

Hon. Speaker,
Hon. Prime Minister,
Hon. Leader of the Opposition,
Hon. Ministers, Hon. State Ministers, Hon. Members of Parliament,

I wish you and all citizens a Happy New year.

In the democratic system, you, who are elected to this distinguished Parliament, represent the people's voice across different political ideologies.

Therefore, all of you who are elected to this parliament are a unique group accountable to the nation.

Like you, I, who have been elected President by the people's vote in this democratic system, am accountable to all the people in this country. There is no difference in such accountability with regard to the people who voted for me or who did not during the election.

Therefore, as the President of this country, I urge all of you to extend your support to duly conduct the responsibilities of the governing and opposition parties both in and outside the parliament to overcome the challenges that the country faces today.

The past two years have been a challenging period for us. We too had to face the Covid-19 pandemic that affected the entire world at the same time. As a result of this pandemic, almost all developed and developing countries in the world had to face severe economic crises. Sri Lanka, with its small economy, felt the brunt of it severely. The lockdowns imposed several times in the country caused many obstacles to the country's economic process. Key sectors which brought foreign exchange into the country such as the tourism industry, foreign labour and apparel industry were affected by the pandemic. Many businesses, self-employed and daily income earners were affected by the various restrictions imposed that were required to control the pandemic. The disruption to daily community life created a great deal of unrest in the society as well.

The Government incurred a large expenditure to safeguard the public from the Covid-19 pandemic. Each time the country was closed, we provided relief to those people who would lose their daily income. We

took action to reschedule loan payments of small and medium entrepreneurs who had lost their income or had it substantially reduced due to the pandemic. We did not raise any of the reduced taxes again. None of the public servants had their salaries or allowances pruned.

Despite many economic difficulties, the government acted to bear all necessary costs, prioritizing the health of the people. Quarantine centres and treatment facilities were set up all over the country while we added **about** 35,000 new beds to the hospital system. Every family that was home quarantined were provided with a relief package to the value of Rs 10,000/-.

We understood early that the only solution to Covid-19 pandemic was vaccination. Accordingly, we took action to import vaccines even at a large cost and vaccinate all persons above the age of 16 years. Presently, we compare favourably to many countries in the world in terms of pandemic control.

We have been able to resume normal community life having vaccinated more than 85% of the targeted population and brought the disease situation under control. At the moment, the administering of the booster vaccination targeting the entire population is carried out successfully.

The representatives belonging to various political parties in this august assembly have various political views, policy differences. However, we all ultimately wish for the good of the country. During this difficult time of a global catastrophe, we all have a national responsibility as people's representatives to work together and build this country. I invite all of you to join us in fulfilling this responsibility.

While successfully encountering short-term problems, our primary responsibility is to continue to implement the long-term development programme presented by us to the people of the country, and endorsed by a majority. The sustainable future of the country is built on it.

Therefore, we must not forget our priorities at any time.

We promised the people to do some definite work during a period of 5 years. Although we had to face major obstacles during the first 2 years of this period due to the Corona pandemic, we never forgot nor neglected fulfilling our prime responsibilities.

Many have forgotten that the key issue facing the people of this country when I became the President in 2019 was national security. By now, our government has secured national security. People have no fear of terrorism today.

The underworld threat had spread dangerously at that time. We witnessed a period when prison buses were fired at and its guards and prisoners were killed. We went through a period when people walking down the streets were caught in the crossfire of underworld gang violence and died. The government has been able to change this situation during the past 2 years.

Drug menace too had become a serious problem then. The country's youth was getting addicted to drugs in a major way. Sri Lanka was becoming a hub for international drug traffickers with the emergence of drug trafficking gangs supplying drugs even to foreign countries. We took action to control this expeditiously when we came to power. This situation is largely under control today due to the action of our security services and intelligence services. We will continue the programme initiated to eradicate the drug menace. Intelligence services of neighbouring countries also provide us with the necessary information.

The police has a major responsibility in providing public security. In order to ensure a safe environment where the ordinary people can live without fear and suspicion, police should be regularly vigilant of public security. Therefore we initiated a number of reforms in the police during the recent past.

We newly established nearly 100 police stations throughout the country to make it easier for people living in any area to access the services of the police. Vehicles were provided to almost all police stations for regular inspections. In addition to infrastructure development, special attention has been paid to develop knowledge and attitudes, and training of police officers.

