

# Chandrika battles UNP threat over IMF rescue

SRI LANKA'S President Chandrika Kumaratunga fought back Wednesday against opposition threats to unseat her government, saying an aid pact with the International Monetary Fund had saved her country from economic collapse last year, reported Reuters.

Kumaratunga told members of parliament that the aid pact with the International Monetary Fund had saved her country from economic collapse last year.

She defended the IMF's \$253 million standby facility against opposition allegations that it was a sell-out and would force the government to cut welfare and raise taxes.

"If the IMF had not stepped in, we would have crashed in the same way economies in east Asia crashed," Kumaratunga, who is also finance minister, told state television in an interview.

The main opposition United National Party (UNP) says the IMF pact, which commits the government to wide ranging reforms from spreading the tax net to selling off state corporations, would heap more burdens on the people.

The 14-month balance-of-payments support facility was intended to bolster Sri Lanka's rapidly dwindling foreign reserves.

Kumaratunga blamed the shaky economy on soaring oil prices last year, which added \$400 million to the country's fuel bill, and an offensive by Tamil separatist guerrillas, which forced the government to nearly double defence spending to \$1 billion.

Kumaratunga laughed off plans by the UNP to use a confidence vote next month to topple her tenuous ruling coalition and take the IMF back to the negotiating table.

"Rumours that the government is about to fall have been spread by the UNP since we came to power in 1994. We have been in the power for the last six years and we will remain in power for the next six," she said.

Meanwhile, the Sri Lankan secretary to the treasury told Dow Jones Wednesday that the heavy cost to the government of fighting the protracted war against the separatist Tamil Tigers was preventing it from effecting a lower interest rate regime.

Speaking at a seminar, P.B. Jayasundera said "Unless the budget deficit is at around 5% of gross domestic product, we can't reduce interest rates."

"The deficit deviation comes from excessive defence expenditure. If defence is halved, the deficit can be halved," he said.

Jayasundera said the war has so far cost the government in excess of 340 billion Sri Lankan rupees (\$1=LKR91.55), while domestic public debt is around LKR600 billion.

Last year, an escalation in the ethnic war caused defence spending to jump to more than LKR80 billion and resulted in a budget deficit of 9.9% of GDP, compared with 7.5% in 1999.

This year, the deficit is forecast at 8.5% of GDP, with defence spending earmarked at LKR75 billion. But that cost could easily overshoot should the current discussions stall.

Government borrowing last year to fund the escalation in defence spending has caused around a 10 percentage point rise in interest rates over the past year.



Visiting man o' war: A destroyer of the Royal Navy visited the Sri Lankan capital Colombo last week as part of its seven-month deployment in the Far East, Colombo page reported. HMS Gloucester was scheduled to leave on 5 June, 2001, for Kenya, Tanzania, the Seychelles, Mozambique, South Africa, Mauritius, Diego Garcia and Israel. The ship has already been at Gibraltar, Kochi, Singapore, Kota Kinabalu, Labuan, and Brunei. The Gloucester is powered by four Rolls Royce gas turbines and has a speed of over 30 knots. It is 142 metres in length and has a crew of 250. She has been captained since September by Commander David Heley. In addition to their role as an air defence platform the Type 42 Destroyers operate independently carrying out patrol and boarding operations, recently enforcing UN embargoes in the Gulf and the Adriatic as well as providing humanitarian assistance in Monserrat and East Timor.

## Sinhala parties oppose education in English

SRI LANKA'S main opposition party, the United National Party (UNP) and the Marxist People's Liberation Front (JVP) have joined forces to oppose a government plan to allow students to study all subjects in English rather than in their mother tongue, the AFP reported on Friday.

The two parties demanded parliament look into the implications of the decision which means students can be taught wholly in English for the first time in 45 years.

Under the current system, students learn in their mother tongue -- Sinhala or Tamil -- and then must take a mandatory crash course in English before starting university courses.

But many graduate with inadequate English, leaving

them at a disadvantage in the job market especially in the private sector, the government said.

Sri Lanka continued with English as a medium of instruction for eight years after independence from British colonial rule in 1948.

But in 1956 the then prime minister Solomon Bandaranaike introduced a radical Sinhala-Only act, making it illegal for children to be educated in English. The law was only reversed in the 1980's.

Wimal Weerawansa of the JVP said: "We are not against English. In fact, we want a more scientific method of teaching English and we want more English teachers and an improvement in the quality of teaching."

"But we oppose the plan to change the medium of instruction because it could lead to greater divisions in our society between those who studied in English and those who opted for their mother tongue."

A joint petition by the JVP and the UNP asking that the decision be scrutinised by parliament was delivered to speaker Anura Bandaranaike, the son of Solomon Bandaranaike.

