



**EMBASSY OF SRI LANKA**  
**COUNTRY INFORMATION UPDATE**  
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**IDP POPULATION DROPS TO NEW LOW AS RESETTLEMENTS CONTINUE**

WASHINGTON - The resettlement of internally displaced persons continued apace last week after the government of Sri Lanka granted free movement to all remaining 120,000 persons living in government welfare centers in the north.

A number of displaced persons chose to return to their homes or to go live with family and friends, while many remained in the welfare centers to await resettlement.

Free movement was granted to remaining IDPs as of Dec. 1, 2009. The government has vowed to return all of the displaced and close the centers by Jan., 31, 2010.

As of Dec. 8, the number of IDPs living in government camps was 94,000. The government has resettled more than 190,000 displaced persons since May, when it successfully concluded the conflict with the terrorist group Liberation Tigers of Tamil Eelam.

Robert Blake, Assistant Secretary of State for South and Central Asia and a former US Ambassador to Sri Lanka, said during a visit last week to Sri Lanka that he was pleased with the progress on resettlement.

Assistant Secretary Blake made these comments during his visit to Menik Farm relief center. He met with displaced persons and asked them about conditions and any problems at the centers.

At a news conference afterward, Assistant Secretary Blake stated that, "Overall the conditions in Menik Farms are pretty good."

"I think there has been a great deal of progress in the last couple of months, and I really welcome that progress, both in the numbers of people who have been resettled, but also in the fact that now freedom of movement has been granted to those who remain in the camps, so I just hope that progress will continue."

## **U.S. SENATE REPORT PUSHES FOR NEW U.S.POLICY ON SRI LANKA**

WASHINGTON - A bipartisan report by U.S. Senate Committee on Foreign Relations suggests that the U.S. take a less contentious approach to Sri Lanka, given security interests in the region.

The report, compiled after a fact-finding mission to Sri Lanka by two senior committee staff members, "urges a less confrontational approach to that nation, citing strategic American interests in the region," according to The New York Times.

The report notes that while the government of Sri Lanka has been criticized by some nations for its handling of the conflict against the terrorist group Liberation Tigers of Tamil Eelam, it has also achieved a measure of progress in resettling the conflict's displaced and rebuilding the war-shattered east of the country.

"With the end of the war, the United States needs to re-evaluate its relationship with Sri Lanka to reflect new political and economic realities," the report states. "While humanitarian concerns remain important, U.S. policy toward Sri Lanka cannot be dominated by a single agenda. It is not effective at delivering real reform, and it shortchanges U.S. geostrategic interests in the region.' "

The report also recommended that the Obama administration, "Take a broader and more robust approach to Sri Lanka that appreciates new

political and economic realities in Sri Lanka and U.S. geostrategic interests. Such an approach should be multidimensional so that U.S. policy is not driven solely by short-term humanitarian concerns but rather an integrated strategy that leverages political, economic, and security tools for more effective long-term reforms."

Agence France Presse, reporting on the Senate study, stated that, "Washington risked 'losing' Sri Lanka as it recovers from war and called for more active engagement to stop the island drifting from the West."

## **SRI LANKA BACK ON INVESTMENT RADAR -- AGENCE FRANCE PRESSE**

By Mel Gunasekera  
Sun Dec 6, 12:47 am ET

COLOMBO (AFP) – Sri Lanka is back on the global investment radar after government forces in May ended a nearly four-decade separatist war with Tamil guerrillas, fund managers and analysts say.

Sri Lanka's small stock exchange has become one of the world's top performing bourses, climbing over 96 percent this year as it reaps a peace dividend from the ending of the island's bloody ethnic conflict.

"With the war coming to a close, there is a lot of interest in Sri Lanka. It is like the hottest place to invest your money," said Mark Mobius, executive chairman of global mutual fund giant Templeton Asset Management Ltd.

Investors are banking on renewed economic strength and profits in the country now that the protracted civil war, which claimed up to 100,000 lives, is over.

"Sri Lanka clearly interests investors on the macroeconomic level now with interest rates and inflation coming down," said Channa Amaratunga, an analyst at Colombo-based CT Capital Private Ltd.

"The end of the war has opened up endless investment opportunities across real estate, healthcare, plantations, infrastructure," said Amaratunga.

Mobius told AFP the Sri Lankan government still needed to relax strict controls on the economy to attract more global funds and that liquidity in the stock market remained poor, making it tough to trade shares.