We reactivated the environmental police that had been inactive. To strengthen the relationship between the police and the public, we sought the engagement of the community in public security and established a new community police state ministry.

We are a nation that respects international laws and conventions. We need to correct the misconceptions that have been taken to the international community in the past regarding our human rights. I say with responsibility that during my tenure, the government did not support any form of human rights violations. We will also not leave room for any such act in the future. We do not condone such actions in any manner.

For almost three decades, nearly all sections of the community in this country suffered due to terrorism. In 2009, we were able to end this situation by defeating terrorism and bringing peace back to the country. What we need now, however, is to set aside the dark memories of the past and build a secure country where all sections of the community can co-exist in peace. We must all unite for this purpose, irrespective of ethnic, religious or political differences.

We have made a major investment to bring normalcy to community life in the war torn northern and eastern areas.

It was during my time as Defence Secretary that more than 90% of the land in northern and eastern areas used for military activities during the war was liberated. Since we are able to ensure security and maintain peace in these areas, this will enable us to liberate remaining lands in the future.

The issue of missing persons in war is not something unique to a particular group. We will do maximum justice on behalf of all such persons.

We reject racism. The present government wants to safeguard the dignity and rights of every citizen in this country in a uniform manner. Therefore I urge those politicians who continue to incite people against each other for narrow political gains to stop doing so.

I took action recently to pardon and release a group of LTTE members who have been in detention over a long period of time. We are also

preparing to make relevant amendments to the Prevention of Terrorism Act that had been in force since 1978.

We are always ready to respond positively to observations made by the international community while giving priority to the country's sovereignty and national security.

We are a free sovereign nation. We have no need to intervene in conflicts among powerful nations. While we respect our neighbours, we wish to pursue a policy of friendship with all States.

The people in the North and East who had been battered by the war for a long time wanted economic security above all else. They wanted a good education for children, job opportunities for young men and women, market access for self-employed and entrepreneurs, as well as water for drinking and agricultural purposes, housing facilities, hospitals, roads, and other infrastructure facilities. We regard government's prime responsibility towards reconciliation as providing such facilities to these people without discrimination.

Therefore, I urge the Members of Parliament representing the people of the North and East in this Parliament to set aside various political ideologies, at least temporarily, and support the government's efforts to improve the living conditions of the people in your areas.

I firmly believe that ensuring the rule of law and transparency is essential to strengthen democracy. Strengthening the independence of the judiciary is crucial to ensure the rule of law. Since I became President, appointments to the judiciary and the Attorney General's Department were never politicized. Appointments were made on the basis of merit and seniority of officers in the judicial service, thereby demonstrating the commitment by my government towards an independent judiciary.

The country needs an efficient judicial system that is fair to all and not a burden to the public. However the present judicial system has many shortcomings. Even fundamental rights petitions, which the Constitution decrees must be addressed in two months, are not completed sometimes even during ten years. It takes years to punish persons who have committed crimes against minors. Often, it takes more than a lifetime to resolve land cases. In this context, it is no

surprise that public confidence has eroded in the manner that the law operates.

Although a number of governments had previously recognized the need to find solutions for people suffering from law's delays, as well as identify necessary legal reforms to position Sri Lanka as an investment hub, the previous governments' attempts to present a definitive programme to make necessary reforms have not been successful.

However since my government came to power, a number of significant changes have been effected based on the five point plan to increase the number of judges to end law's delays and establish a more reliable and efficient mechanism for administration of justice, increase infrastructure in courthouses, update obsolete laws, centralized digitalization and capacity enhancement of related agencies.

Projects for the "Adhikarana Piyasa" and digitalisation of the court system which had been planned for many years but could not be started have now begun. We are working to extend this digitalization programme to cover the entire judicial system during 2022.

After 42 years, we took action to increase the number of judges to the Supreme Court and the Court of Appeal. We have taken action to establish an efficient judicial system by increasing the number of judges in the lower courts as well, and developing infrastructure facilities.

We have taken steps to establish Investor Courts and Small Claims Courts as a solution to law's delays. We have also taken action to strengthen the alternative mechanism for low income persons to resolve minor disputes instead of spending money and going to courts. Accordingly, laws have been enacted to establish special conciliation boards to resolve land and monetary disputes and such special conciliation boards will be established in 2022. At the same time, work has been initiated to gradually expand debt conciliation boards, previously confined to Colombo, to other areas in the country and establish them in Galle, Gampaha and Kurunegala districts.

