

**Statement made by Hon. Dr. Sarath Amunugama, Senior Minister of International
Monitory cooperation and the Deputy Minister of Finance and Planning at the 70th
session of the UNESCAP in Bangkok, 8th August, 2014**

Mr. Chairman,
Executive Secretary of UNESCAP,
Hon. Ministers,
Distinguish delegates, and
Ladies and Gentlemen.

I am happy to participate in the 70th Session of ESCAP and bring to you the greetings of President Mahinda Rajapaksa and the people of Sri Lanka. I would like to congratulate Madam Shamshad Akthar on her appointment and assure her of our cooperation and support. At the same time, I also like to express our appreciation to Madam Noeline Heyzer, and former executive Secretary, for her contribution during her tenure of office.

Sri Lanka values its collaboration with ESCAP and has benefitted from its role as a regional platform and a think tank which has helped in formulating policy and practice in our development effort.

As a country which has a proud record in achieving most millennium development goals, we look forward to the role that ESCAP will play in formulating the post 2015 Development Agenda.

I wish to inform you that, having considered the support extended by various arms of the ESCAP, Sri Lanka's government has decided to increase its current contribution fees for the Statistical Institute for Asia and the Asia Pacific Centre for Alleviation of Poverty We would also like to increase our contribution fee for the Centre for Sustainable Agricultural modernization.

Ladies and Gentlemen,

Let me take few minutes to explain recent developments in Sri Lanka. Throughout the past decade the government of Sri Lanka has attached great importance to the economic development of the country even though Sri Lanka had to face three decades of terrorist conflict. Presently, peace and stability in the country has opened more opportunities for the economy and greatly improved people's lives.

Effective economic policies have resulted in sustained growth in Sri Lanka at an unprecedented pace. The economy of Sri Lanka continues to progress steadily recording an average growth rate of 7.5 percent during the 4 years 2010, 2011, 2012 and 2013 amidst global instability. The growth of the economy of Sri Lanka rebounded to 7.3 percent last year from a 6.4 percent in 2012 reflecting domestic demand strengthening and a pickup in exports and tourism. Sri Lanka has been maintaining single digit inflation for nearly five years and the country's per capita income has risen sharply from USD 1,241 in 2005 to USD 3,282 in 2013 and is projected to increase well beyond USD 4,000 by 2016.

With the end of internal conflict and also the transformation of the economy to a middle income status, the government of Sri Lanka has initiated a massive infrastructure development in the country with local resources as well as foreign funding. Accordingly, mobilization of foreign funding from development partners has increased considerably. Our continuous progress has been underpinned by stable and prudent macroeconomic policies followed by the Sri Lankan Government. Within the medium term fiscal framework, the government's debt management strategy is designed to reduce the government debt gradually to a lower level in line with lower fiscal deficit and higher economic growth in the range of 7-8 percent.

The debt to GDP ratio is targeted to reduce below 65 percent by 2016 and to 60 percent by 2020 of which foreign debt will be around 30 percent of GDP.

The government has been pursuing large scale reconstruction and development projects in its efforts to spur growth in lagging areas, develop small and medium enterprises and increase agricultural productivity. The government's fiscal consolidation efforts and strong GDP growth in recent years have helped bring down the government's fiscal deficit.

We have also taken measures to enhance the dynamism of the private sector to facilitate the country's transition to higher income status.

For sharing regional prosperity and connectivity, we have invested in mass scale infrastructure development such as new Ports, Airports, and several Express ways.

However, Sri Lanka experiences a variety of changing weather patterns and suffers from climate change. In this regard, we would like to express our thanks to ESCAP for its continued support to Sri Lanka as a pilot country under the Regional Drought Monitoring and Early Warning Mechanism. Through this Mechanism, Sri Lanka is receiving in-situ satellite data, and training to analyze and interpret information for the purpose of early warning of potential drought conditions. We believe that the Regional Drought Mechanism is a good example of how regional cooperation can support member States.

In closing I wish to express my sincere appreciation for the support extended by ESCAP to my country. I look forward to further collaboration with ESCAP in the future.