the East.</p>	
Social Protection	<p>Well designed and targeted income transfer program based on a carefully calibrated poverty line; time-bound income support and retraining to meet transitional costs of adjustment (unemployment) and use technological advances to strengthen</p>	<p>Support for all injured armed forces personnel during their entire lifetime; monthly allowance for those returning to Sri Lanka after becoming permanently disabled during employment abroad; pension plan for those who are registered with the</p>	<p>Samurdhi payments will be increased to a maximum equal to twice the present allowance; a program in conformity with the Janasaviya program for Samurdhi recipients; program to provide houses for people without</p>

	<p>delivery systems.</p>	<p>Foreign Employment Bureau and returning to Sri Lanka after six years abroad; a health insurance scheme for the private sector; counselling service at divisional secretariat level for welfare of families of housemaids employed abroad; improved facilities for pregnant mothers and children; measures to address the requirements of children with special needs; a mobile bus school to provide basic education for any street children; preparation of a National Pirivena Code and establishment a Pirivena Development Board; broaden and strengthen the family health service; recruitment of 500 Tamil speaking public health inspectors and family health officers; appoint a committee to make recommendations in relation to pensions and other social security systems; establish Detupura Abimansala Centres in each division to provide recreational facilities for senior citizens; measures to support young people afflicted by drug addiction, including rehabilitation centres and counselling</p>	<p>shelter and special protection scheme for war widows of all communities and their dependents.</p>
--	--------------------------	--	--

		services; a Comprehensive Resource Centre in each village to provide protection for children of mothers working abroad, children with special needs and children of broken families.	
Mega Trends Urbanization	Investment in infrastructure, housing, commercial and leisure space, and build upon on going metro-regions and second tier cities program.	Develop 100,000 small and medium scale towns and facilitate integration of rural hinterland; construct markets in 75 selected towns; provide planning assistance to MCs. UCs and Pradeshiya Sabhas through UDA;	Minimum transport provision built into town and country planning; habitats will be concentrated and necessary infrastructure, schools, public services, employment opportunities, small industries, markets, etc. will be provided; and ICT will be used to minimize transport.
Climate Change	Attach high premium to adaptation and disaster management; take account of any international agreement on CO2 emissions in future policy making.	Popularize electric motor cars; conserve/extend forest cover; appoint a Committee to strengthen environmental legislation; protect air, water, soil, sound and vision quality.	Protection of water retaining areas in central highlands; all environmental laws will be implemented; a clear policy on forest conservation; measures to conserve reserve zones; Flora and Fauna Act will be strictly implemented; environmental assessment will be compulsory at the conceptual stage of development projects; a national policy will be formulated to address

<p>Clean Energy</p>	<p>Attach priority to develop Sri Lanka's natural gas discoveries; Explore potential of solar and wind energy.</p>	<p>Generate 25% of total energy requirement through non-traditional sources by 2020</p>	<p>environmental challenges caused by climate change such as droughts, forest fires, floods and landslides; and disaster management committees will be established at each Divisional Secretariat.</p> <p>A pricing formula for fuel and electricity introduced within 100 days; transparent system for purchase of oil and coal; focus on renewable energy sources such as wind, solar, ocean energy and most particularly Dendro (biomass); subsidies now given to fossil fuels removed and given to renewable energy technologies; long-term concessional loans will be obtained for clean energy from international mechanisms; review program to develop gas and petroleum resources in Sri Lankan seas; discourage use of private vehicles when public transport has been improved; raise fuel efficiency of vehicles and encourage use of electric trains and vehicles.</p>
---------------------	--	---	--

Mega technology trends	Respond to global trends such as big data, cloud technology, smart connected devices and advanced robotics; and sign WTOs Information Technology Agreement.	Promote use of bio technology, nano technology, robotics, ICT and cyber technology	
------------------------	---	--	--

### Conclusion

The time is now ripe to unleash the considerable potential of the Sri Lankan economy. The PF has written extensively on this subject (see [www.pathfinderfoundation.org](http://www.pathfinderfoundation.org)). The advantages include the restoration of peace, the strategic location, the literate and trainable work force, improved infrastructure and the beginning of a new political cycle after the election. Both manifestos contain a number of proposals which would serve to increase the productive capacity of the economy. However, the overall approach is influenced to a significant degree by the populist politics which has held Sri Lanka back for too long. The country needs to move beyond these elections and focus upon macroeconomic stability and the structural reforms which are necessary to create a stable growth framework that is essential to meet the needs of a society which is increasingly aspirational.

***This is the Sixty Seventh Economic Alert of Pathfinder Foundation. Readers' comments are welcome at [www.pathfinderfoundation.org](http://www.pathfinderfoundation.org)***