In addition, the government has taken action to increase the cadre of the Attorney General's Department, Legal Draftsman's Department and Government Analyst's Department, and to provide necessary

provisions to enhance the capacity required to make the judicial system efficient.

Necessary steps are being taken to amend 98 laws under the broad reforms programme in criminal law, civil law and commercial law areas.

Over the next 3 years, we will prepare the necessary legal framework to make Sri Lanka an internationally recognized, attractive investment centre.

Governments since 1994 have, on various occasions, attempted to introduce a new Constitution but to no avail. Therefore, I appointed an Experts Committee, with the approval of the Cabinet, to study this subject in depth, broadly consult public opinion and prepare a preliminary draft for a people-friendly constitution.

I hope to submit the recommendations of this Committee to the Cabinet and the Parliament for broad discussion.

We are well aware of the need to develop infrastructure facilities for rapid and sustainable development. Therefore infrastructure development activities continued even under pandemic conditions. The 100,000 Roads Project, urban development projects, rural housing and urban apartment projects, 5,000-Bridge project, Rehabilitation of 14,000 Tanks Project, Irrigation development projects, programmes to provide electricity and drinking water to all households in the country, provision of high speed internet facilities throughout the country, flood control projects, technological villages and industrial township projects are all being implemented as planned. Year after year, when these projects get completed, people will be able to see the results of the promises we made to them.

Last week we commenced the construction of the Eastern Terminal of the Port of Colombo as promised in the Vistas of Prosperity and Splendour Policy Statement. Construction of the Western Terminal will begin shortly. By the time these projects end in 2024 and 2025, the Port of Colombo would have doubled its capacity and will be among the 15 busiest ports in the world.

Now the economic process in the country is gradually returning to normalcy. Tourists are returning. There is a clear growth in export sectors. However a number of challenges remain before us. Both short-term and long-term solutions are essential to overcome them.

The present budget has allocated a large amount of money for rural livelihood development as such short-term solution. The government hopes to assist a large number of self-employed people throughout the country through this.

We fully understand the economic difficulties facing the people today. Therefore, the government decided at the beginning of 2022 to introduce a Rs 229 billion relief package to the people. Even in the midst of major economic challenges, these reliefs are being provided because the government is sensitive to the problems of the people.

Our government provided free fertilizer to farmers for the past two years.

We set a guaranteed price of Rs 50 for paddy. When the government paid 50 rupees, the private sector paid an even higher price to the farmers. Perhaps it was because of that decision taken by the government that a kilo could be sold for 60 to 70 rupees. It is unfortunate that a section of the farming community today has forgotten this.

After I became President, I stopped the import of 16 crops such as green gram, cowpea, turmeric and ginger. Today the farming community is enjoying its benefits. They get good prices for their agricultural produce. Tea, coconut and rubber also received good prices recently. This is because of the policy decisions we have made.

Today we are self-sufficient in turmeric. Producers of crops such as pepper, cinnamon and arecanut are getting good prices as re-exports were halted. Today, a good price is received for betel as well.

At that time there was a huge protest against the import of ethanol into this country. When we came to power, the import of ethanol was completely banned. Sugar factories are making a profit today due to this. Also, sugarcane farmers are getting a good income.

Today a conducive market has been created for dairy farmers as well. Profits of local dairy companies have increased

We had to face some problems in implementing our policy for a non-toxic green agriculture. There was a misunderstanding in this regard as our objective and plan were not properly communicated, and some practical issues in introducing the programme were politicized. The broad concept of green agriculture which was sometimes narrowed down to organic fertilizers even by responsible authorities led to the spread of misconceptions. As some decisions led to public hardships we had to make some changes to them.

However, there has been no change in our government's policy towards green agriculture. Therefore, we hope to rectify the shortcomings and take forward these policies in a more productive manner. Our ultimate goal is to introduce modern technology to achieve higher productivity in agriculture, and to promote the use of bio-fertilizers in order to create an international market for non-toxic agricultural produce. Through this, the economy of the people who are engaged in agriculture and who provide subsidiary services can be strengthened. In this manner, we hope to make a strong contribution to the future economic development process in Sri Lanka.

