

Speech by Mr. K. M. Mahinda Siriwardana, Secretary to the Treasury and the Ministry of Finance, Economic Development, Policy Formulation, Planning and Tourism at the "2024 China Aid Training Alumni Reception", organized by the Embassy of the People's Republic of China in Sri Lanka and held at the Kingsbury Hotel, Colombo on 30th October 2024

His Excellency the Ambassador, Mr. Qi Zhenhong, Economic and Commercial Counsellor, Mr. Tang Yandi, officials of the Embassy of the People's Republic of China in Sri Lanka, representatives from government organizations, esteemed guests, and fellow participants..." *Good evening, everybody...!*

We all know that today is an exceptional day. **The focus of this event is the celebration of the alumni from previous training programs offered by the People's Republic of China.** Some of the successful participants will showcase their talents and share their inspiring success stories with us. Additionally, we hope to enjoy traditional Chinese performances as well.

It is a well-known fact that **Sri Lanka and China have a longstanding friendship that dates back centuries, cultivated through extensive trade along the Maritime Silk Route and cultural exchange.** Sri Lanka was the first country in South Asia to recognize the People's Republic of China diplomatically in January 1950. Over the years, Sri Lanka-China relations strengthened through numerous high-level visits between the two countries.

At the outset, **I would like to express our sincere gratitude to the Government of China,** particularly the officials of the Embassy of the People's Republic of China in Sri Lanka, for their unwavering support in facilitating the successful participation of Sri Lankan public sector officials in various training programs in China over the past years.

You may be aware that **China is the government that offers maximum number of Training opportunities to Sri Lanka.** We have noted that, since its initiation, China has provided more than 8,000 training opportunities in various fields such as health, education, industry, and construction for public sector officials in Sri Lanka. It is impressive that Sri Lanka now receives nearly 1,000 training programs each year from the Chinese government.

Further, **we cannot forget that China's support for Sri Lanka has been instrumental in the country's development,** particularly in the realm of infrastructure and economic assistance. Over the years, China has invested billions of dollars in various projects, including ports. These investments aim to enhance Sri Lanka's logistical capabilities and boost its position as a regional trade hub.

Furthermore, **China has extended financial aid and loans to help Sri Lanka address its economic challenges, especially during times of crisis.** Overall, China's ongoing support plays a vital role in Sri Lanka's aspirations for economic growth and modernization.

China has also played a pivotal role in supporting Sri Lanka's debt treatment efforts in response to the unprecedented, deep and most complex economic crisis experienced since mid-2021. Exactly a year ago, in October 2023, China was the first among the official sector creditors to announce an Agreement in Principle (AIP) on the key financial terms for the treatment of debts owed by Sri Lanka to Exim Bank of China. Subsequently, following cordial and constructive discussions, the two sides reached a final agreement on debt treatment terms in June 2024, on the same day when a similar MoU was signed with the Official Creditor Committee (OCC) comprising 17 official sector lenders to Sri Lanka and co-chaired by France, India and Japan. Subsequently, following the agreement coming into force, Exim Bank of China became the first external lender to conclude the debt treatment process. Excellent progress has also been made on the debt treatment relating to China Development Bank (CDB). We are now in the final stages of finalizing Comparability of Treatment (CoT) matters for CDB relating to the OCC.

We all know how complex and technically challenging this debt treatment process has been, both in terms of ensuring compatibility with the IMF's Debt Sustainability Analysis (DSA) as well as ensuring Comparability of Treatment with other creditors. This was possible with Chinese lenders, given the mutual trust and good faith demonstrated by both sides.

Sri Lanka hopes that the debt treatment chapter will soon be closed, and we can resume a robust financial relationship, including fresh financing for high quality, priority projects.

I also wish to take this opportunity to thank all other official and private creditors as well who provided much needed assistance in taking Sri Lanka's debt treatment process forward, which is a critical step in her journey towards debt sustainability and economic prosperity, going forward.

Today, I believe a large number of officials and returning fellows are gathered here, and **I would like to congratulate all of you on your achievements in gaining exposure to Chinese experiences and learning.** I hope you feel equipped with enhanced knowledge, skills, and a positive attitude, and are ready to make a meaningful impact in your work by applying the best practices you have learned.

I urge you all to do so, as your contributions will ultimately help improve our country through the knowledge and skills you have acquired.

Finally, I would like to thank Officials of Embassy of the People's Republic of China for arranging this event and wish you a very successful move ahead.

Thank you.