



# THE SUNDAY ECONOMY

## Cabinet Decisions

1. A new unit for public-private partnerships will be established under the President's finance secretary
2. A task force led by the Prime Minister's secretary will drive digital transformation in education.
3. Sri Lanka will sign an MoU with the World Food Programme for a \$74.87 million strategic plan.
4. An MoU with Guatemala will create a five-year political consultation mechanism.
5. New industrial zones will be developed in Ingiriya and Raigam Milleniya to attract investment.
6. Underutilized government lands will be offered to investors with a Rs. 250 million allocation.
7. Expressions of interest will be called to lease the old Bogambara Prison land for 50 years.
8. A 2.5 km stretch of the Nikakadupola Canal will be declared a sanctuary for rare fish.
9. A Metro Bus Unit will be formed to introduce modern buses for urban transport.



## Sri Lanka's Remittances and Tourism Revenue Show Strong Growth in Early 2025

Sri Lanka's economy received a significant boost in early 2025 as worker remittances and tourism earnings demonstrated robust growth, providing crucial foreign exchange during the country's ongoing economic recovery.

Sri Lankan workers overseas sent home more than \$3.1 billion in the first five months of 2025, marking an impressive 18.2% increase compared to \$2.6 billion during the same period in 2024. This surge represents a continuation of the upward trajectory that began after the Central Bank abandoned its parallel exchange rate regime, encouraging expatriates to use formal banking channels rather than informal transfer method.

May 2025 alone witnessed remittances of \$641.7 million, substantially higher than the \$544.4 million recorded in May 2024. This monthly figure reflects the sustained confidence of overseas workers in the formal banking system and the country's economic stabilization efforts.



10. Sri Lanka will host the SAARC Inter-Governmental Group on Transport meeting.
11. The Myliddi fishing harbour project will be extended to provide essential facilities by 2027.
12. Grants for displaced families' houses in the North and East will be increased.
13. An extra 270,000 vials of Meropenem Injection will be procured due to rising demand.
14. A committee will review the draft Employees Act to update labor laws.
15. A new Apartment Ownership Act will replace the expired special provisions act.
16. An agreement with Latvia will allow transfer of convicted offenders.
17. A draft Mediation Bill will be submitted to Parliament for civil and commercial disputes.
18. A draft bill will recognize sign language as a formal means of communication.
19. Mrs. Premachandra will be appointed as Director General of the Building Department.
20. Mr. Madanayake will be appointed as District Secretary/ Government Agent for Matale.
21. A task force will be appointed to revive the pig industry after African swine fever.
22. An import license will be issued for maize to ensure continuous Thripsha production.

Tourism also contributed significantly to foreign exchange earnings, with the sector generating over \$1.54 billion in the first five months of 2025, compared to \$1.40 billion in the corresponding period of 2024. Tourist arrivals reached 1,029,803 visitors during this period, representing a 14.8% increase from the previous year's 896,779 arrivals. May 2025 tourism revenue specifically reached \$164.1 million, a 6.6% increase from May 2024.

These positive developments underscore the resilience of Sri Lanka's external sector, with both remittances and tourism serving as vital pillars supporting the country's economic recovery following the unprecedented crisis of 2022. The consistent growth in both sectors reflects improved confidence in Sri Lanka's economic trajectory and the effectiveness of policy measures implemented by the Central Bank of Sri Lanka.

-Editor -

## Weekly CSE Summary

The Colombo stock market on Friday reversed two days of sharp gains, ending the session in negative territory but still closing the week higher overall. The benchmark ASPI and S&P SL20 indices both lost about 0.2%, with turnover at Rs. 4.22 billion involving over 189 million shares. For the week, the ASPI rose 3.2% and the S&P SL20 gained 3.9%, averaging a daily turnover of Rs. 6.08 billion.

Foreign investors remained cautious, recording a net outflow of Rs. 56.2 million. The ASPI dropped 40 points to settle at 17,394, with a sharp downturn in late trading driven by profit-taking and retail selling pressure, while high net worth investor participation was muted. Key banking and diversified stocks such as SAMP, COMB, HAYL, CARG, and BIL contributed to the decline. The Capital Goods sector led turnover (18%), followed by Materials and Diversified Financials (29% combined).