"It is accepted worldwide that children must study in their mother-tongue," the petition said.

But education ministry secretary Tara de Mel said the government would press ahead with the challenge of providing a good English education to the 4.3 million student population.



Free to talk: Receiving calls will carry no charge

## Free incoming calls on mobiles

SRI LANKA'S mobile phone users could switch to a calling party pays (CPP) system in one year despite the need for \$5 million hardware upgrade by cash-strapped Sri Lanka Telecom (SLT), Reuters quoted officials as saying on Wednesday.

Telecommunications Minister Nimal Siripala de Silva said the country's fixed-line monopoly was waiting for a report on the financing of CPP to decide how to recover its investment. "I am very optimistic that within six to 12 months we can have CPP," de Silva told Reuters.

"SLT will look at the finance committee report as to how they can apportion the call rates and depending on that I am confident we can bring in CPP," he said.

The country's four

mobile operators are keen to see the introduction of CPP because they believe it will increase the number of mobile phone users and the volume of traffic. Industry officials said earlier that the switch to CPP could be delayed because it would require too much of an investment by SLT which reported a 93 percent slump in net profits in 2000 due to weak international revenue, high depreciation and debt servicing costs.

Under the present system, Sri Lanka's 425,000 mobile phone users pay for incoming calls as well as outgoing calls. Japan's Nippon Telegraph and Telephone Corp owns 35.2 percent of SLT and the government is planning to sell at least part of the remaining stake.

## Watch that monkey!

A SEX-CRAZED male monkey has caused an uproar in a central Sri Lankan town, stalking and attacking girls in public and flirting outrageously with cats and dogs, reported Reuters on Wednesday quoting a local newspaper.

The monkey has roused the anger of residents of Kundasale by following young women around the town, jumping on them without warning and clinging tenaciously until it was chased away with sticks and stones, the Daily News reported.

Apparently having little success with human females, the primate also makes advances on other animals to which it has "a very strong affinity (particularly) cats and dogs of the opposite sex", the newspaper said, adding the creature fed its libido by stealing chocolates from local shops.

The monkey business has outraged the town in Sri Lanka's conservative rural heartland where public displays of affection are frowned upon even between humans of the opposite sex.

## ADB lends \$600 million

SRI LANKA said on Wednesday it would receive \$680 million in loans from the Asian Development Bank (ADB) over a three-year period from 2002, reported Reuters.

A government statement said the lending programme, covering 16 projects in agriculture, transport, social infrastructure, energy and finance, was agreed on during a recent visit to Sri Lanka by an ADB delegation.

"\$480 million will be from the Asian Development Fund and \$200 million from Ordinary Capital Resources,"

the statement said.

Recently the IMF lent \$500 million from its own funds and a consortium of countries, triggering a political storm in Sri Lanka over the terms of the loan agreement.

Meanwhile, Japan has donated 7.6 million dollars to build roads for impoverished farming communities in north-central Sri Lanka, the Japanese embassy said told AFP Tuesday.

Isolated areas in the Dambulla region would benefit from the project, which will almost halve the distance

that locals now have to travel to the nearest market, the embassy said in a statement.

"The project will enhance the regional economic significance of the Dambulla agricultural market centre and its immediate hinterland region," it said.

The road construction will result in substantial savings in transport costs, travel time and increase the overall profits of farmers."

Japan is Sri Lanka's largest single donor of foreign aid. Japan is also one of the largest contributors to the ADB.



Money: Colombo's skyline belies the extent of foreign aid needed by the economy

## Norway donates \$1.1 million to southern universities

NORWAY has granted Sri Lanka USD 1.1 million under the aegis of the Norwegian Agency for Development Cooperation (NORAD) for Information Technology training at southern universities the Island newspaper reported last Thursday.

The funds will be used for the purpose of establishing a Management Information System at the Universities of Ruhuna, Moratuwa, Colombo and the

University Grants Commission and transfer Technology Competence to the Information Technology Sector in Sri Lanka.

The project agreement between UGC and ErgoEnet, to implement the project, was signed at a ceremony last Thursday.

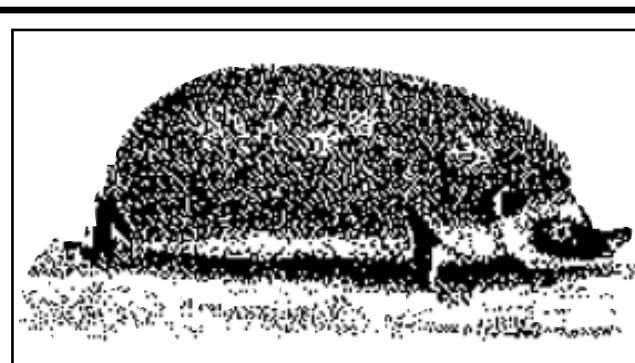
Prof. B. R. R. N. Mendis, Chairman of the UGC represented the UGC and Mr. Jan B. Ommundsen, Member of Board, ErgoEnet the Norwegian partner.

