

THE HON. RANIL SHRIYAN WICKREMESINGHE Prime Minister of the Democratic Socialist Republic of Sri Lanka

Your Excellency, President Joko Widodo, President of the Republic of Indonesia,
Your Excellency, Prof. Alpha Conde, President of Guinea
Your Excellency, Emomali Rahman, President of Tajikistan
Honourable Dato Najib Razak, Prime Minister of Malaysia,
Your Excellency Dr Jawad Al Anani, Deputy Prime Minister of Jordan
Hon. Tun Musa Hitam, Chairman of the World Islamic Economic Forum Foundation,
Distinguished Delegates and Friends.

Let me thank you at the outset for inviting me to this, the twelfth World Islamic Economic Forum in the dynamic city of Jakarta. This Forum takes place at a pivotal time for the Global Economy, which is still, 8 years after the event, coming to terms with the after-shocks of the Global Economic Crisis of 2008.

The Islamic nations of the world have, by and large, weathered this economic storm far better than other countries. Being blessed with a vast array of natural resources that have been judiciously harnessed to bring rapid economic and social progress to your societies, the Islamic crescent of nations stretching from Africa to South East Asia has seen progress and prosperity for several decades.

I come here from the multi-religious, multi-ethnic island nation of Sri Lanka, where there has been a co-existence and intermingling of the various sects and segments of the religions of Buddhism, Christianity, Hinduism and Islam for many centuries.

What brought together this rich and diverse mixture of faiths?

It was trade - the historical process whereby communities and nations establish bonds and augment their collective prosperity.

Thus, we saw the early Arabic traders dominating trade across the Silk Route and traversing the cusp of the Indian Ocean until around the 16th century when western European merchants started competing with them for a share of a burgeoning East-West trading relationship.

Similarly, an earlier historical development saw how the flow of goods overland and through sea routes scalloping between China, India and Europe, spread the teachings of the Buddha from Myanmar and the Sri Vijaya Empire to the furthest extremities of North East Asia.

We can easily surmise that the spread of the Buddhist and Islamic religions across Asia (carried largely by traders and merchants) added significantly to the widespread practice of tolerance, compassion, charity and inter-connectedness among religions, and societies, and cultures in this vast region.

Coming to the present time, we are witnessing momentous changes in the core structure of the global economy brought about by the relentless winds of globalization and the current manifestation of Western neo-liberalism. These changes will take years, if not decades to fully manifest their impact.

While the western nations will continue to dominate global trade and capital flows for many years to come, the persistent stagnation in real middle-class incomes in these developed nations looks set to persevere.

Yet the whole dynamic of West-East trade will become more complex as cheaper, younger and productive workers proliferate across emerging markets and turn into significant consumers of the goods and services that they produce.

Sitting astride the Atlantic and Indian Oceans and Central Asia, Islamic societies will be able to reap the advantages of rapidly growing populations connecting to the largest emerging consumer markets on earth - in China, India and Africa.

There will, of course, be innumerable challenges and opportunities thrown at us.

By harnessing the latest developments in science and technology and coupling these with the solid foundations laid by vigorous trading relations among our societies over several millennia, I am confident that good policies and strong leadership will be able to resolve these contemporary challenges. For instance, our youth have rising aspirations that continually challenge us in government - to deliver a productive environment to enhance livelihoods and bring them on par with developed societies. Digital literacy is key to providing viable options to fulfill their dreams and ambitions.

But alongside these challenges there are also many opportunities.

The most obvious opportunity staring at us in the face is the removal of the historical barriers to trade, which have impeded the growth of commerce between Africa, the Middle East and South and South East Asia.

We must not forget that a key driver of growth for the entire Asian region will be the expansion of intra-Asian trade in the coming century. And, I see significant advances in the liberalization of intra-Asian trade barriers in the coming decade. This will be primarily as a response to a slowing in demand for Asian exports in the West. But more importantly, it will also reflect the strong growth of individual consumer incomes throughout Asia.

