

**ANNUAL REPORT &
AUDITED ACCOUNTS
2022 - 2023**

SRI LANKA - FRANCE BUSINESS COUNCIL

Of The Ceylon Chamber of Commerce



**CONTACT US:
SRI LANKA FRANCE BUSINESS COUNCIL
OF THE CEYLON CHAMBER OF COMMERCE**

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INTRODUCTION TO THE COUNCIL

The Sri Lanka – France Business Council was inaugurated on February 04, 2004, with the primary objective to promote trade, tourism investment and services between Sri Lanka and France and vice versa.

The Sri Lanka – France Business Council of the Ceylon Chamber of Commerce continues to act as the vital link between Sri Lanka and France businesses, to develop new initiatives and areas of corporation in terms of trade, tourism and investment. The SLFBC membership comprise a wide spectrum of companies both French and Sri Lankan engaged in infrastructure, logistics and services, financial services, tourism and leisure, import and export trading, manufacturing, ICT and telecommunication.

Objectives

- To promote trade tourism and other services between Sri Lanka and France and vice versa
- To encourage French investment and joint business ventures in Sri Lanka between French and Sri Lankan investors
- To exchange information on trade and investment with the appropriate bodies in France
- To conduct joint meetings with French business organizations in Sri Lanka and in France
- To serve as a recognized representative of business sector interests in Sri Lanka in matters concerning business relationships with France
- To promote Sri Lankan participation in trade fairs in France
- To cooperate with the Government of Sri Lanka in the pursuit of the above objectives
- To establish links with the Chambers of Commerce in France to cooperate with each other in the pursuit of each other's objectives
- To undertake all matters that are incidental or conducive to attaining the above objectives

Patron

His Excellency Eric LAVERTU
Ambassador for France to Sri Lanka and Maldives

President

Mr. Ashiq Lafir
Noyon Lanka (Private) Ltd

Vice Presidents

Mr. Andre Fernando
MAC Holdings (Pvt) Limited

Mr. Shaameel Mohideen
Spillburg Holdings (Pvt) Ltd

Committee

BoardPAC Global Innovation Center
CEVA Logistics Lanka (Pvt) Ltd
CMA-CGM Lanka (Pvt) Limited
Inter Air & Sea Logistics Co (Pvt) Ltd
Puritas (Pvt) Limited

Immediate Past President

Mr. Ikram Ghazali
CMA-CGM Lanka (Pvt) Limited

Invitees

Mr. Jean-Alexandre EGEA
Head of the Economic Department of Colombo
Directorate General of the Treasury
Embassy of France in Sri Lanka and the Maldives

Ms. Nilupul De Silva
Director – Investment Promotion
Board of Investment Sri Lanka

Ms. Yashika Malwatte
Assistant Director - EU Region
Sri Lanka Export Development Board

Mr. Viranga Bandara
Asst. Director – Promotions (French Market)
Sri Lanka Tourism Promotion Bureau

Secretariat

Ms. Niroshini Sivagananathan
The Ceylon Chamber of Commerce

MEMBERSHIP AS AT 31 MARCH 2023

AIR GLOBAL LTD

ALSTOM
APOGEE INTERNATIONAL (PVT) LTD
APPAREL TECHNOLOGIES (PVT) LTD
APS LOGISTICS INTERNATIONAL (PVT) LTD
AQUA PACKAGING (PVT) LTD

BOARDPAC (PVT) LTD

BOLLORE LOGISTICS LANKA (PVT) LTD

CARMART LTD

CEVA LOGISTICS LANKA (PVT) LTD
CHRYSO LANKA (PVT) LTD
CINNAMON GRAND COLOMBO
CINNAMON LAKESIDE COLOMBO
CMA-CGM LANKA (PVT) LTD
COLOMBO INTERNATIONAL CONTAINER
TERMINALS LIMITED
CONNAISSANCE DE CEYLAN TRAVELS (PVT) LTD