"Sri Lanka needs to loosen up a bit in order to attract private capital into infrastructure, specialized manufacturing and property development," Mobius said on a recent visit to the tropical island nation.

"The government doesn't want to privatize or list state entities. Private firms are mostly family-run and they're not keen to loosen control," he said.

Templeton exited Sri Lanka's stock market during the civil war, in which Tamil Tiger rebels fought to carve out a separate nation in the Sinhalese-dominated country.

During his recent visit, Mobius said he had met private firms with interests in such areas as tea and garment exports to discuss making private equity investments through Templeton's Strategic and Frontier Markets fund.

The fund has already invested about 850 million dollars in government bonds.

"There is a lot of appetite out there for Sri Lanka right now, be it debt or private equity," said Douglas Clayton, chief executive of Hong Kong-based Leopard Capital, which aims to raise 100 million dollars to invest in Sri Lanka.

Clayton said Leopard's private equity fund would promote management buyouts of local firms and try to put between 10 and 20 percent of its resources into power, plantations, retailing, information technology and tourism.

"The next decade could be a renaissance for Sri Lanka," said Clayton, adding that Leopard was also launching a smaller fund to invest in firms listed on the Colombo bourse.

Sri Lanka's central bank recently raised its economic growth forecast for 2009 to 4.5 percent from an earlier estimate of 2.5 percent. For next year, it is hoping for expansion of six percent.

Singapore-based investment company Calamander Group Pte, said it was currently raising up to 75 million dollars to invest in private firms involved in tea, rubber, timber, coconut, banking and ceramics.

London-based Aureos Capital Ltd has been investing in Sri Lankan firms that have expanded into the Asian region since 2003. "Our pipeline of projects looks more robust than before the war," said Nissanka Weerasekera, an investment manager for Aureos.

Chaminda Ranasinghe, who helps run a local IT electronic payment processing solutions provider called Interblocks, says companies are hunting for funds to pay for expansion.

Kumar Jayasuriya, the Sri Lankan chairman of British-based tea group Finlays, said: "There's a paucity of funds to upgrade and grow businesses locally. Private capital can play an important role."

## **SRI LANKA TOURISM TREND CONTINUES UPWARD; GERMANY LIFTS TRAVEL RESTRICTIONS**

WASHINGTON -- Sri Lankan tourist arrivals for November climbed by 20.1 percent to 44,311 compared to a year ago, the government reported. Arrivals were boosted by more visitors from key markets like the United Kingdom, Germany and India.

South Asian arrivals continued to grow in double digits, up 23.3 percent to 13,371. India generated 8,769 visitors, up 14.7 percent, and Pakistan 681, up 29.0 percent. But arrivals from the Maldives fell 4.5 percent to 3,586.

The number of visitors from the Middle-East shot up 200.3 percent to 2,886.

In addition, Germany relaxed its travel restrictions on German nationals visiting Sri Lanka. This follows the rapid improvement in the security situation in Sri Lanka with the collapse of the LTTE.

The German Embassy last week announced that a longstanding travel advisory had been eased, enabling German tourists to visit Yala National Park and Arugam Bay. Sri Lanka's Defense Ministry welcomed the move,

while urging other countries to review existing travel restrictions on foreigners imposed years ago.

Jens Uwe Plotner, the new German ambassador to Sri Lanka, noted that Sri Lanka is a small universe with great potential. The wide variety of tourism sites include cultural sites, beaches, tea plantations and national wildlife parks and safaris.

Ambassador Plotner said that he was not surprised to find that the most number of tourists to Sri Lanka for several years had come from Germany.

"Now is the time for Sri Lanka to exploit its vast tourism potential by assuring stable and reliable investment-conditions, investing in transport-infrastructure and upgrading existing hotels on the island," the ambassador said.

Courtesy: Government Information Department

## **UNITED NATIONS ENVOY ON CHILDREN, ARMED CONFLICT VISITS SRI LANKA**

New York/Colombo, 4 December 2009- Special Envoy Major General (ret) Patrick Cammaert visited Sri Lanka on behalf of the Special Representative for Children and Armed Conflict. The visit took place from 6 to 11 December 2009 at the invitation of the Government of Sri Lanka.

