

AHK SRI LANKA

Monthly Newsletter

OCTOBER 2024
VOLUME 60

**GERMANY'S
ECONOMIC SENTIMENT
IMPROVES**

**AHK SRI LANKA'S
INSIGHTFUL VISIT TO
WÜRTH LANKA**

**GERMAN BRANDS
DIRECTORY IS NOW
AVAILABLE FOR
PURCHASE!**



AHK

Delegation der Deutschen
Wirtschaft in Sri Lanka
Delegation of German Industry
and Commerce in Sri Lanka

 **Partner In Sri Lanka**



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ECONOMIC DATA OF SRI LANKA & GERMANY

Inflation in Sri Lanka

On year-on-year basis, National Consumer Price Index (NCPI) (2021=100) based headline inflation entered into negative territory recording a deflation of -0.2 per cent in September 2024 from 1.1 per cent in August 2024. Food inflation recorded 0.5 per cent, while Non-Food inflation recorded -0.7 per cent. Further, the NCPI based core inflation decelerated to 1.9 per cent in September 2024 from 2.3 per cent in August 2024.

Inflation in Germany

The inflation rate in Germany, measured as the year-on-year change in the consumer price index (CPI), stood at 1.6% in September 2024. At 1.9%, the rate of change in August 2024 had already dropped below the two percent mark, having reached 2.3% in July 2024.

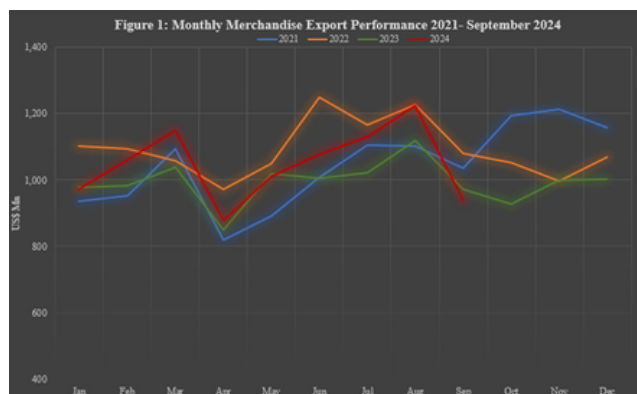


Sri Lanka Trade Statistics

As per the provisional data released by the Sri Lanka Customs, the merchandise export performance in September 2024 amounted to US\$ 937.95 million, recorded a decline of 3.49 % compared to the month of September 2023. This was mainly due to the decrease in earnings from export of Tea, Rubber based products, Electrical & Electronics and Seafood.

The estimated value of services exports for the month of September 2024 was US\$ 329.89 Million, increasing 6.08 % over the corresponding period of 2023.

Comparison of Monthly Merchandise Export Performance 2021 – September 2024



Manufacturing Purchasing Managers' Index



Services Purchasing Managers' Index



Germany Trade Statistics

On a calendar and seasonally adjusted basis, German exports to countries outside the European Union (third countries) were down 4.7% in September 2024 compared with August 2024. According to provisional data of the Federal Statistical Office (Destatis), Germany exported goods to the value of 57.2 billion euros to these countries in September 2024, after seasonal and calendar adjustment.

EU Trade Statistics

Exports to the European Union (EU) which accounts for 24% of Sri Lanka's exports, increased by 0.44 % y-o-y in September 2024. However, exports to EU decreased by 0.62 % during the cumulative period of January to September 2024.

Exports to the top five EU markets were recorded as; Germany US\$ 477.33 Mn (increased by 8.88 %), Italy US\$ 441.88 Mn (decreased by 12.9 %), Netherlands US\$ 285.57 Mn (increased by 15.88 %), France US\$ 199.24 Mn. (decreased 19.77 %) and Belgium US\$ 174.08 Mn (increased by 2.41%) during the cumulative period of January to September 2024 in comparison to the corresponding period in 2023.



Sri Lankan Global Exports (Source: EDB)



Apparel and Textile Exports

Export earnings from Apparel & Textile increased by 15.71 % y-o-y to US \$ 418.68 Mn in September 2024 compared to September 2023. Additionally, exports of Apparel & Textile to USA increased by 36.87 % in September 2024 compared to September 2023.