DARLEY BUTLER & CO. LTD

DELMEGE FORSYTH & CO. LTD
DIESEL AND MOTOR ENGINEERING PLC
DISTILLERIES COMPANY OF SRI LANKA PLC

E B CREASY & CO. PLC

EGIS INTERNATIONAL

FAVOURITE INTERNATIONAL (PVT) LTD

FREE LANKA TRADING CO. LTD
FREIGHT LINKS INTERNATIONAL (PTE) LTD

G E R S A R

GAIA GREENENERGY HOLDINGS (PVT) LTD

HATTON NATIONAL BANK PLC

HAYLEYS PLC

HELI ASSOCIATES (INTERNATIONAL) PVT LTD
HERITAGE TEAS (PVT) LTD

IINTER AIR & SEA LOGISTICS (PVT) LTD

INTERLANKA SERVICES PVT LTD
INTISSEL LANKA (PVT) LTD

JOHN KEELLS HOLDINGS PLC

JUST IN TIME TECHNOLOGIES (PVT) LTD

LANKA SPORTING GOODS (PVT) LTD

LION ROYAL (PVT) LTD

MAC HOLDINGS (PVT) LTD

MACK AIR (PVT) LTD
MACKINNON'S TRAVELS (PVT) LTD
MAS HOLDINGS (PVT) LTD
MOD' ART INTERNATIONAL

NATURES AGRO PRODUCTS LANKA COMPANY

NDO LANKA (PVT) LTD
NKAR TRAVELS & TOURS LTD
NOYON LANKA (PRIVATE) LTD

REAP DIGITAL (PRIVATE) LTD

SCHNEIDER ELECTRIC LANKA (PVT) LTD

SEKOK TRADE COMBINE (PVT) LTD
SERVIER INTERNATIONAL (SRI LANKA) REP
OFFICE
SHANTI ADVENTURE TOURS (PVT) LTD
SPILLBURG HOLDINGS (PVT) LTD
STAR TEXTILE PROCESSING INDUSTRIES
SUEZ INTERNATIONAL

SWISS CUT & DESIGN (PVT) LTD

UNIVERSAL TRAVEL BUREAU (PVT) LTD

TAL LANKA HOTELS PLC

WORLD TRAVEL CENTRE COLOMBO (PVT) LTD

THE KINGSBURY HOTEL

TRANSMEC ENGINEERING PTE LTD

ZAM GEMS (PVT) LTD

New Members

The following company joined the membership during the period under review:

1. JUST IN TIME TECHNOLOGIES (PVT) LTD

Cessations /Resignations

The Sri Lanka – France Business Council notes with regret that the membership of the following company was terminated during the period under review:

1. MAHAWELI MARINE CEMENT (PVT) LTD
2. ASSOCIATED MOTORWAYS (PRIVATE) LIMITED
3. DEBUG COMPUTER PERIPHERALS (PVT) LTD.
4. ACQUEST (PVT) LTD
5. STP HOLDINGS (PVT) LTD
6. ATLANTIC RIM (PVT) LTD
7. WICKRAMARATHNE INTERNATIONAL TRADING (PVT) LTD
8. CEYLON JEWELLERY MANUFACTURERS (PVT) LTD
9. BAGUETTE (PVT) LTD

18th Annual General Meeting of the Sri Lanka – France Business Council

The 18th Annual General Meeting of the Sri Lanka – France Business Council was held on the 30th of June 2022 at Hilton Colombo Residencies. His Excellency Eric LAVERTU, Ambassador of France and Patron of SLFBC graced the occasion as the Chief Guest.

Mr. Ashiq Lafir, CEO of Noyon Lanka (Pvt) Ltd was appointed as the President of the Council. Mr. Andre Fernando, Chairman/ Managing Director, MAC Holdings (Pvt) Ltd and Mr. Shaameel Mohideen, Director/CEO, Spillburg Holdings (Private) Limited were elected as the Vice Presidents of the council for the period 2022 – 2023.

The committee elected comprises, BoardPAC (Pvt) Ltd, CEVA Logistics (Pvt) Ltd, CMA-CGM Lanka (Pvt) Ltd, Inter Air & Sea Logistics (Pvt) Ltd and Puritas (Pvt) Ltd.

Immediate Past President, Mr. Ikram Ghazali, CMA CGM Lanka (Pvt) Ltd, Mr. Jean-Alexandre EGEA, Head of the Economic Department of Colombo & Directorate General of the Treasury, Embassy of France in Sri Lanka and the Maldives, Ms. Nilupul De Silva, Director – Investment Promotion, Board of Investment Sri Lanka, Ms. Yashika Malwatta from Export Development Board Sri Lanka, Mr. Viranga Bandara, Asst. Director, Sri Lanka Tourism Promotion Bureau also serve in the committee.



Standing from left to right: Mr. Geeshan Wijenayake, Mr. Roshan Dharmasena, Mr. Kingsley Abeywickrama, Mr. Manura Wickramasinghe & Ms. Niroshini Sivaganathan
Seated from Left to right: Mr. Jean-François Ambrosio, Mr. Shaameel Mohideen, H.E. Eric Lavertu, Mr. Ashiq Lafir & Mr. Ikram Ghazali

Business Networking with the Ambassador Jean-François PACTET.

