



CSLBC NEWSLETTER

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CSLBC HOLDS ANNUAL GENERAL MEETING

The Canada-Sri Lanka Business Council (CSLBC) held its Annual General Meeting on Saturday, April 26, 2008, at the Holiday Inn Hotel & Suites in Markham. The CSLBC was established in 1990, thanks to the vision of Sir Christopher Ondaatje and a group of members of the Canadian business community. The Sri Lanka High Commission in Ottawa rendered valuable guidance and advocacy to help structure the Council. After Sir Christopher, other business leaders have taken over the baton and in their own inimitable style led the Council to make giant strides in establishing a solid interactive private sector focused non-profit organization. There are well known business leaders like Messrs: John Walker, Garrett Herman, Timothy Plumptre, Douglas Valentine, Kula Sellathurai and Ms. Louise Roberge who has provided stewardship to the Council in its 18-year history. The Council has gone from strength to strength over the years and is regarded as the premier bilateral trade organization that promotes bilateral trade, investment, tourism, technology transfer and industrial cooperation between Canada and Sri Lanka. In achieving its objectives, the Council works very closely with the diplomatic mission in both jurisdictions as well as the Sri Lanka government and its agencies as well as all three levels of government in Canada – Federal/Provincial/Municipal.

The Holiday Inn Hotel & Suites, Markham provided a cozy atmosphere for the Annual General Meeting. The new Consul General for Sri Lanka in Toronto, Mr. Bandula Jayasekara graced the occasion on invitation. Mr. Upali Obeyesekere introduced the Consul General to the members as one who has had years of private sector experience and is also a well known personality in the specialized field of media and communications in Sri Lanka. Mr. Jayasekara thanked the members for inviting him and assured his full support and cooperation in achieving the Council's objectives. The Consul General also announced that the trade post that has traditionally been in Ottawa with the Sri Lanka High Commission will now be moved to Toronto with a new reporting structure giving added impetus to trade relations between the two countries.

Ms. Louise Roberge was unanimously re-elected President of the Canada-Sri Lanka Business Council for 2008/2009, for a second year. Also re-elected were Vice President Mr. Ganesan Sugumar and Executive Secretary Mr. Upali Obeyesekere. The Honorary Treasurer post was filled by Mr. Nalaka Weerasinghe while Mr. Mohan Perera and Ms. Sharmila Perera were also re-elected as Directors-at-Large. Three new directors were elected at the annual meeting - Mr. Lalith Wickremasinghe, Manager of SriLankan Travel (GSA for SriLankan Airlines in Canada); Mr. Ranier De Lambert, a Financial Consultant and Mr. Umesh Sivakanthan, an entrepreneur. By unanimous assent, Mr. Krishan Suntharalingam, CA was appointed as Honorary Auditor.



The Chairman of the Council, Mr. Kula Sellathurai stressed the importance of working together to make things happen. He explained that the Council has tremendous potential of growing into a strong body and urged the members to be proactive in their outlook towards the Council. It must be said that the launch of the successful annual President's Award Gala is to be credited to the initiative of Mr. Sellathurai who is also the Council's Immediate Past-President. Past winners of the President's Award are Hon. Bob Rae, P.C., M.P. (2005); Hon. Maria Minna, P.C., M.P. (2006); and Dr. Indira Samarasekara (2007).

AGM PHOTOS



**Consul General
Bandula Jayasekara**



**Chairman, CSLBC
Kula Sellathurai**



**Hony. Auditor
Krishan Suntharalingam, CA**



The 2008/2009 Board of Directors with Consul General Bandula Jayasekara

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From L to R: Lalith Wickremasinghe, Umesh Sivakanthan, Nalaka Weerasinghe, Louise Roberge,
Consul General Bandula Jayasekara, Ganesan Sugumar, Upali Obeyesekere, Ranier De Lambert and Mohan Perera.
Not in Picture: Sharmila Perera