2022 is a year in which we will have to make a number of decisions regarding food security. At the same time, there is a need for an expedited programme to increase local production capacity. We must all unite and launch a cultivation effort by utilizing every cultivable land in the country. We are strengthened by the fact that a number of irrigation facilities have been developed and tanks have already been rehabilitated. I especially hope that the patriotic youth who painted wall art and cultivated barren paddy fields in the recent past will also support this.

A number of large scale projects are being constructed to provide facilities to the people under the “Wari Saubhagya” programme initiated by us.

- Development of the Uma Oya Multipurpose Development Scheme which will be completed by supplying 120 MW of renewable energy to the national grid, and the development of Alikota Ara, Handapanagala and Kuda Oya storage reservoirs and 300 feeder tanks.

- Kumbukkan Oya Reservoir Project to supply irrigation and drinking water to dry areas in Monaragala District
- Lower Malwathu Oya Reservoir Project to supply irrigation and drinking water to Mannar District
- Wayamba Maha Ela Project to supply irrigation and drinking water to the North Western Province.
- North Central Main Canal Project to supply irrigation and drinking water to the North Central Province
- Basnagoda Reservoir Project to supply drinking water to many areas in the Gampaha District.
- Thalpitigala Reservoir Project to supply irrigation and drinking water to Uva Province.
- Mundeni Aru Project to provide irrigation and drinking water to Batticaloa and Mahaoya areas in the Eastern Province.
- Development of new freshwater lagoons under the “River to Jaffna” project as a sustainable solution to the irrigation and drinking water problem in the Jaffna Peninsula.
- Nilwala River Development Project which provides solutions to the water shortage in the Hambantota District and also helps in flood control in Galle and Matara Districts.
- Minipe Maha Ela Reconstruction Project, Maduru Oya South Bank Development Project and Mahaweli River Basin Development Project.
- Reconstruction work of 5,000 small tanks and anicuts, and 52 medium scale reservoirs throughout the island is in progress.

As a Government that recognizes the real needs of the farming community and places a high value on agriculture, I look forward to completing all 20 large scale irrigation development projects currently underway during my tenure.

The most serious challenge we face today in economic management is the current foreign exchange problem. Today we are encountering the climax of a problem for which a number of governments have failed to provide a lasting solution.

When I took over the country in 2019, the country's foreign exchange reserves were only US \$ 7.2 billion. Part of it was short-term loans.

By then, more than US \$ 6 billion a year in foreign debt was to be repaid over the next two years. It is the loans taken by all previous governments from time to time that we had to repay in this manner.

We had realized that under these circumstances if we fail to control our spending, there will be a foreign exchange problem in the near future. That is why we had to take unpopular decisions such as suspending the import of vehicles and restricting the import of various non-essential imported goods. In this manner, we have been able to control the total import expenditure for the last two years.

Over the years, the country's average annual trade deficit has been around \$ 8 billion. This shortfall was offset by revenues from tourism industry and remittances from foreign workers and foreign exchange earned through foreign investment.

Of these, we had the highest hopes for the tourism industry. We had planned to increase the revenue from tourism to US \$ 10 billion over a few years.

But due to the Covid-19 pandemic, which began in December 2019, the global tourism industry suffered a setback. Thus we lost about \$ 4.5 billion in annual revenue flowing into the country through tourism in 2020 and 2021.

We also lost a large amount of monthly remittances sent by about 200,000 foreign workers who left their jobs and returned to Sri Lanka due to the Covid pandemic.

Due to the continuous closure of the country, we were not able to attract new foreign investments.

Our reserves plummeted and imports were severely hampered by this unavoidable process that took place beyond our control.

It is not possible to meet our import requirements without increasing our reserves.

In order to surmount this problem in the long run, we need to make great strides in our export industry through innovations, export diversification and value adding mechanisms. At the same time, there should be a major development in the areas of foreign currency attracting tourism industry, employment of skilled workers abroad, and information and communication technology. All this had been clearly stated in our policy statement. Their implementation should be expedited now.

As a small country, our country has very limited natural resources to earn foreign exchange. We do not have resources like oil, gas and coal.