A meeting was held between His Excellency Jean-François Pactet, Ambassador for France, and the Sri Lanka France Business Council (SLFBC) of the Ceylon Chamber of Commerce. The purpose of the meeting was to discuss France's support for Sri Lanka in its endeavors to restructure its debt and stimulate economic recovery. The meeting was attended by Ambassador Designate of Sri Lanka to France, Mrs. Manisha Gunasekera, members of the French business community, and Sri Lankan partners of French companies.

Speaking on France's Support for Sri Lanka's Economic Recovery, Ambassador Pactet emphasized France's commitment to assisting Sri Lanka in its economic recovery efforts. He highlighted the significant contributions France has made and continues to make in various sectors including water, energy, urban development, agriculture, and renewable energy. The Ambassador acknowledged the potential for French companies to contribute to the Sri Lankan economy in sectors such as logistics, digital technologies, and health.

Mr. Ashiq Lafir, President of the SLFBC, provided an overview of the council's mission and initiatives aimed at promoting bilateral trade and investment between France and Sri Lanka. He briefed the Ambassador on the ongoing efforts to strengthen business linkages between the two countries.

During the meeting, a roundtable discussion took place to explore the potential for further developing business linkages between France and Sri Lanka. The participants also addressed the challenges associated with bilateral trade and investment within the current economic context. Furthermore, the role of the private sector in overcoming these challenges was discussed.



Wine Evening 2023

The Sri Lanka - France business council and the European Chamber of Commerce of Sri Lanka (ECCSL) co-organized the "wine evening 2023" on Thursday February 16, 2023 at Galle face hotel, with the support of the economic section of the French embassy in sri lanka.

French Ambassador Jean-François Pactet was the guest of honor at the event and recalled the intensity of Franco-Sri Lankan cooperation in strategic sectors such as water, energy, agriculture and environmental protection, before calling for the maintenance and intensification of this cooperation in the years to come.

A ceremony was held during which SLFBC President Ashiq Lafir and ECCSL President Hatem Rajabdeen signed a Memorandum of Understanding towards enhanced cooperation and synergies between the two organizations.

The event, which was attended by Sri Lankan officials such as the Governor of the Central Bank and the Secretary of State for Foreign Affairs, aimed primarily to promote French culture in Sri Lanka and to encourage exchanges between more than 200 institutional and economic actors gathered in the Jubilee Ballroom.

The participants had the opportunity to taste French wines, selected in order to promote the know-how of French winegrowers.

This was followed by a fashion show organized by the Mod'Art International school of fashion, based both in Paris and Sri Lanka. About thirty student models and stylists presented original creations, inspired by the House of Schiaparelli and the work of Frida Kahlo.

Guests were also able to enjoy a variety of French-inspired dishes as well as a musical performance by the Venus Jazz Collective. The evening ended with a raffle that included the distribution of several prizes, including bottles of French champagne. The Beaujolais Nouveau wine for the event was exclusively air-freighted by Free Lanka Trading/WS23, who have been partnering with the SLFBC annually to bring down the latest release of Beaujolais Nouveau wines. "Visit to the Port of Colombo"



Dissemination of Trade Related information

Trade Fairs, Exhibitions and Trade Enquiries are considered as vital trade promotion tools and realizing their importance, the Council kept the membership informed. The Council continued to keep the members updated with current trade related information via Circulars.

Trade Enquiries received from France through various sources such as the Sri Lankan Embassy in France and the French Trade Commission in Colombo have been published in the Business Opportunities Bulletin (BOB) of the Ceylon Chamber of Commerce

SECRETARIAT

The Ceylon Chamber of Commerce provided Secretarial Services to the Council during the period under review.

AUDITORS

M/s. KPMG Sri Lanka was elected Auditors of the Council.

The Audited Statement of Accounts of the Council for the period 2022 – 2023 is annexed.

By order of the Committee



**Nirosini Sivaganathan
For Secretary**

**SRI LANKA - FRANCE BUSINESS COUNCIL
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED
31 MARCH 2023**



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INDEPENDENT AUDITOR'S REPORT

TO THE EXECUTIVE COMMITTEE OF SRI LANKA – FRANCE BUSINESS COUNCIL

Opinion

We have audited the statement of receipts and payments (“the Statement”) of Sri Lanka – France Business Council (“the Council”), for the year ended 31 March 2023 and notes to the statement of receipts and payments.