Coconut-based Exports

On monthly analysis, export earnings of Coconut based products increased by 10.36 % in September 2024 compared to September 2023. Moreover, export earnings of Coconut kernel products, Coconut fiber products and Coconut shell products increased by 9.29 %, 9.39 % and 814.8 % respectively in September 2024 compared to September 2023.



Rubber-based Exports

Export earnings from Rubber and Rubber finished products have decreased by 4.1 % y-o-y to US\$ 79.5 Mn in September 2024, with the negative performance in exports of Pneumatic & Retreated Rubber Tyres & Tubes (-12.19%).



Tea Exports

Export earnings from tea, which made up 12% of merchandise exports, decreased by 2.44 % y-o-y to US\$ 117.03 Mn in September 2024 compared to September 2023. This decrease is mainly due to the negative performance in the export of Bulk Tea (-10.26%).

TOURISM NEWS IN SRI LANKA

Tourist Arrivals in Sri Lanka

In September, Sri Lanka recorded 122,140 tourist arrivals, a 25.8% drop from August but a 9.1% increase compared to September 2023. This month marked the slowest growth rate of 2024. By the end of September, total arrivals reached 1,484,808, reflecting a steady recovery in the tourism sector. The decline from August can be attributed to seasonal factors, as travel typically decreases in September with the conclusion of summer vacations in major source markets. Additionally, the visa issuance crisis may have further impacted the arrival numbers, leading to lower-than-expected figures.



However, the 9.1% year-on-year increase compared to September 2023 highlights a positive recovery trend. This improvement may reflect Sri Lanka's ongoing efforts to boost tourism following challenges posed by the pandemic and other economic difficulties in previous years.

German Tourist Arrivals in Sri Lanka

In September, Sri Lanka's primary source markets were India, China, the United Kingdom, Germany and Australia with notable increases in visitors from these countries driving the growth of the tourism sector. The number of German arrivals in September 2024 were recorded as 8260, a share of 6.8%.



BUSINESS SITUATION IN ASIA-PACIFIC AT A RECORD LOW - INDIA SCORES

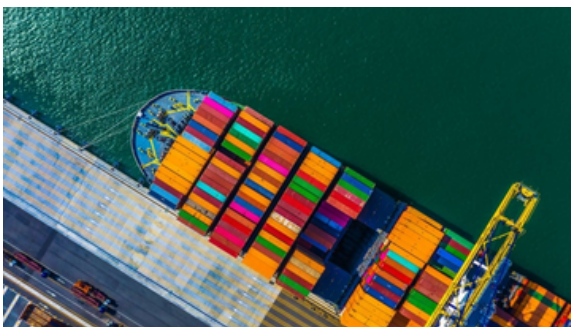


The current business situation of German companies in the Asia-Pacific region (excluding Greater China) reached a historic low in the fall of 2024. This is the result of a special analysis of the new AHK World Business Outlook (WBO) for the Asia-Pacific region.

Around 820 member companies from the Asia-Pacific region and Greater China participated in the semi-annual survey conducted by the German Chambers of Commerce Abroad (AHKs). The term Greater China includes the People's Republic of China, Hong Kong, and Taiwan, which form an economically connected unit.

Worse only during pandemic times

Just over one-third of the surveyed companies (35 percent) rate their current business situation as good, while 18 percent consider it bad. Only during the 2020 Covid-19 pandemic did businesses assess the local situation more negatively. Expectations for the local economy have dimmed compared to spring 2024. Nevertheless, just over half of the companies (51 percent) expect an improvement in their business over the next year. Only 8 percent anticipate a deterioration.



Confidence and high investment readiness in India

"Our companies in Asia-Pacific, despite the current downturn in many locations, remain undeterred and, on balance, are optimistic about the future," summarizes Volker Treier, Head of Foreign Trade at the Association of German Chambers of Commerce and Industry (DIHK), regarding the new results.

The confidence is particularly evident in India, where two-thirds of companies expect the local economic situation to improve over the next twelve months. India remains the driving force for investments in Asia-Pacific, with 51 percent of companies planning to increase investments over the next year. This makes India a major attraction for foreign – including German – investments, just behind the Philippines (52 percent).

In the Philippines, 58 percent of companies rate their current business situation as good (compared to 50 percent in 2023), while in Malaysia, 54 percent of companies share this positive outlook (2023: 39 percent). Both countries show significant improvement compared to the previous year.