The mission followed up on the recommendations of the Security Council Working Group on Children and Armed Conflict on Sri Lanka within the framework of Security Council Resolution 1612 (2005). Upon his return, Major General Cammaert will report to the Security Council Working Group.

Major General Cammaert will ascertain firsthand the situation of the children affected by the recent conflict with a view to ensure greater child protection. He will also pay particular attention to the situation of displaced children and the reintegration of children formerly associated with armed groups into civilian life. He will meet with Government Officials, NGOs, civil society representatives and children themselves.

## JUSTICE MINISTRY INITIATIVE: OVER 100 A-LEVEL QUALIFIED EX-TIGERS TO ENTER UNIVERSITY--THE ISLAND

*By Shamindra Ferdinando*

The government will accommodate over 100 detained LTTE cadres, who obtained Advanced Level qualifications during the recently concluded war, at the University of Jaffna. Some of them may enter other universities as well.

Contrary to fears expressed in some quarters that youth in government custody would be held for a long period, authorities will now go for an accelerated program to help detainees resume civilian life. Among them are believed to be members of various branches of the LTTE, including fighting formations.

Justice and Law Reforms Minister Milinda Moragoda told *The Island* last Thursday (December 3) that the government was in the process of finalizing the program. Moragoda, who was instrumental in involving top private sector firms and the international community in a cohesive program to rehabilitate LTTE cadres, including children, said that the government would give AL qualified detainees a chance to resume their higher education. He said that the private sector was ready to help their endeavor.

Ministry spokesperson Gamini Godakanda told *The Island* yesterday said that on a ministerial directive, action had been taken to find sponsors for all students, who could continue their education at the Jaffna University. He expressed confidence that the program would receive the support it deserved from both the public and private sectors.

About 1,000 detainees, who had been wounded in action during the battles, too, needed special assistance, he said. "We are also trying to work out a special scheme for them."

Defense Secretary Gotabhaya Rajapaksa and Minister Moragoda last Thursday visited Hindu College, Ratmalana, where 273 LTTE cadres between the ages of 12 to 18 were receiving education. After meeting the students, the Defense Secretary told *The Island* that the government appreciated the support extended by Tamil civilians and the private sector to rehabilitate LTTE combatants. This would have been a daunting task without the support given by the Tamil community, he said urging the Tamil Diaspora to throw its weight behind government efforts.

## **FOREIGN MINISTER BOGOLLAGAMA BRIEFS BRITISH PARLIAMENTARIANS IN HOUSE OF COMMONS**

LONDON - The Hon. Rohitha Bogollagama, MP, Minister of Foreign Affairs, met with a group of British Parliamentarians recently at the House of Commons to brief members on the extensive progress made in resettling internally displaced Sri Lankans, demining and political developments.

Minister Bogollagama stated that the government of Sri Lanka has been able to resettle more than 60% of the displaced people. He emphasized that Sri Lanka needs the support of the international community to restore infrastructure, housing and agriculture in the conflict-affected areas. Referring to the forthcoming Presidential and Parliamentary elections, the Minister added that a strong and wider mandate is sought for the implementation of political solutions for sustainable peace.

Members of parliament who took part in the session included Labor Party MPs Mr. Virendra Sharma, MP for Ealing & Southall, Mr. Keith Vaz, MP for Leicester East, Ms. Siobhain McDonagh, MP for Mitcham & Morden and Liberal Democrat MPs Mr. Edward Davey, MP for Kingston & Surbiton and Mr. Simon Hughes, MP for Southwark & Bermondsey.

Mr. Simon Hughes inquired whether the displaced persons would be allowed to return to their own homes, whether the UN Agencies, INGOs and other voluntary organizations have been granted access and the media have also been granted unfettered access to Sri Lanka?

In response, Minister Bogollagama stated that all the internally displaced people will be returning to their own homes, over 66 agencies including UN specialized agencies have been functioning in the welfare villages as well as in the other parts of the entire Northern Province. He added that the post conflict role of the ICRC in Sri Lanka will be redefined in the near future.

Ms. McDonagh stated that her constituents have complained that they are unable to trace whereabouts of the relatives living in the North and East of Sri Lanka and in the welfare villages.

Minister Bogollagama said that all of the displaced people have been registered and therefore the Diaspora should be able to contact their relatives through relevant Sri Lankan authorities and overseas Missions of Sri Lanka. He suggested that members of Parliament inform the diaspora that they should contact Sri Lanka Missions first for information.