In our opinion, the accompanying statement presents fairly, in all material respects, the receipts and payments of the Council for the year ended 31 March 2023 in accordance with the receipts and payments basis of accounting described in Note 2.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the council in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters – Basis of Accounting and Restriction on Distribution

We draw attention to Note 2 to the Statement, which describes the basis of accounting. The Statement is prepared to provide information to the Executive Committee of Sri Lanka – France Business Council. As a result, the Statement may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Executive Committee and Those Charged with Governance for the Statement

The Executive Committee is responsible for the preparation and fair representation of the Statement in accordance with the receipts and the payments basis of accounting described in Note 2; this includes determining that such receipts and payments basis of accounting in an acceptable basis for the preparation of the statement in necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

In preparing the statement, The Executive Committee responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Executive Committee either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

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C.P. Jayatilake FCA
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R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA
Principals - S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA,
Ms. F.R. Ziyad FCMA (UK), FTII



Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the statement.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standard web site at: <http://slaasc.com/auditing/auditorsresponsibility.php>. This description forms part of our auditor's report.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka
14 June 2023

**SRI LANKA - FRANCE BUSINESS COUNCIL
STATEMENT OF RECEIPTS AND PAYMENTS**

For the year ended 31 March,

	2023	2022
	<u>Rs.</u>	<u>Rs.</u>
Receipts		
Subscription income	210,000	250,000
Entrance fees	12,000	-
Investment income	143,980	146,634
Income received in connection with:		
- Beaujolais 2021	-	543,000
- AGM Participation fee	-	10,000
Total receipts	<u>365,980</u>	<u>949,634</u>
Payments		
Printing and stationery	3,829	296
Postage	2,030	1,005
Sundry expenses	13,866	3,994
Audit fees	45,952	37,692
Expenses paid in connection with:		
- AGM expenses	113,000	1,000
- National day supplement	-	32,400
- Beaujolais 2021	-	605,500
Secretarial fees	163,536	142,776
Communication cost	30,000	18,000
Tax advisory services	14,500	24,000
Web site maintenance	6,500	-
Income tax	32,886	28,581
Entertainment and refreshments	-	45,804
Total payments	<u>426,099</u>	<u>941,047</u>
Net (payments)/receipts during the year	<u>(60,119)</u>	<u>8,586</u>

Note 1 - All the receipts and payments of the Council are done through the current accounts of The Ceylon Chamber of Commerce. Therefore the balance reflects the Council's cash at bank balance.

Amount due from The Ceylon Chamber of Commerce	355,634	415,753
Fixed deposits held on behalf of the Council by The Ceylon Chamber of Commerce:		
- National Development Bank	2,090,259	2,090,259
	<u>2,445,893</u>	<u>2,506,012</u>

Note 2 - Basis of preparation

The Council's policy is to prepare the accompanying statement on the receipts and payments basis. On this basis revenue is recognised when received rather than when earned, and expenses are recognised when paid rather than when incurred.

The Executive Committee of the Council is responsible for the preparation and presentation of the Statement of Receipts and Payments.

For and on behalf of the Committee of the Sri Lanka - France Business Council:

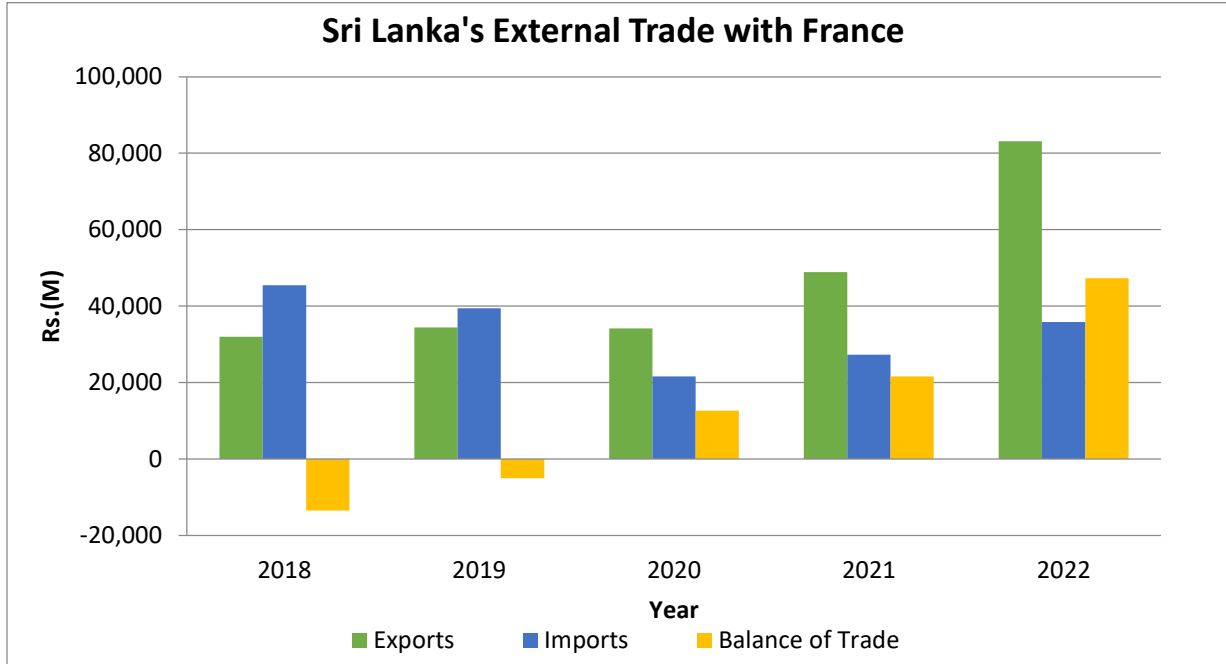
.....
Ashiq Lafir
President
Sri Lanka - France Business Council