Download the full report: [**AHK Asia-Pacific Business Outlook Fall**](#)

GERMANY'S ECONOMIC SENTIMENT IMPROVES, DAX INDEX HITS RECORD HIGHS



Germany's economic sentiment unexpectedly improved in October, marking a significant rebound from September's levels, driven by rising optimism around potential interest rate cuts and a better export outlook.

This uptick in sentiment, alongside a record-setting performance by the DAX index, signals a momentary halt in the downward trend that had been plaguing German economic morale. The ZEW Economic Sentiment Index, which tracks the expectations of financial market experts, climbed to 13.1 points in October from 3.6 points in September, surpassing analysts' projections of 10 points.

However, the assessment of Germany's current economic conditions continued to decline, with the relevant indicator dropping by 2.4 points to a stark minus 86.9 points. This suggests that, while there is optimism for the future, the present economic situation remains dire, with nearly 90% of survey respondents holding a negative view.

Despite starting from a low base, the uptick in sentiment reflects a hopeful outlook, driven by expectations of stable inflation rates and potential further interest rate cuts by the European Central Bank (ECB).



Professor Achim Wambach, President of the ZEW, also highlighted that positive signals from key export markets such as the United States, China, and the eurozone have also contributed to this renewed optimism.

"The increased optimism for China is likely linked to the Chinese government's economic stimulus measures. These developments have probably also contributed to the rise in economic expectations for Germany," he said.

Source: Euro News

NEWS FROM AHK SRI LANKA

AHK Sri Lanka's Insightful Visit to Würth Lanka

The Delegation of German Industry and Commerce in Sri Lanka (AHK Sri Lanka), in collaboration with its esteemed Premier Gold Partner, Würth Lanka (Pvt) Ltd, organized an enriching visit to the Würth office in Sri Lanka on the 28th of October 2024.

The event brought together members from the Construction, Investor, and Tourism Sector Committees of AHK Sri Lanka, providing a unique opportunity for insight and engagement. Participants had a chance to tour the Würth facility, where they learned about the company's innovative strategies for promoting its diverse range of products and services.

A key highlight of the discussion during the visit was the "Technipreneurs Lanka" project, launched in 2021. This initiative aimed to develop skilled, economically independent craftsmen across Sri Lanka, with AHK Sri Lanka serving as the certification partner. The attendees were encouraged to collaborate with Würth to revitalize this impactful project, aiming to enhance the skill set and economic independence of local craftsmen.

The event concluded with a lively cocktail reception, offering an excellent platform for participants to network and build connections. AHK Sri Lanka extends their heartfelt gratitude to Würth Lanka and all participants for making this event a resounding success. Together, AHK Sri Lanka looks forward to forging stronger partnerships and driving meaningful initiatives in the future.



THE GERMAN BRANDS DIRECTORY IS NOW AVAILABLE FOR PURCHASE!

This comprehensive guide features detailed listings of many German brands active in Sri Lanka, making it the perfect resource for businesses, professionals, and stakeholders looking to connect with industry leaders. Whether you're exploring new business partnerships, expanding your network, or seeking top-quality products and services, this directory is your gateway to success.



Standard Price:
LKR 15,000

Special Price for Committee
Members: **LKR 12,500**

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Are You Aware of the Demand for Sri Lankan Spirits?

The European market has shown a strong demand. Exhibiting at ProWein, the international trade fair for Wines & Spirits, will open doors for your business, providing valuable opportunities to connect with consumers and industry leaders, while expanding your reach.



 **16-18 March, 2025**

 **Düsseldorf, Germany**

**Contact Us to
Book Your Space**



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Lanka Hospitals Enhances its Neurosurgical Capabilities with DIMO Healthcare's ZEISS KINEVO 900 Installation

DIMO Healthcare, the healthcare arm of DIMO, who is also the authorized partner for ZEISS in Sri Lanka, is proud to announce the installation of the groundbreaking ZEISS KINEVO 900 at Lanka Hospitals. This sophisticated visualization system elevates the hospital's neurosurgical capabilities, ushering in a new era of precision and efficiency.