Ayurvedic Tourism to be promoted

The Ministry of Tourism and the Ministry of Indigenous Medicine organized a workshop yesterday at the Auditorium of Sri Lanka Tourism to explore the possibility of working together to evolve a new concept 'Ayurvedic Tourist'. Ayurvedic Tourism seems to become a booming industry in the region. Large numbers of Westerners are growing disenchanted with the high cost of healthcare of their Allopathic system of medicine and its many side effects. The growing emphasis the world over is now on natural/herbal and holistic methods of healing and the ancient science of Ayurveda, which fulfills all these requirements, are gaining widespread popularity. The practice of indigenous medicine in the country which span for several millennia has now got a new lease of life due to growing global interest and both ministries have decided to set up a new framework of standards to increase the level of professionalism within the industry so as to better serve the more sophisticated foreign clientele.

A new committee has been set up by Minister of Tourism, Milinda Moragoda with the task of setting standards and conducting workshops for Ayurvedic practitioners and therapists to improve their professionalism and teach them how to deal with the tourist and the committee invited ancient science of Ayurveda and members of the tourism industry to discuss issues relevant to this important sector. Minister of Indigenous Medicine, Tissa Karraliyadda Secretary of Ministry of Tourism, George Michael, Secretary, Minister of Indigenous Medicine, Asoka Malimage, sub-committee chairman of Ayurvedic Tourism, Dr. Cooray Widasekara, and more than two hundred resource personnel participated at this workshop. This new form of tourism is expected to produce a lot of jobs and earn more foreign exchange for the country said the Minister Tissa Karraliyadda in his keynote address at the opening session of the workshop.

"For the first time in the history of our Ministries working with a common agenda and it will help to uplift the ancient science of Ayurveda to join with the global needs," the sub-committee chairman of Ayurvedic Tourism, Dr. Cooray Widasekara, said.

He added that many local Ayurvedic physicians are used to an uncomplaining, unquestioning Sri Lankan clientele. A few hotels in Sri Lanka cater almost exclusively to Ayurvedic tourists but demand is still seen to exceed supply and there is scope for a lot of expansion within the industry. A lot more people need to be trained as Ayurvedic physicians and therapists to cater to the demand. The idea of this workshop is to collect the experience and create a new concept for Ayurvedic Tourism. He said that many of them are seeking out Buddhist priests for amulets to still their mental flux and also look for centers to teach them yoga and meditation. Dr. Cooray Widasekara said that this was an aspect that needed to be further developed within the country to cater to the demand.

CSLBC MEMBER SUCCESS:

We are pleased to announce that **MR. RUWAN JAYAKODY**, Certified Master Pastry Chef and head of Toronto based Ruwan's Cake Art has won the prestigious **2008 PRESIDENTIAL AWARD** for **BEST PASTRY CHEF IN CANADA**. The competition was conducted by Canadian Culinary Federation-Escoffier Chef's Society) and WACS (World Association of Cooks Society). The Council joins in unison to congratulate our long standing Member for his outstanding success and wish him the best in all his future endeavours. The next issue of the Newsletter will carry an interview with Mr. Ruwan Jayakody and his 'secrets for success'.

Business News From Sri Lanka

(Courtesy: Ceylon Daily News)

- **Standard Chartered named Best Retail Bank in Asia**

Standard Chartered has been named Best Retail Bank in Asia at the Retail Banker International's 2008 Global Awards held in London recently. Retail Banker International (RBI), a leading industry publication, said in its citation, Standard Chartered's long-stated policy to focus on emerging markets paid off spectacularly in 2007 as it reported a profits bonanza. Now the fifth largest UK-based bank by market capitalization, Standard Chartered has grown rapidly in the past few years. RBI also noted that Standard Chartered is now concentrating on deepening customer relationships and cross selling products from the much wider range of services it now offers. Group Chief Executive of Standard Chartered Peter Sands, said he is delighted about the outstanding achievement. "These awards in addition to our nomination for 'Best Cross-Border Expansion Strategy' are an acknowledgement of the outstanding performance and track record of the Consumer Banking," Sands said.