Today, with a population of 1.7 billion and an impressive growth rate that the World Bank calls the highest in the world, South Asia is very much the place to be in.

While maximizing on the opportunities presented by Western economic policies, we also need to learn from our own cultures of Buddhism, Hinduism and Islam. For instance, there is much that secular states can learn from the principles of Islamic Commercial Law - in particular, the notion of fair industrial relations, the notion of fair contract, the notion of commercial integrity, and the notion of freedom from usury.

My country, Sri Lanka, pioneered economic liberalization in South Asia in the 1970s. Even at present, Sri Lanka enjoys the highest ranking for economic freedoms in the region.

Today, the National Government consisting of the country's two major political parties headed by His Excellency President Maithripala Sirisena is introducing a politics of convergence to consolidate democracy. This political initiative will bring about political stability and a bi-partisan agreement to formulate a stable economic and political framework - an urgent need given decades of highly partisan and parochial politics. In this background economic reforms in Sri Lanka have received a fresh impetus.

Sri Lanka has long been acknowledged as having the potential to become a geo-economic centre in the Indian Ocean. With this in mind, we are implementing the next round of macro-economic structural reform in conjunction with an ambitious programme of infrastructural development.

- Firstly, the Kandy-Colombo-Hambantota Corridor. This Corridor consists of a series of major infrastructure developments consisting of
- the Kandy City Expansion Programme,
- The North-Western Industrial and Tourism Development Programme will be the dynamo for employment and growth,
- The Western Megapolis Plan, which is designed to urbanize the entire Western Province, will make it an environmentally conscious, sustainable mega city of the 21st century (with a population of 8.5 million people).
- The Southern Tourism Infrastructure Development Programme centering on the historic city of Galle.
- The Hambantota Economic Development Programme, which will bring industrialization to the Southern territories and enhance its tourist potential. Incidentally Hambantota, in the southern tip of the island, is the historical port to which sampans arrived from the straits of Java and Malaya.
- Furthermore, 269 hectares is currently being reclaimed from the sea to become a Financial City. This will provide a base for logistical and financial services in South Asia, and will complement the chain of business hubs from Hong Kong, to Singapore to Dubai.
- These initiatives will be supported by two international airports in Mattala and Katunayake and two harbours in Colombo and Hambantota.
- Finally, the Government has also signed an agreement with Surbana Jurong Private Limited to prepare a master plan for the Trincomalee Economic Development Project on the East Coast.

Moving on to the trade front - we are currently navigating trade liberalization through a mixture of initiatives. We have undertaken several bilateral trade enhancement initiatives, which will accelerate Sri Lanka's access to the world's major markets. This is expected to reap maximum benefits taking into account existing global policy constraints.

The Governments of India and Sri Lanka will finalize the Economic Technology Cooperation Agreement (ETCA) by the end of the year.

The ETCA will enhance the scope of our existing economic partnership agreement to extend freer movement of goods and services with the added emphasis of cooperation in the development of technology.

We are also taking other trade liberalization measures such as:

- a. Negotiating with the EU for the reinstatement of the special trade concession afforded to Sri Lankan products in the single market - the GSP+.
- b. Finalising a Free Trade Agreement with China in 2017. This will connect us to the One Belt-One Road initiative.
- c. Negotiating a Free Trade Agreement with Singapore, which we plan to conclude very soon.
- d. Establishing closer Economic Cooperation with Japan.
- e. Expanding the existing trade treaties with our neighbours in South Asia.
- f. And we are also looking to explore trade agreements with other Bay of Bengal nations - Indonesia, Malaysia, Thailand and Myanmar, and West Asia.

I would like to conclude by proposing to you a vision of convergence for our future - a convergence of our heritages from our historic trading past, the multiple forces of globalization and secular western economic models, our own religious ethics and practices, and the challenges and opportunities of the present times that are inextricably interwoven with the future of Islamic and secular societies worldwide.

It is only through engaging in dialogue and accepting the convergences of these systems and cultures that we can enrich our own nations in a time when social equities and equalities of market economies as well as religious extremism have come to the forefront.