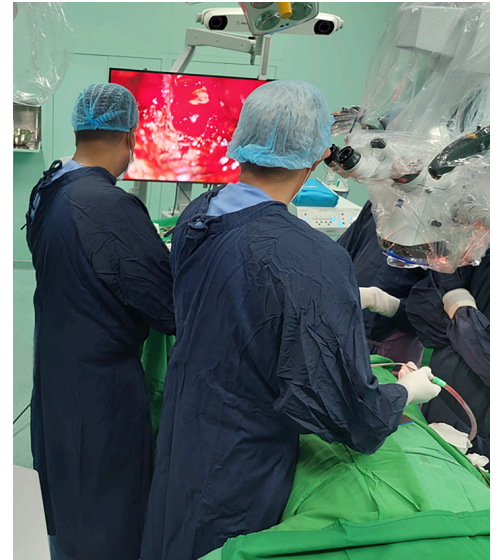
The ZEISS KINEVO 900 empowers surgical teams with exceptional real-time visualization. Surgeons, co-surgeons, assistants, and residents can all benefit from high-resolution images displayed on dedicated screens, fostering seamless collaboration within the operating room. Additionally, 3D glasses provide unparalleled depth perception, allowing for a more effective understanding of neuroanatomy.

Dr. Devika Kasturiarachchi, Head of the Surgical Department at Lanka Hospitals, said, "The acquisition of the ZEISS KINEVO 900 represents a significant leap forward in our neurosurgical capabilities. This innovative visualization system will empower our surgical teams to perform even the most delicate procedures with unparalleled precision. This investment underscores our commitment to providing exceptional patient care and elevating the standards of neurosurgery in Sri Lanka. We are confident that our partnership with DIMO Healthcare, a leader in medical technology, will play a pivotal role in achieving these goals."

A key feature of the ZEISS KINEVO 900 is the specialized robotic control system called PointLock. This innovative technology enables surgeons to maintain focus on a specific area within the surgical field, even while manoeuvring the microscope through a wide spherical arch. This ensures unwavering clarity throughout the procedure, minimizing the risk of errors during intricate manoeuvres.

The ZEISS KINEVO 900 goes beyond traditional surgical microscopes by offering a high-resolution 4K camera integrated with Digital Hybrid Visualization. This innovative technology facilitates heads-up surgery, freeing surgeons from the constraints of a traditional eyepiece and enabling a more natural posture and greater freedom of movement during the procedure. This wealth of continuously available visual information is crucial for informed decision-making during surgery. As a result, surgeries can be performed successfully, leading to faster recovery times, and a quicker return to a normal life for patients.

"DIMO Healthcare, a frontrunner in introducing innovative healthcare solutions, is honoured to partner with Lanka Hospitals in their journey towards adopting cutting-edge technologies," said Mr. Wijith Pushpawela, Director of DIMO and Director-in-Charge of DIMO Healthcare. "Together, we're committed to fuelling dreams and aspirations of the communities we serve by advancing Sri Lanka's healthcare sector to build a healthier nation", he added. DIMO Healthcare's commitment extends beyond supplying medical equipment and bringing the latest technologies. With its expertise in medical engineering, DIMO provides comprehensive after-sales service, including 24/7 access to essential spare parts and accessories, ensuring optimal equipment performance and uninterrupted surgical procedures.



SRILANKAN AIRLINES INTRODUCES NEW PRE-ORDER MEAL SERVICE 'SERENDIB DELIGHTS'

SriLankan Airlines has launched "Serendib Delights," a new pre-order meal service exclusively for Economy Class passengers. This enhancement allows travellers to select from a curated menu before their journey, providing an elevated onboard dining experience. With Serendib Delights, Economy Class passengers can choose from a variety of meals catering to different dietary preferences. The menu includes options like Salmon Steaks, Chicken Lamprais, Fillet Steaks, Fish Fritters, Beef Burgers, Seafood Pies, and authentic Arabic, Western, and Indian breakfasts. Each meal is carefully prepared using fresh, high-quality ingredients to create a delightful culinary experience. The menu also offers vegetarian, vegan, and gluten-free options, ensuring that all passengers can find something to enjoy. All meals provided from Colombo and many other locations across the SriLankan network are Halal Certified.

Passengers can easily pre-order their Serendib Delights meal at least 48 hours before departure by visiting the SriLankan Airlines website, contacting the 24-hour contact center at 1979 (within Sri Lanka) or +94 777 77 1979 (outside Sri Lanka), or speaking with their travel agent. In addition to Serendib Delights, passengers can enhance their journey with other value-added services such as neighbour-free seats, extra legroom seats, advance seat reservations, travel insurance, prepaid extra baggage, special occasion cakes, or by bidding for Business Class seats through the SriLankan Airlines website. To explore the Serendib Delights menu, visit Serendib Delights Menu or use the SriLankan Airlines mobile app.