Today, all countries in the world that developed without natural resources have chosen foreign investment as the solution. They used foreign investment to boost the export industry, create new jobs and support local businesses.

If one acts for purely political reasons to misinterpret and create a wrong opinion among the people about foreign investments, then such person is not doing any good to the country.

At this time we have a strong need for investment for the development of our country. Therefore, we need to make more efforts in the future to attract new investments to carefully chosen sectors. What matters is not whether they are domestic or foreign investment, but whether they are for the good of the country.

The solution to unemployment lies in job creation. At present most of the employment needs of the country are met by small and medium scale local businesses. Therefore, we must always prioritize the protection and empowerment of local entrepreneurs in various businesses. We understand the needs of the business community and will do our utmost to encourage them.

About 20% of our annual import expenditure is allocated for oil imports. When the total export earnings are less than \$ 1,000 million a month, we have to spend about \$ 350 million a month on oil alone. About 70% of the imported fuel is used as fuel for vehicles. It costs about 21% to generate electricity. Only 4% is used for industry.

When we allow the import of vehicles in the future, we hope to give priority to electric vehicles. Accordingly, we should plan to use renewable energy sources as much as possible when supplying electricity to vehicles.

The main problem facing industries in Sri Lanka is the high energy costs. Our country does not have fuel resources such as oil or coal. All of them should be imported. But we have rivers, seas surrounding the country, plenty of wind, and sunshine all year round. This is why renewable energy sources were prioritized under our Vistas of Prosperity and Splendour Policy Statement. We have agreed to the target of generating 70% of the country's energy needs through renewable energy sources by 2030.

We have already made a number of plans to meet future power requirements. In the last two years alone we have been able to add significant renewable energy capacity to the local power grid using wind and solar power.

The capacity of the Thambapanni Wind Power Plant, which was commissioned last year and is now successfully operating at 100 MW, will be increased by another 50 MW this year. In addition, under the 'Gamata Balagarayak' programme, work has commenced on the construction of 7,000 small solar power plants with a capacity of 100 kilowatts through local investors, of which 560 megawatts will be added to the power grid within the next two years. Also, the installation of Rooftop Solar panels on the roofs of government offices has commenced with a loan facility of Rs 20 billion signed with India last year.

Construction of 120 MW Uma Oya and 35 MW Broadlands Hydro Power Plant is nearing completion. Moragolla Hydro Power Plant is expected to be completed by 2023.

Our goal is to achieve the carbon neutral target by 2050. Sri Lanka is already a co-leader in the Global Compact for No New Coal Energy. We will not approve the construction of coal power plants in the future for any reason.

I have always stated that education should play a very important role in the formulation of national policies.

We need an education system that matches with the modern world. To this end, we have paid special attention to educational reforms as well as infrastructure development. We are working to increase the **number of 379 national schools by a further 1,000**. We have allocated a large amount of funds for school development in this budget as well. In the next few years, we will provide basic facilities to every school in the country to reduce the gap between schools.

We recognize the importance of technology education in creating employment and business opportunities for young people in the modern world. Therefore, in the last two years, allocations have been made to all universities to increase the number of students studying Science, Technology, Engineering and Mathematics (STEM) streams.

In addition, reforms have already been introduced to introduce courses in IT, English and Entrepreneurship for all university students, regardless of their subject stream.

We had emphasized the entitlement of every student who passes the Advanced Level to enter a university. Accordingly, steps have been taken to increase the capacity of all universities. All plans have been finalized to start 10 new City Universities covering 10 less privileged districts.

Through these reforms we have already increased the number of students admitted to universities annually by 35%. Accordingly, last year we were able to enroll 10,000 new students in addition to the 30,000 previously enrolled. We also increased the number of university staff by about 500 and allocated funds to improve their educational and welfare facilities. In addition, steps were taken to enroll 10,000 new students for technical degrees at the Open University. The courses are designed to enable these students to pursue their education while on the job from the first year.

However, less than 25% of students who qualify for university annually are still able to enroll in the state university system. Under these circumstances, and in relation to the growing population, we must realize that it is no longer a reality for the government alone to provide a high quality university education to all students who pass the Advanced Level.

Although eligible to enter a university, many young people are frustrated by the lack of space in the state university system and the lack of opportunity to even pay and pursue higher education in Sri Lanka. People with some means will even sell their parents' properties and go abroad to study. Others become helpless.