- **SriLankan launches special packages to the Gulf**



An Arab national at the Sri Lankan booth

The SriLankan airlines launched a special promotion to attract more Gulf travelers. Under this promotion leading hotels and resorts in Sri Lanka will extend a value added benefit for Middle East travelers by offering a free stay for one child (below 12 years) per paying adult sharing the parent's room as an industry standard during the summer months. Next two months is very humid in the Gulf and most families prefer to travel out and Asia is one of their most preferred destinations. "This is the reason for us to launch this package targeting the Gulf Summer vacation," SriLankan Holidays' General Manager, Amith Sumanapala said. "We have tied up with three trade partners namely Connaissance De Ceylon, Jetwing Travels and Walkers Tours to give holidaymakers a world of memories," he said. The Gulf market has been growing at a very fast rate and this promotion would also help to swell the Gulf arrivals. The

opening of a new SLTPB office in Dubai will maximize the opportunities emerging throughout the Middle East while strengthening support for the travel trade in the region. SLTPB's Dubai office will co-ordinate all of Sri Lanka's tourism promotional activities in the Arab markets including exhibition participation, marketing visits, presentations and road shows, advertising, brochure distribution, public relations, as well as familiarization visits to the island for influential business and travel journalists.

- **Dankotuwa Porcelain steps into Germany**

Sri Lankan tableware exporter Dankotuwa Porcelain has made inroads into Germany market, which it said has great potential given the size of the population and their sophistication.

Dankotuwa, which already supplies other European markets, will shortly make its first shipment through one of the largest distributors in Germany, a company statement said. Dankotuwa products exported will be mainly at the upper end and would be sold through well-known German department stores such as Karstadt which has about 90 stores and Kaufhof Galleria which has about 120 stores. Sarath Mallawaarachchi, Chief Operating Officer, said Dankotuwa has hired a specialist German designer and an expert modeler to help it make products for the German market. The statement said that Edmund Staniewski of Michael Fischer oHG visited the factory recently and completed the deal on which talks had started during the Ambiente trade fair in Frankfurt, Germany last February.

CANADA'S MERCHANDISE TRADE WITH SRI LANKA

Canada's Trade with Sri Lanka (C\$000s)				
	January - December		January - May	
	2005	2006	2006	2007
Exports	119,834	252,212	105,334	114,622
Imports	109,109	113,339	47,379	47,177
Trade	228,943	365,551	152,713	161,799

Source: Trade Data Online. Industry Canada. 23 July 2007.

2007 trade figures are only available mid-year. Following is a snapshot of Canada's Merchandise Trade with Sri Lanka for 2006. Interestingly, the apparel industry is making a slow but steady impact on the Canadian import sector. Conversely, the export of Cereals totally eclipses other exports. Only the top ten commodity items are shown in this tabulation.

Canada's Merchandise Trade with Sri Lanka, 2006				
	Canadian Imports from Sri Lanka		Canadian Exports to Sri Lanka	
	Merchandise Classification	%	Merchandise Classification	%
1	Woven clothing and apparel	33.4	Cereals	92.2
2	Knitted or crocheted apparel	17.8	Salt, sulphur, lime, earth, stone, etc.	1.8
3	Rubber and rubber articles	15.2	Edible vegetables, roots and tubers	1.3
4	Coffee, tea, spices, etc.	8.3	Plastics and plastics articles	0.7
5	Boilers, mechanical appliances, etc.	2.3	Boilers, mechanical appliances, etc.	0.6
6	Other vegetable textile fibers	2.3	Electrical machinery and parts	0.5
7	Motor vehicles, trailers, motorcycles, etc.	2.2	Paper and paperboard	0.4
8	Ceramic products	2.1	Optical/photographic equipment, etc.	0.4
9	Fish, crustaceans, molluscs	1.8	Inorganic chemicals	0.3
10	Vegetable plaiting material, vegetable products	1.7	Oil seeds and misc. fruit, grain, etc.	0.3
	Top 10 as % of Total From Sri Lanka	86.9	Top 10 as % of Total To Sri Lanka	98.4
	Sri Lankan Imports as % of Cdn Total	0.03	Sri Lankan Exports as % of Cdn Total	0.06

SOURCE: TRADE DATA ONLINE. INDUSTRY CANADA. 23 JULY 2007.

