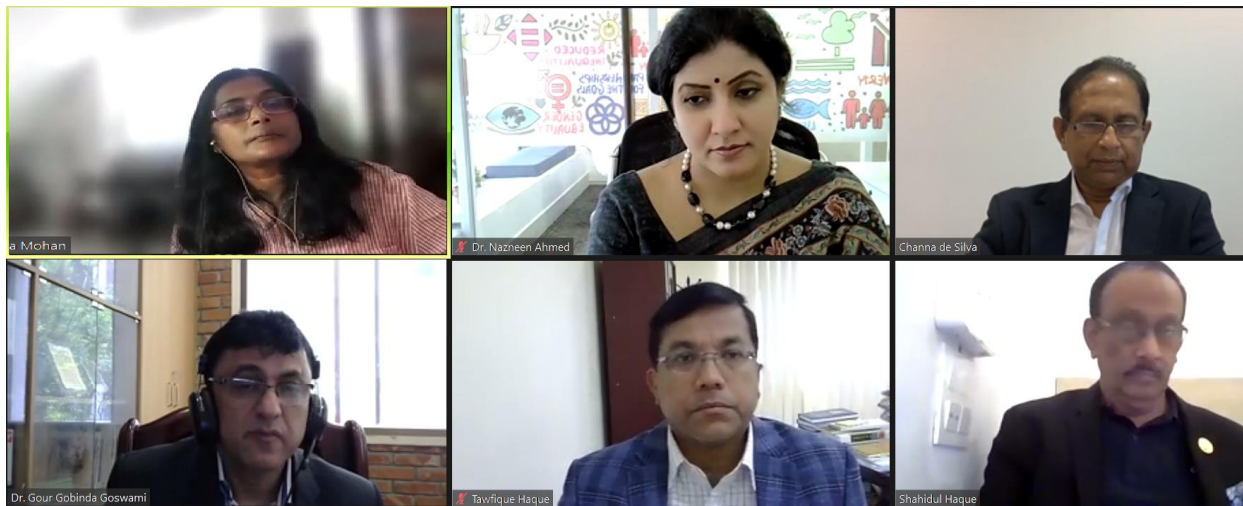


Mega Projects and Economic Crisis in Sri Lanka: What Lessons Bangladesh may take?

A webinar on "Current Sri Lankan Economic Crisis: Lessons for other South Asian Countries" was held on 24 April 2022, organized by the South Asian Institute of Policy and Governance (SIPG), North South University (NSU). The panelists from Sri Lanka were Mr. Channa De Silva, Chairman, Sarvodaya Development Finance, Sri Lanka; Ms. Sulochana R. Mohan, Deputy Editor, Ceylon Today, Sri Lanka; and from Bangladesh were Dr. Nazneen Ahmed, Country Economist, UNDP, Bangladesh and Amb. Shahidul Haque, Professorial Fellow, SIPG, NSU.

In his talk, Mr. Channa De Silva highlighted the root causes of the current economic crisis in Sri Lanka such as, huge investments in unproductive development projects, governance issues, corruption, mismanagements of funds, huge tax cut in 2019 which resulted in loss of 3 Billion USD, 90% drop in tourist income due to the terrorist attack and the pandemic, drop in remittances, inflation and currency depreciation due to money printing rather than seeking help to International Monetary Fund (IMF), and loosing 3 Billion of Chinese investment among others.



Ms. Sulochana R. Mohan focused on the political economy and governance aspects of the Sri Lankan economic crisis. She stated that populist policies like banning chemical fertilizers resulted in declined food production and tax cuts have reduced the revenue collection. And so many large projects without any return rather increased the foreign debts.

Dr. Nazneen Ahmed spoke on the lessons for South Asia and Bangladesh from this crisis. She underlined the need of accurately estimating demand for development projects as well as the project's gestation period. She also opined that Bangladesh must also consider the possibility of a future increase in the borrowing rate as the country's Per Capita Income (PCI) rises in order to maintain economic growth.

Amb. Shahidul Haque focused on the foreign policy aspects and lessons for other South Asian countries from this crisis. He opined that Sri Lanka has traditionally been a 'theater of geopolitics' in the region. He also stated that a government should not experiment too much with foreign policy during volatile times such as pandemics, which may have contributed to Sri Lanka's current condition.

The moderator of the webinar was Dr. Gour Gobinda Goswami, Professor, Department of Economics, NSU. Academics, researchers, diplomats, journalists, and students from home and abroad were present at the webinar.