.....
Andre Fernando
Vice President
Sri Lanka - France Business Council

14 June 2023
Colombo

TRADE BETWEEN SRI LANKA AND FRANCE

SUMMARY OF EXTERNAL TRADE WITH FRANCE 2018 – 2022



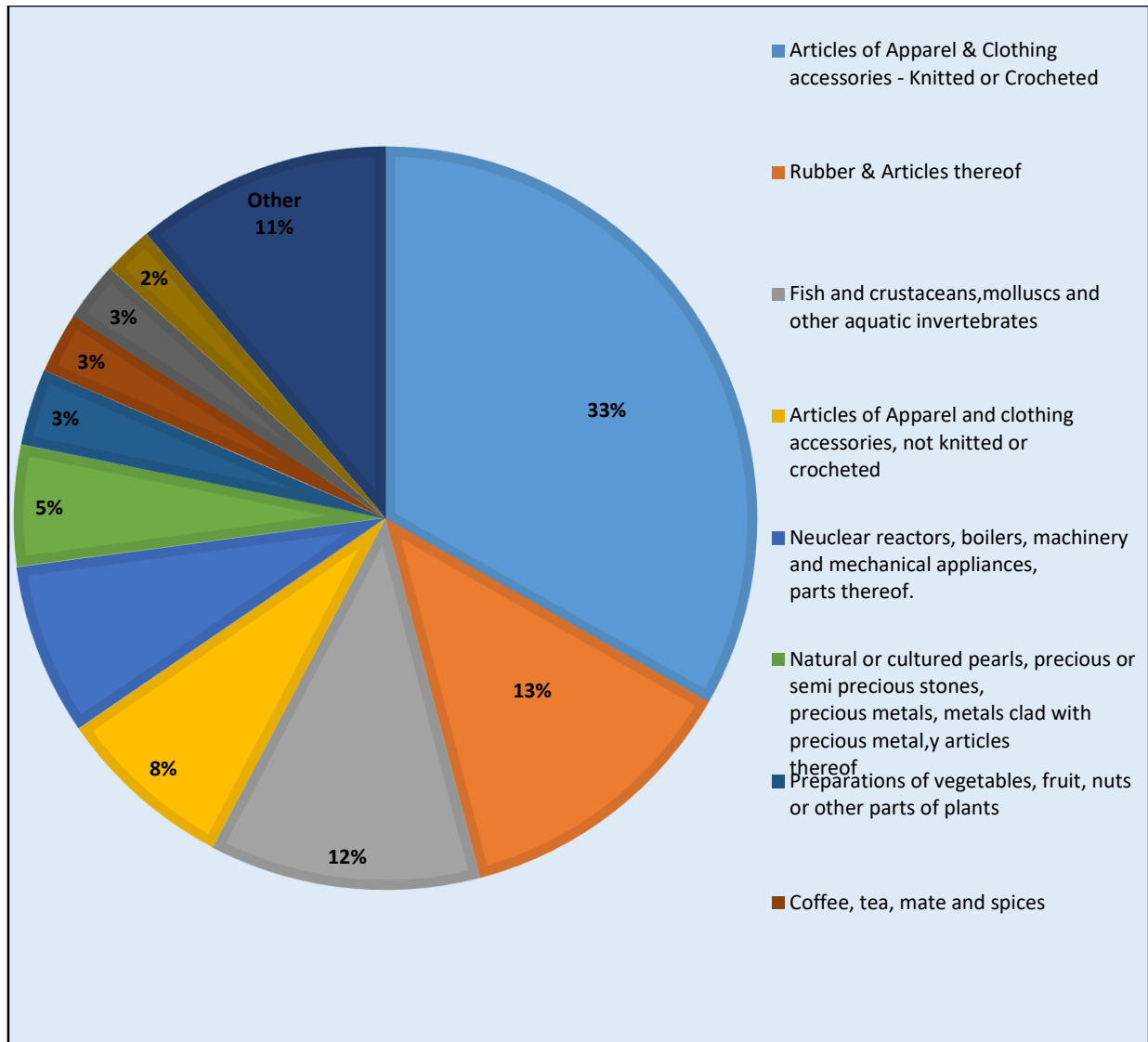
Rs.M			US\$M.		
Year	Exports	Imports	Year	Exports	Imports
		Balance of Trade			Balance of Trade
2018	31,983	45,453	2018	196.77	279.64
		(13,470)			(82.87)
2019	34,421	39,425	2019	192.53	220.52
		(5,004)			(27.99)
2020	34,183	21,577	2020	184.26	116.30
		12,607			67.96
2021	48,931	27,333	2021	246.03	137.44
		21,597			108.60
2022	83,115	35,840	2022	256.09	110.43
		47,275			145.66