NOTE: ALL MERCHANDISE IS ASSIGNED HARMONIZED SYSTEM (HS) CODES IN ORDER THAT ACCURATE TRADE RECORDS CAN BE KEPT, TARIFFS COLLECTED APPROPRIATELY, CUSTOMS PROCEDURES FOLLOWED, AND SO FORTH. THE HS SYSTEM OF CODES, AT ITS MOST DISAGGREGATED, ASSIGNS A 10-DIGIT CODE TO A GIVEN ITEM. AS THE DEGREE OF AGGREGATION INCREASES, THE NUMBER OF DIGITS IN THE CODE DECREASES. THUS, FOR EXAMPLE, THE 6-DIGIT HS CODE ASSIGNED TO A MOTOR VEHICLE WITH A SPARK-TYPE IGNITION AND A CYLINDER CAPACITY OF MORE THAN 3000 CC IS 870323. THE 2-DIGIT HS CODE (IN THIS CASE IT IS 87) INCLUDES NOT ONLY THIS TYPE OF VEHICLE, BUT ALSO MANY OTHER TYPES OF VEHICLES AND A WIDE VARIETY OF VEHICLE ACCESSORIES AND PARTS. THE TABLE ABOVE IS BASED ON HARMONIZED SYSTEM (HS) CODES AT THE 2-DIGIT LEVEL.

ABOUT ONTARIO

The province of Ontario is the economic engine that powers the Canadian economy. This one province contributes about 40 per cent of Canada's total employment. Ontario has relatively high employment in manufacturing and financial and business services. Ontario's vibrant economy had its beginnings in the pursuit of natural resources: fur, timber and minerals. The province's many rivers and lakes, particularly the Great Lakes, made for natural transportation routes. With time, people started new industries and surveyed, cleared and farmed the rich agricultural land. Today, northern Ontario's economy is still highly dependent on natural resources while southern Ontario, with its proximity to the enormous U.S. market, is heavily industrialized. However, in the 21st century, more Ontarians are employed in service industries than on assembly lines. The fastest-growing sectors are business services, finance, tourism and culture.



Ontario is also home to the CN Tower that towers over the Toronto downtown skyline. One of Canada's most celebrated architectural achievements and one of Toronto's most popular tourist attractions. The CN tower is a distinctive icon of the Toronto skyline. It is one of the most recognized structures in the world. High speed elevators are ready to whisk you 1100 feet to the tower's observation level. Make reservations at the 400 seat CN Tower 360 Restaurant, and you'll be enjoying the ambience of one of Toronto's best dining experiences. With a view of 70 miles in every direction on clear days, you'll get an exhilarating view of downtown Toronto. The elevator ride is free with reservation and main course meal.

Ontario boasts of a modern and diversified services sector, which includes a wide variety of industries serving businesses, individuals and governments. Services producing industries account for 70 per cent of the province's economy. Ontario accounts for about half of the \$120 billion Canada's total trade in services (exports and imports). The U.S. is Canada's biggest services trading partner, accounting for about 60 per cent of the country's exports and imports.

In the Agriculture sector, Ontario has over 56,000 farms and account for almost one-quarter of all farm revenue in Canada. The province has many commercial poultry, hog, dairy and beef cattle farms. Cash crops including soybeans, corn, mixed grains, forage crops, and wheat and barley are significant agricultural commodities. Vegetables also account for a considerable share of Ontario's agricultural production. While the largest fruit crop is apples, the rich agricultural lands and mild climate of southern Ontario also allow for the cultivation of tender fruits including peaches, plums and grapes, and specialty crop such as tobacco, ginseng, dry beans, and mushrooms. Wineries thrive in the Niagara Peninsula, Pelee Island and the Lake Erie north shore areas.