Instead of sending money abroad for our own children's education, we have lost the opportunity to attract foreign students to Sri Lanka through a high quality university system.

Many of the world's top universities are non-profit, non-governmental universities. All those universities offer scholarships to talented students for free education. This model, common to many countries in the world, is not adopted in our country.

If we create a more conducive environment for university education in our country, we will have the opportunity to attract world-renowned higher education institutions of international standard to Sri Lanka. Through this, the capacity of the university system in Sri Lanka can be increased and higher education opportunities can be provided to more people.

There is no reason, other than the traditional political ideologies, not to give this opportunity to the children of the country. If the country's legal framework needs to be changed to do this, it can only be done by this Parliament.

Therefore, I propose to this august assembly to discuss at length whether, while increasing the capacity of state universities, the establishment of high quality non-state universities in the country can be permitted.

Today the whole world is moving forward with technology. The use of technology in all fields is very important to achieve the development aspirations of our country.

Over the past two years, we have done a great deal to achieve the goal of creating a Sri Lanka that is technologically driven by a digital economy.

In coordination with all government agencies such as TRCSL, ICTA and CERT, we set up a separate Ministry of Technology to provide guidance and monitor their activities.

Internet and communication technology infrastructure is crucial for the digitization of any country. Therefore, we are expanding our FIBER and 4G networks to provide BROADBAND high speed internet access to all parts of the country.

More than 300 villages covering 8 districts have already been connected to these networks. In a very short period of time, we will expand FIBER and 4G networks to all parts of the island and provide BROADBAND high speed internet communication facilities to all schools, large and small.

During the Covid-19 pandemic, the rapidly developing infrastructure enabled people to work from home, continue their education online, and run their businesses online.

According to a recent International Telecommunication Union report, we are at the forefront of countries with the lowest communication fees.

Developed jointly by the Ministry of Education and ICTA to take the concept of free education to the digital space, *e-Thaksalawa* has been established as the official online education system in all schools. Completely free of internet service charges, this access is now open to the public university system as well.

The introduction of digital technology in public administration is another important step we have taken. Accordingly, the digitization process of government institutions in a number of priority areas, including health, agriculture and the judiciary, is already in full swing.

The project to introduce a digital identity card, long awaited by the public, is almost complete. The first steps in introducing this will begin this year.

During the last two years, a great deal of work has been done in the fields of education, higher education and technical education to create the necessary human resources and technological workforce for the digitization of Sri Lanka. We are working to build facilities at the national level so that young technologists can start and run businesses from anywhere in the country. Through the Digital Nomad Programme, we are working to develop the infrastructure so that not only local technologists but also technologists from abroad can be served overseas from any part of Sri Lanka.

We look forward to encouraging Sri Lankan innovation as well as bringing in foreign technology companies to Sri Lanka through the Technology Parks already under construction in Galle, Kurunegala, Kandy, Nuwara Eliya and Habarana.

In line with the rapid digitization, we are also working to update the relevant legal environment. The Cabinet has already approved the Data Protection Bill for the protection of citizen's data as well as the Cyber Security Bill for cyber security in Sri Lanka. A new legal framework to protect Sri Lanka's submarine cable system is also being drafted.

The Government is using state-of-the-art technology in the development of infrastructure in this sector in a manner second to none in the region. We hope to transform ICT / BPM businesses into a US \$ 3 billion export sector soon, thereby transforming future Sri Lanka into a technologically driven country. We also aim to create an environment where our future generation can compete with any country in the world through the use of new technology and their own creations.

We are a nation that has faced many challenges throughout history. We successfully overcame those challenges when the country had the proper leadership.

We have the ability to overcome the challenges we face even at this moment. I am ready to give the necessary leadership for it.

We are implementing the plans required to overcome the current challenges and build the prosperous country that the people expect.

Our goal is to make Sri Lanka one of the fastest growing countries in the region in the next few years. To this end, we are working to achieve definite growth in all three sectors - agriculture, industry and services

I need the support of you and the people to make our plans a success.

This country belongs to the people who live in the country today as well as in the future. We are only the present custodians of this country. The future of this country depends on how we act today. Hence we are all accountable for future generations.

Therefore, I hope that all those who love the country will extend their support at this time.

I thank you all.

Theruwana Saranai!