Percentage share of France in total trade of Sri Lanka

	Exports %	Imports %
2018	1.62	1.27
2019	1.61	1.13
2020	1.73	0.75
2021	2.01	0.69
2022	2.01	0.66

Main Items Exported from Sri Lanka to France – 2022

Apparel & Clothing products dominate exports revenue of 33% from France with rubber products earning 13% and Fish & crustaceans earning 12% of the revenue. Nuclear reactors, boilers, machinery and mechanical appliances, account for 3% while other items bring in a revenue of 11%.

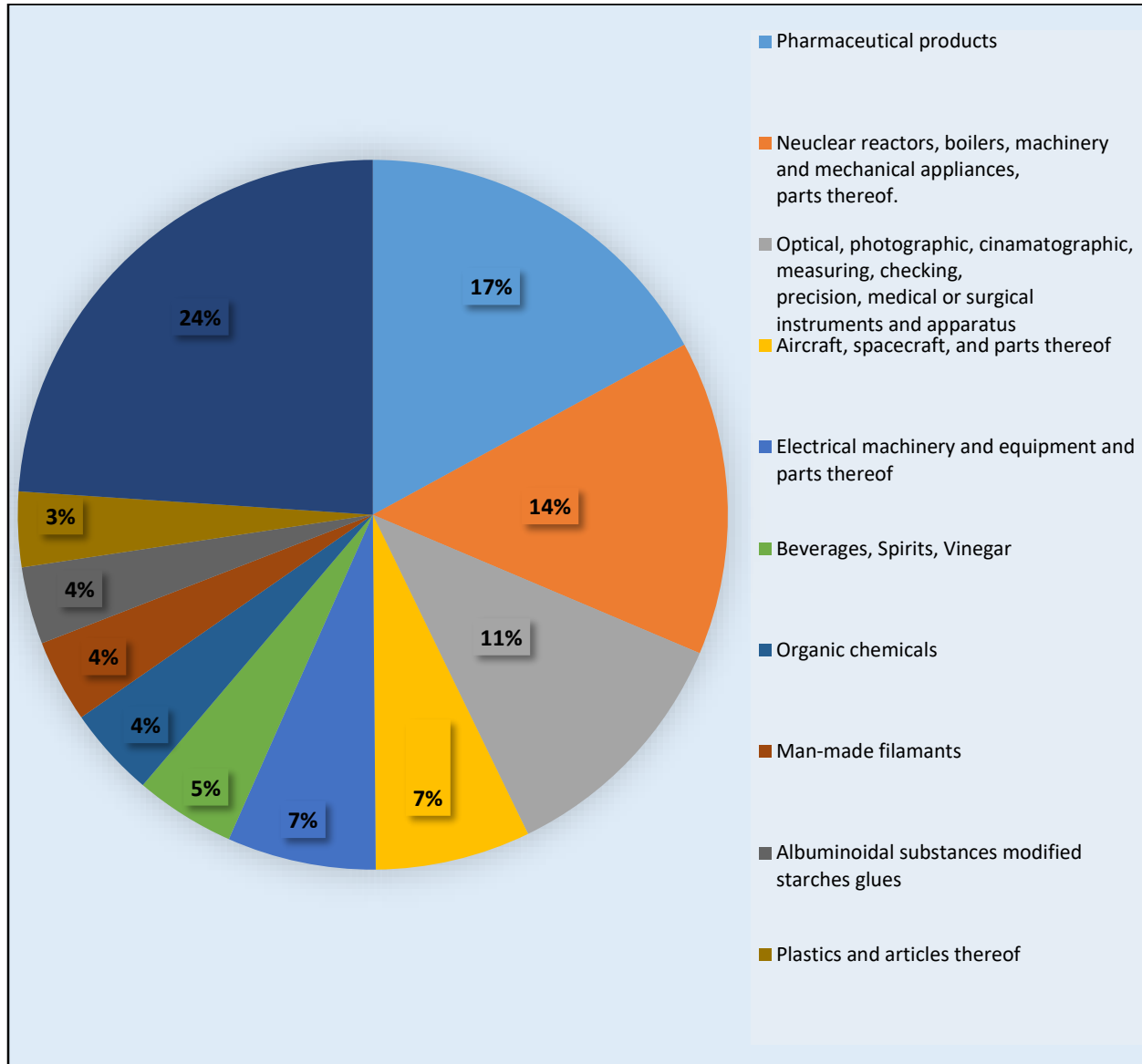


Rate of exchange average 2022 - us \$ 1 = Rs. 324.55

Source: Central Bank of Sri Lanka

Main Items imported to Sri Lanka from France – 2022

Pharmaceutical Products account to the largest share of imports being 17% followed by Neuclear reactors, boilers, machinery and mechanical appliances, parts thereof and