The province's environment industry has a well-deserved reputation for innovative technologies and services across a broad range of sub-sectors including, water and wastewater treatment; industrial and hazardous waste treatment; solid waste management and recycling; air pollution monitoring and control; instrumentation and monitoring equipment; environmental software and consulting services; and energy conservation. Ontario is home to about 2,400 active companies who possess the skills, technologies and international experience to satisfy global needs in the environmental sector. Another factor that contributes to Ontario's success is the fact that it has access to the North American Free Trade Agreement (NAFTA) market. Under NAFTA, products with 62.5% Canadian content are permitted to enter the U.S. and Mexican markets duty-free.

Diplomatic update in Canada

His Excellency W.J.S. Karunaratne, High Commissioner for Sri Lanka will be leaving for Sri Lanka after completing his tour of duty in Canada next month. The High Commissioner has graciously informed the board of directors that he would leaving shortly and thanked us for the cooperation and support extended to him and the Sri Lanka High Commission in our efforts to expand economic cooperation between the two countries.

Prior to his diplomatic posting to Canada, Mr. Karunaratne spent two years working as Secretary to two Executive Presidents of Sri Lanka – Her Excellency Chandrika Bandaranaike Kumaratunga and His Excellency Mahinda Rajapaksa. The highest post in the island’s public service, he handled this high profile position with distinction. Prior to that, Mr. Karunaratne completed a distinguished 38 year career working in Sri Lanka’s Public Service before retiring in 2005.

Mr. Karunaratne was born in Colombo, and has a B.A. in sociology from the University of Ceylon and a post-graduate diploma in development studies from Cambridge University in the U.K. Before joining the public service, he was a journalist and university lecturer. He is married with two children – a daughter and son.



His Excellency W.J.S. Karunaratne

In July 2006, His Excellency W.J.S. Karunaratne declared open the CSLBC Secretariat in North York. During his tenure in office, the High Commissioner extended his fullest cooperation to the Council and its board of directors for which we are thankful. The board visited Ottawa last summer at His Excellency’s invitation to meet the Hon. (Prof.) G. L. Peiris, Sri Lanka’s Minister for Export Development and International Trade. He always looked to the Council on trade related matters and attended most of the events in Toronto organized by the Council. The High Commissioner did a lot of outreach activity with most Sri Lankan organizations throughout Canada. As Sri Lanka’s diplomatic representative and head of mission in Canada, His Excellency W.J.S. Karunaratne always went beyond the call of duty. He was easily accessible to the Sri Lankan Diaspora.



Sri Lanka Minister Hon. G.L. Peiris with High Commissioner and CSLBC Officials

The members of the Canada-Sri Lanka Business Council thank His Excellency for his advocacy, support and cooperation during his tenure in office as Sri Lanka’s High Commissioner. The Council wishes both him and his wife Mrs. Sriyani Karunaratne the very best in all their future endeavours.

Mr. Daya Perera, a leading criminal lawyer and formerly Sri Lanka’s Permanent Representative in the United Nations has been appointed as Sri Lanka’s next High Commissioner to Canada. Mr. Bandula Jayasekara has assumed duties last month as Sri Lanka’s new Consul General for Sri Lanka in Toronto.

Canadian touch to Sri Lanka's quest for OIL

(By Upali Obeyesekere, Strategic Consultant, Infrastructure Projects - Toronto, Canada)

Dr. Niel de Silva is Director-General of the newly set up Petroleum Resource Development Secretariat (PRDS). Dr. De Silva, an expert in petroleum geology and petroleum geo-physics gained considerable experience in the oil and gas field for over 30 years. He completed his MSc and PhD in Canada and has been involved in onshore oil exploration in Canada and Off-shore oil exploration in the Gulf of Mexico. He heads the PRDS and has a challenging task at hand to provide stewardship in Sri Lanka's quest for oil. The following is an excerpt of an interview given by Dr. Niel de Silva to Sunday Observer journalist Gamini Warushamana in Nov. 2007.

