

**The Current Crisis: The role of Macro-stabilization, Trade and Investment Reforms**

**Press Release**

Sri Lanka is in the midst of its greatest economic catastrophe. This situation has been precipitated by apparent macroeconomic imbalances coupled with slow growth, considerable fiscal deficit, a large balance of payment deficit and high external debt, which have inflamed for years. There is no alternative now, but to adopt a comprehensive economic agenda to tackle the economic crisis. In this context, Institute of National Security Studies (INSS), the premier think tank on national security established under the Ministry of Defence organized a Round Table Discussion to provide a deep evidence-based analysis of the sources of these structural issues and the way forward. This Round Table Discussion under the theme “The Current Crisis; The Role of Macro-stabilization, Trade and Investment Reforms” was held via Zoom on Tuesday, the 26<sup>th</sup> of April 2022, from 1400hrs -1530hrs (IST). The audience consisted of ministry officials, policymakers, researchers, academics and military officers representing the Sri Lankan armed forces. The discussion was moderated by Professor Rohan Gunaratna, Director General of Institute of National Security Studies. He opened the discussion by adding his insights on how the world’s threat landscape has evolved. He stated that non-traditional threats have become a major concern in the current context.

The first speaker of the event was Dr. Nihal Pitigala, Lead Economist, WBD & InReach Global. His discussion resurfaced notably in the latest International Monetary Fund (IMF) and debt discussion, which is a structural issue involving Sri Lanka’s trading framework and trade policies. He further added that the trade portal and international single window are key protocols to be followed. The importance of manufacturing and identifying modest adjustments that could be implemented in both trade and Foreign Direct Investment (FDI) also brought into light by Dr. Pitigala. Dr. Ganeshan Wignaraja, Former Executive Director at Lakshman Kadirgamar Institute (LKI) was the second speaker. He began the discussion by explaining the debt and economic predicament in the country. According to Dr. Wignaraja, Sri Lanka requires a comprehensive economic agenda. He further mentioned the economic outlook of the country. He concluded his presentation by drawing attention to some lessons that other countries can take from Sri Lanka’s prevailing crisis.

The session was followed by an interesting and interactive Q and A session, which generated a great discussion between the speakers and the audience. After making his concluding remarks, the moderator, Professor Rohan Gunaratna brought the event to a closure.