Optical, photographic, cinematographic, measuring, checking with 14% & 11% shares respectively. Sri Lanka also imports Beverages, Spirits, Vinegar from France which is 5% of the total imports.



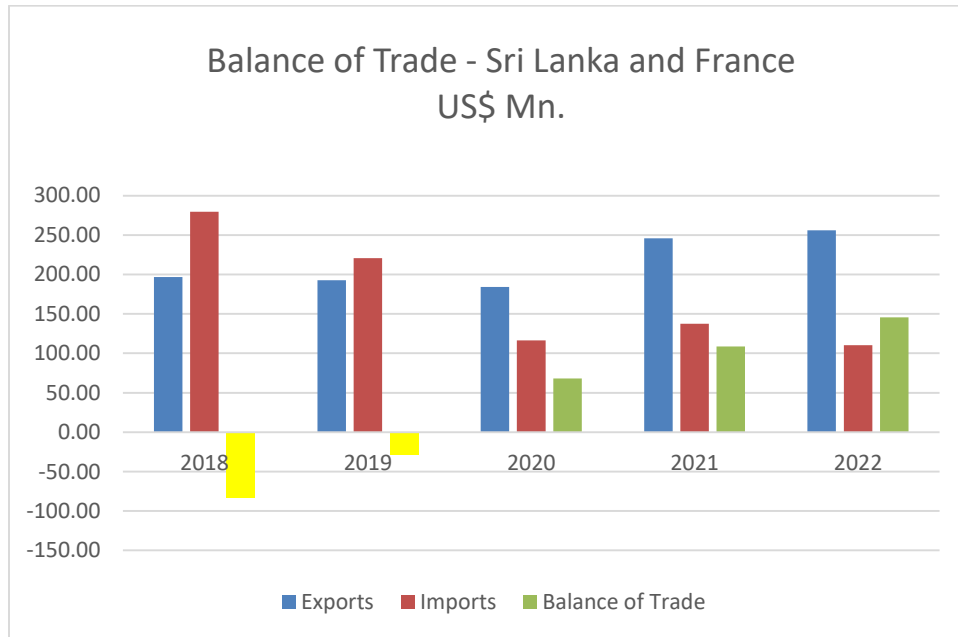
Rate of exchange average 2022 - us \$ 1 = Rs. 324.55

Source: Central Bank of Sri Lanka

Balance of Trade – Sri Lanka and France

Exports from Sri Lanka has seen an increase during 2018 to 2022, from USD 197 million to USD 256million while Imports record a fall during the same period from USD 279 million to USD 110 million. Both exports and imports has experienced an increase compared to the last financial year.

Over the past 5 years Trade has experienced fluctuations in both export revenue and imports during the period of 2018 – 2022. The percentage of increase of the exports than the imports has resulted a trade surplus of 145.66 million in 2022.