“Oil exploration has to follow several steps. The first step is surveys to find sedimentary basins. The new chapter of the oil exploration began with two dimension (2D) seismic surveys conducted in 2001 and 2004 which gave positive results. Now more detailed seismic work is needed to ascertain whether the parameters needed for oil and gas accumulation such as structures with Hydro Carbon (HC) and reservoir rocks. If this survey results are positive more detailed surveys are needed to identify optimum places for oil and gas accumulation to determine the drilling locations. Once drilling starts, one has to evaluate what is in the drill holes. If rock layers with HC are found the quality of the HC, has to be found whether the petroleum is heavy or light. These tests measure the productivity of the HC. This determines the commercial viability of the HC, the commercial rate it can produce and if the results are positive, the companies will undertake drilling to find out the distribution of HC, where it spreads, how much HC exists and how much they can produce. If the petroleum found is commercially viable then production can begin. For that the companies should develop production facilities. This is a long and highly technical process. Off-shore oil exploration is more complex and costly than onshore exploration. The off-shore exploration is over ten times more costly than on-shore exploration. In on-shore oil exploration a small oil field could be commercially viable but off-shore this may not be possible. Our land blocks are spread from 10-1500 metres in deep water”.

Sri Lanka's oil and gas exploration began approximately 40 years ago with the acquisition of the first offshore seismic reflection survey by Compaigne General de Geophysique (CGG) performed on behalf of the Ceylon Petroleum Corporation in 1967. Well drilling in region occurred during 1974 and 1981. Although hydrocarbons shows have been encountered as the result of drilling, no commercial exploitation has occurred. Recent successes in neighbouring basins, in India, have reinvigorated interest in the offshore of Sri Lanka. This is further justified when the results obtained from recent seismic acquisition programmes in the Mannar Basin in 2001 and 2005 are taken into consideration. Following recent new geophysical re-evaluations of the Mannar Basin, an 8 block subdivision of the region has been determined for the licensing of acreage across the basin. Three offshore blocks covering the central tranche of the Mannar Basin are now being offered here for licensing with a further three blocks being offered for licensing at a later date.

In 2003, a Norwegian company - T.G.S.Nopek, was entrusted to carry out a seismic survey and submit a report if there is oil layers in the west coast of Sri Lanka - Mannar islet. The survey revealed there are oil layers in the area explored. Sri Lanka had to pay US\$10 million to get the data report from the Norwegians. Then road shows were conducted by the Sri Lanka government in Houston, London and Kuala Lumpur in September 2007, to attract drilling companies around the world to bid for oil exploration in Sri Lanka. The current licensing round will offer three of these blocks, covering the central Mannar region. Sri Lanka previously committed to award one block each to India and China. The remaining three blocks will be offered for licensing at a later date.

The Sri Lanka Mannar Basin Bid Round 2007 formally closed at 12:00 on 31st January 2008. The government had earlier said it aimed to select the three highest bidders by April 2008 and start the oil exploration process by August. The minister is going ahead to evaluate one with the most competition first – block 1 where there is competition from three companies. It was reported recently that three companies, Cairn India Ltd; ONGC Videsh Ltd., and Niko Resources (Cyprus) Ltd., have submitted six bids for oil exploration in Block 2 (3,338 sq.kms) – Block 3 (3,572 sq. kms) and Block 4 (4,126 sq. kms). All three companies bid for the first block, while Cairn India and Niko Resources bid for the second block. The third block has only received a bid from Niko Resources.

A non-oil producing nation, Sri Lanka expects its first commercial crude oil production by 2010. Prior to the bidding, the government had said exploration licences would be awarded to firms that can provide most advanced technological and economic benefit to Sri Lanka. A 35 percent tax from net profit, a 10 percent royalty on annual production revenue and allowing the planned National Oil Exploration Company to invest 10 percent in exploration activities were the conditions put forward by the government. Signature bonds, production bonds and profit-sharing ratio are to be considered in selecting the best three bidders. If proven, the reserves will be a major boost for Sri Lanka. The island nation imported oil worth \$2.2 billion in the first 11 months of 2007. The government says seismic data shows more than a billion barrels of oil lie off Sri Lanka's northwest coast, though no reserves have yet been proven.

NOTE TO MEMBERS

2008 Invoices will be sent out before May 31, 2008. Please mail payment to Mr. Nalaka Weerasinghe, Hony. Treasurer CSLBC, 903-94 Cumberland Street, Toronto, ON. M5R 1A3. Thank you!