

Seminar: "Global Economic Crisis and Sri Lanka", Taj Samudra Hotel, Colombo, 18 February, 2009

Institute of Policy Studies of Sri Lanka (IPS) organized a one day seminar on the "Global Economic Crisis and Sri Lanka" on 18 February, 2009 at the Taj Samudra Hotel, Colombo. Hon. Dr. Sarath Amunugama, Minister of Public Administration and Home Affairs, and Deputy Minister of Finance attended as the Chief Guest. Dr. Saman Kelegama, Executive Director, IPS made the welcome and introductory remarks, and Ms. Naoko Ishii, Country Director, World Bank made the opening remarks.

The seminar contributed to the debate on the impact of the current global economic crisis on Sri Lanka from a macroeconomic perspective. The seminar assessed the global financial and economic crises, its impacts on the region and on Sri Lanka in particular, and several key issues with regard to responding to the global economic crisis were highlighted during the seminar.

Despite the optimism that has been expressed with regard to Sri Lanka's limited exposure to the crisis, it was made clear that such optimism is misplaced given the continued evolution of the crisis and the uncertain economic climate that prevails. In this context it is essential that all countries take stock of the realised and potential impacts that may manifest. The importance of tailoring solutions to each country's specific conditions was highlighted, emphasizing the inapplicability of "cookie cutter" solutions based on the response of other countries. The crisis has also shed light on windows of opportunity and positives for instance the reduction in commodity prices, the opportunity and rationale for reform in key areas such as fiscal and monetary policy, factor markets and reforms to safety nets. It was emphasized that any policy response to the crisis must distinguish between long term, short term and medium term measures all within a framework of a long term vision for the country's economic direction.

Resource persons were drawn from the public sector, private sector, academia and international organizations highlighted strategies and

policies to overcome challenges faced by the Sri Lankan economy in the crucial coming months.