Notable gains included Hayleys Fabric (+Rs. 2.60), Pan Asia Banking Corp (+40 cents), and Lanka Milk Foods (+Rs. 1.70). John Keells Holdings edged up 10 cents to Rs. 21.90. The session reflected cautious sentiment amid global uncertainties.

-editor-

### Weekly Indices

#### ASPI

**17394.45 + 539.65**

#### S&P SL 20

**5175.95 + 194.38**

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## Historical events

**June 8, 1937:** The first international commercial flight across the Atlantic by a Pan American Airways flying boat takes off from New York, marking a milestone in global air travel and economic connectivity.

**June 9, 1898:** China leases the New Territories to Britain for 99 years under the Second Convention of Peking, a significant event in international trade and territorial economics in East Asia.

**June 10, 1924:** Ford Motor Company manufactures its 10 millionth Model T.

**June 11, 1963:** Vietnamese Buddhist monk Thich Quang Duc immolates himself in protest against religious persecution by the South Vietnamese government, an event that draws worldwide attention to the conflict.

**June 12, 1929:** Anne Frank is born in Frankfurt, Germany; her diary will later become one of the most powerful accounts of life during the Holocaust.

**June 13, 1944:** Germany launches the first V-1 flying bomb attack on London, marking the start of a new era in guided missile warfare.

**June 14, 1777:** The Continental Congress adopts the Stars and Stripes as the official flag of the United States, a symbol of national identity and unity.

## India becomes 4th largest economy

India's claim of becoming the world's fourth-largest economy has sparked celebration, though IMF data shows it's only on track to surpass Japan in 2025. The country's rapid GDP rise, driven by demographic strength, tech and service expansion, and rising consumption especially in rural areas supports this trajectory.

Experts highlight that India benefits from favorable conditions like lower oil prices and a growing investor appetite. However, per capita income remains low, and significant gaps persist in infrastructure, education, and policy execution. Economists urge focused reforms, sector prioritization, and quicker policy rollouts to sustain growth. Meanwhile, India's iPhone exports to the U.S. surged as China's declined, amid geopolitical trade shifts. A potential U.S.-India trade deal looms, though GM crop imports remain banned. Market-wise, Indian stocks are stable, and the bond yield is slightly down.

Goldman Sachs forecasts India's oil demand to grow fastest globally over the next two decades. -CNBC-

## Ford Motor Company

Ford Motor Company, founded in 1903 by Henry Ford and a group of investors, is an American multinational automaker headquartered in Dearborn, Michigan. The company revolutionized the automotive industry by introducing the Model T, the first affordable mass-produced car, and pioneering the moving assembly line, which drastically reduced production time and costs.

These innovations made automobile ownership accessible to millions and transformed global manufacturing practices. Ford has remained a major producer of cars, trucks, and commercial vehicles, with iconic brands including Ford and Lincoln, and has played a significant role in shaping modern transportation and industry worldwide.



## World Column

### NYSE weekly summary

May closed strongly, with the S&P 500 up 6.2% for the month and 1.5% on the week, finishing near 6,000. A solid jobs report helped offset early-week uncertainty triggered by new U.S. steel and aluminum tariffs and renewed trade tensions with China. Economic data released throughout the week indicated a moderation in U.S. activity, consistent with prior expectations of a slowdown post-tariff implementation. Despite this, equities advanced, suggesting markets are pricing in a softer growth phase.

Trade developments were a focal point. The U.S. expressed concern over China's compliance with rare earth export commitments, while China opposed U.S. tech export restrictions. A much-anticipated call between Presidents Biden and Xi occurred Thursday, with follow-up trade talks set for Monday. Progress was also seen in U.S. negotiations with India, Japan, and the EU, although key differences remain unresolved.

Global markets were mostly higher. Europe's DAX hit all-time highs, and the ECB cut rates. Asia gained broadly, led by South Korea. China granted rare earth export licenses to U.S. automakers, despite weak manufacturing PMIs. Japan lagged slightly, while emerging markets saw strong performance.

**DOW 42,763 (+443),  
S&P 500 6,000 (+61),  
Russell 2000 2,132 (+35),  
NYSE FANG+ 14,185 (+91),  
ICE Brent Crude \$66.57/barrel (+\$1.23),  
Gold \$3,333/oz (-\$42),  
Bitcoin ~104.4k (+2889)**

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