SRI LANKA NO LONGER REQUIRES A REFERRAL VISA FOR ENTRY INTO TANZANIA



Sri Lanka has officially been removed from Tanzania's referral visa list, a status held for over two decades. This change is the result of consistent diplomatic efforts by Sri Lanka's Ministry of Foreign Affairs and the High Commission in Kenya, along with high-level discussions with the Tanzanian government. Consequently, Sri Lankans can now apply for regular visas online, bypassing the extra steps, procedures, and extended waiting periods previously required under the referral visa process.

This development will greatly facilitate travel and improve convenience for Sri Lankans visiting Tanzania for business, tourism, or other purposes. The High Commission expresses its sincere appreciation to the Tanzanian government for this positive change and reaffirms its commitment to further strengthening bilateral relations between the two nations. This milestone underscores the strong partnership and mutual respect between Sri Lanka and Tanzania.

Beyond Borders: Tailored Tours to Explore Destinations



AZERBAIJAN
5N/6D
LKR 462,000



EGYPT
9N/10D
LKR 765,000



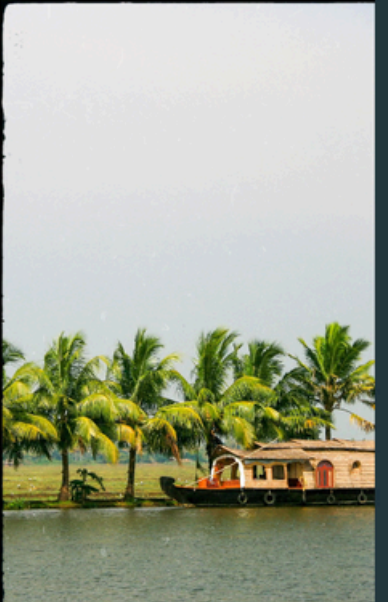
SHIMLA & MANALI
6N/7D
LKR 305,000



NEPAL
5N/6D
LKR 385,000



SWITZERLAND
5N/6D
LKR 900,000



KERALA
5N/6D
LKR 340,000

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★ **ADVANTIS**

HAYLEYS TRAVELS OCTOBER 2024



Wurth Opens a Brand New Pick Up Shop



Wurth Lanka relaunched the 2290th Pick up shop in Sri Lanka, for Wurth Group. Placed at a strategic location close to the entrance of the Kottawa Express way, motorists can conveniently stop by to do a FAST check of their vehicles before entering the Express way. Be it changing the wipers, checking the brake lights, or indicators, tire pressure or the radiator levels, all can be done within minutes. This would be the new BRAND shop / Pick up SHOP and many more to follow with Kandy in the pipe line.

The relaunch was led by Senior Vice President Christian Topp Olsen, who emphasized the company's focus on customer satisfaction and service delivery. This innovative concept was made possible through the leadership of Managing Director Mr. Suranga Kekuluwalage. The relaunch also solidifies Wurth Lanka's status as an industry leader in Sri Lanka, aiming to meet the evolving needs of its customers. The reopening of the Makubura pick up shop will strengthen Wurth Lanka's engagement with the local community and continue to deliver outstanding products and services.

Wurth Lanka began operations with a single employee (Mr. Rohan Amrithiah) in 1998, and now employ over 130 permanent employees in various capacities including sales, service and support. The four main divisions of Wurth Lanka are automobile, metal, construction, and trade. Wurth Lanka (Pvt) Ltd is a fully owned subsidiary of Wurth International, AG and belongs to Adolf Wurth GmbH, Germany-the parent company of the Wurth Group. Wurth is a Euro 20 billion Company and one of the largest international trading companies with more than 400 subsidiaries in 80 countries. With over 87,000 employees worldwide, Wurth has the largest direct sales force in order to be closer to its customers.

About AHK Sri Lanka



Delegation der Deutschen
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Federal Ministry
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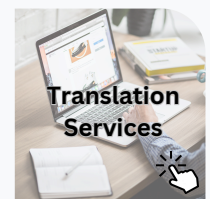
AHK Sri Lanka is part of the German Chamber Network supported by the Federal Ministry for Economic Affairs and Climate Action (BMWK). With 150 locations in 93 countries around the world, the members of the German Chamber Network (AHKs) offer their experience, connections and services to German and companies of the respective partner countries.

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