Source: Central Bank of Sri Lanka Annual Report 2022

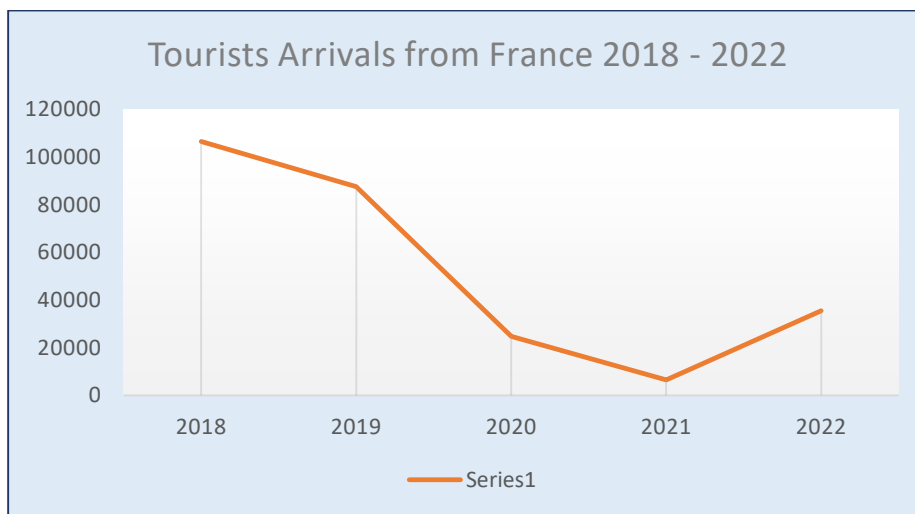
TOURISM

The tourism industry between France and Sri Lanka has witnessed significant growth in visitor arrivals over the last five years. Both countries have seen a steady increase in the number of tourists traveling between them, highlighting the growing interest and connectivity between the two nations.

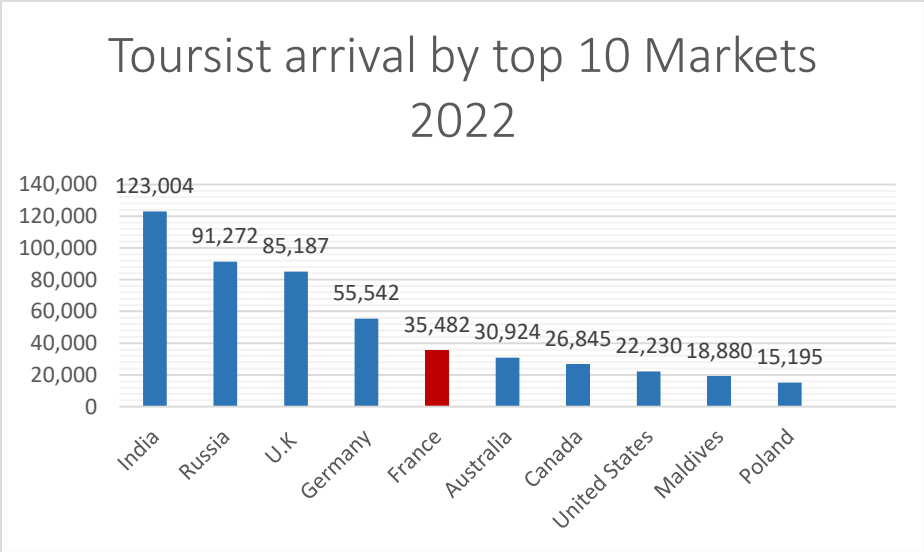
French visitors to Sri Lanka: Sri Lanka has become an increasingly popular destination among French travelers. The island nation's natural beauty, cultural heritage, and warm hospitality have attracted a growing number of tourists from France. The ease of obtaining travel visas and improved air connectivity have further contributed to this upward trend.

Tourism revenue: The increase in tourism between France and Sri Lanka has contributed positively to the economies of both countries. Tourism revenue from French visitors has had a significant impact on the local economies of popular destinations in Sri Lanka, providing employment opportunities and boosting local businesses. Similarly, the spending by Sri Lankan tourists in France has contributed to the French economy, particularly in the hospitality, retail, and transportation sectors.

Challenges: While the pandemic has posed temporary setbacks, the long-term prospects for tourism between France and Sri Lanka remain promising. It is crucial for stakeholders in both countries to continue working together to revive and strengthen this important sector for the benefit of both nations.



It is observed that Frances' share to total tourist influx to the country is recorded 4.9% which is a 1.5% increase compared to the last year. France holds the 5th position amongst the top 10 markets sourcing International Tourists.



Source: Sri Lanka Tourism Development Authority

Sri Lanka – France Business Council

of

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