The goal of the project is to contribute to the improvement of management of Higher Education in Sri Lanka through establishing an efficient management information system.

The system will support the universities and the University Grants Commission with better data for day-to-day operations, and give updated knowledge for resource management, planning and policy decisions, the paper said.



Foreign hand: A float in a protest by the Marxist JVP reflects inherent opposition to foreign involvement. An effigy of Deputy Finance minister Pieris destroys rural life.



## POINTS TO PONDER

### Reflective Moments

The smallest room in the house, the khazi, little boys room - we've all been there. But it comes as some surprise to hear toilet humour raised in the august field of political debate - surely educated politicians skilled in verbal sparring and equipped with a witty repertoire are

more refined than to resort to such crude scatology. Well perhaps not in Sri Lanka politics, where anything goes as recent events have more than amply proved. Fresh from the madhouse, the latest quip involved one witty Member of Parliament who remarked that the country's commissions of inquiry reminded him of a

person going to the toilet. "First there's a sitting, then there's a report and thereafter the matter is dropped," he said.

### Black Death

Next time you notice those grey hairs and are suddenly overcome with the need to steal back your youth - be warned, don't reach for just any old hair dye. One such product "Eagle's black Henna powder for hair" is deadly. The Los Angeles County Coroner recently named the hair dye as the culprit causing the death of popular Sri Lankan songstress Malini Bulathsinghala. "In a long awaited autopsy report the Los Angeles County Coroner's office on April 8 said Sri Lanka's popular songstress and music educator Malini Bulathsinghala's demise in this city of the stars was an

accidental death from acute bronchial asthma due to probable allergic reaction to Eagle's

Black Henna hair dye, a product manufactured by and exported from India," reports said. The moral of the story - let nature take its course.

### Father Dearest

Here's a sad story of familial negligence. It appears an eighty-year-old man - stung by what he considered his family's failure to look after him - is now seeking maintenance from his children and 75-year-old wife. "The petitioner, a resident of Polhena, Kelaniya has told Colombo additional magistrate Ishani Jayasena that his children, all married, were not looking after him. He had said he has no place to go as he had given his house to the children.

He claims a small sum for his day-to-day matters," reports said. So much for the age-old Asian custom for looking after your elders. But the story continues. "Lawyer for the children said they were providing him with all three meals. His wife said he was living with her in a room of one of his sons. His children submitted to court that they could not pay him money."

### National Pride

Things are evidently getting pretty drastic in Sri Lanka's Parliament what with unruly politicians, fist-fights and a general lack of discipline. Now, one bright spark has proposed the playing of the national anthem before the commencement and conclusion of Parliament sittings in order to develop a sense of national spirited-

ness in the country. Dignity, it seems, needs to be instilled in the country's politicians, not by feeble attempts or gimmicks, but by harsh disciplinary measures such as fines, suspensions and public warnings. We wonder whether Parliament will ever take action against its more infantile members or continue to carry on proceedings in a state of complacency.

### Policeman's Ball

Again, another classic example of where the Sri Lankan police force's priorities lie. According to reports, a police station in the Colombo city limits promptly stopped issuing curfew passes to the public by 10.30 p.m. last Friday despite a curfew being lifted at 6.00 am the following day. "When asked for the reason the cops said

that the Administration OIC was not in, and they had finished the passes. But it was later revealed that the OIC was hosting a party on Friday night, and the cops were also invited, so they had to close shop," one report said. Why sit in a stuffy police station issuing curfew passes when you can be out painting the town red?

### Name Your Price

Tut, tut, the country's gaffe-prone Cabinet Ministers should know by now that they need to exercise a more caution before shooting off their lip at public functions. Take the remarks of one senior cabinet Minister who recently attended a UN function. The minister who arrived late for the function was heard whispering to an official, "I was not planning to attend the function,

but I heard you were giving us a free meal." The hungry minister failed to realize that the microphone on his table was switched on. We wonder how many more free meals he'll be enjoying. He better get used to the catering in the Parliament canteen.

### Congratulations!

It's heartening to see the government's Information Department at the current edge of the IT technology. The boffins at the ID have, finally, launched its own website. Amid much fanfare, self-congratulation and rejoicing, ID officials proclaimed their success as trailblazers in the information highway. I wish someone would have the heart to tell the ID that they're relative latecomers on the internet scene.