

AHK SRI LANKA

Monthly Newsletter

SEPTEMBER 2024

VOLUME 59

**HONOURING
GERMAN BUSINESSES
AT THE 10TH EDITION
OF TOP GERMAN
BRANDS IN SRI
LANKA**

**AHK SRI LANKA
WELCOMES BMWK
REPRESENTATIVE FOR
STRATEGIC
DISCUSSIONS**

**GERMANY AIMS TO BE
WORLD LEADER IN
QUANTUM
TECHNOLOGIES**



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

 Partner In Sri Lanka



CONTENTS

- 1. ECONOMIC DATA OF SRI LANKA & GERMANY**
Take a look at the data and trends in the macroeconomy of Sri Lanka and Germany
- 2. TOURISM NEWS IN SRI LANKA**
Explore exciting tourism updates from Sri Lanka in our newsletter
- 3. GERMANY AIMS TO BE WORLD LEADER IN QUANTUM TECHNOLOGIES**
German Chancellor vowed to support the development of quantum technologies
- 4. NEWS FROM AHK SRI LANKA**
Discover our latest updates and insights
- 5. ABOUT OUR TRADE FAIRS**
Gain insights into the trade fairs we have planned
- 6. NEWS FROM OUR PARTNERS**
Stay informed with news from our valued partners

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 decelerated to 1.1 per cent in August 2024 from 2.5 per cent in July 2024. Food inflation recorded 2.3 per cent, while Non-Food inflation recorded 0.2 per cent. Further, the NCPI based core inflation decelerated to 2.3 per cent in August 2024 from 3.0 per cent in July 2024.

Inflation in Germany

The annual inflation rate in Germany fell to 1.6% in September 2024, below forecasts of 1.7%, down from 1.9% in August, preliminary estimates showed. It was the lowest since February 2021.



Sri Lanka Trade Statistics

As per the provisional data released by the Sri Lanka Customs, the merchandise export performance in August 2024 amounted to US\$ 1,165.4 million, recorded an increase of 4.18 % compared to the month of August 2023. This was mainly due to the increase in earnings from export of Apparel & Textiles, Tea, Rubber based products, Coconut based products and Spices & Concentrates.

The estimated value of services exports for the month of August 2024 was US\$ 318.77 Million, increasing 6.49 % over the corresponding period of 2023.

Comparison of Monthly Merchandise Export Performance 2021 – August 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 1.1% in August 2024 compared with July 2024. According to provisional data of the Federal Statistical Office (Destatis), Germany exported goods to the value of 58.5 billion euros to these countries in August 2024, after seasonal and calendar adjustment.

EU Trade Statistics

Exports to the European Union (EU) which accounts for 24% of Sri Lanka's exports, decreased by 1.64 % y-o-y in August 2024. In parallel, exports to EU decreased by 0.75 % during the cumulative period of January to August 2024.

Exports to the top five EU markets were recorded as; Germany US\$ 430.01 Mn (increased by 8.51 %), Italy US\$ 395.69 Mn (decreased by 11.05%), Netherlands US\$ 253.28 Mn (increased by 12.59%), France US\$ 178.49 Mn. (decreased 21.29 %) and Belgium US\$ 154.58 Mn (increased by 2.53%) during the cumulative period of January to August 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 17.51 % y-o-y to US \$ 511.13 Mn in August 2024 compared to August 2023. Additionally, exports of Apparel & Textile to USA increased by 22.56 % in August 2024 compared to August 2023.



Coconut-based Exports

On monthly analysis, export earnings of Coconut based products increased by 38.3 % in August 2024 compared to August 2023. Moreover, export earnings of Coconut kernel products, Coconut fiber products and Coconut shell products increased by 50.15 %, 29.42 % and 18.36 % respectively in August 2024 compared to August 2023.



Rubber-based Exports

Export earnings from Rubber & Rubber finished products increased by 11.52 % to US\$ 679.43 Mn in January – August 2024 compared to the same period in 2023 attributed to increased exports of Industrial & Surgical Gloves of Rubber (17.08 %) and Pneumatic & Retreated Rubber Tyres & Tubes (10.56 %).



Tea Exports

Export earnings from tea, which made up 12% of merchandise exports, increased by 9.11 % y-o-y to US\$ 130.54 Mn in August 2024 compared to August 2023. This increase is mainly due to the positive performance in the export of Bulk Tea (5.78%) and Tea packets (11.43%).

Additionally, Tea exports to Iraq and Iran markets, increased by 13.35 % and 114.41 % respectively.

TOURISM NEWS IN SRI LANKA

Tourist Arrivals in Sri Lanka

In August, Sri Lanka welcomed 164,609 tourists, reflecting a 12.3% decline compared to July but showing a 20.7% increase compared to August 2023. The total tourist arrivals by the end of August reached 1,362,688, highlighting a steady recovery in the tourism sector. The month-over-month decline could be attributed to seasonal fluctuations, as August often sees reduced travel due to the end of summer vacations in key source markets.



However, the year-on-year growth of 20.7% indicates a positive trend, driven by ongoing efforts to attract more visitors compared to the previous year, when numbers were likely impacted by lingering effects of the pandemic or economic challenges. Despite the monthly variations, the cumulative total emphasizes the resilience and gradual recovery of Sri Lanka's tourism industry, although factors like seasonality and economic conditions in source countries may continue to influence arrival numbers.

German Tourist Arrivals in Sri Lanka

In August, Sri Lanka's primary source markets were India, the United Kingdom, China, Germany, and Italy with notable increases in visitors from these countries driving the growth of the tourism sector.



GERMANY AIMS TO BE WORLD LEADER IN QUANTUM TECHNOLOGIES, SAYS SCHOLZ



German Chancellor Olaf Scholz vowed to support the development of quantum technologies, saying at the opening of an IBM data centre on Tuesday that investment in the sector was crucial for the future of Europe's biggest economy.

"Our goal is clear: to be global leader in quantum technologies," said Scholz, adding Germany had invested 2 billion euros (\$2.22 billion) on quantum technology since 2020.

"This is the basis of our economic success and prosperity," he said at the opening of IBM's Quantum European Data Center in Ehningen, a roughly 290 million euro investment. The centre will allow users in Europe and elsewhere to access services for cloud-based quantum computing research.



German Chancellor Olaf Scholz

Quantum computers could operate millions of times faster than advanced supercomputers. So far, the United States and China have led the technology.

Other projects in Germany include the joint development of quantum processors by Infineon and eleQtron GmbH.

Scholz said Germany was focused on semiconductors, AI, pharmaceuticals and bio- and climate technologies.

"These are the areas we need to lead," said Scholz, adding it was vital Europe pushes ahead with semiconductor production despite a delay in a planned investment by U.S. chipmaker Intel in the city of Magdeburg.

Source: Reuters

NEWS FROM AHK SRI LANKA

Honouring German Businesses at the 10th Edition of Top German Brands in Sri Lanka

The Delegation of German Industry and Commerce in Sri Lanka (AHK Sri Lanka) successfully hosted the milestone 10th edition of Top German Brands in Sri Lanka on the 19th of September 2024 at the Cinnamon Grand Hotel in Colombo.

Underscoring the strong bilateral ties between the two nations, this year's event celebrated the presence of 300 German brands operating in Sri Lanka, who are recognized for their commitment to excellence, innovation, and sustainability, contributing significantly across multiple sectors in Sri Lanka.

A key highlight of the 10th edition was the launch of the first-ever German Brands Directory in Sri Lanka, a significant step in commemorating the decade-long journey of German businesses in the country. The directory serves as a comprehensive guide, showcasing the diversity and impact of German enterprises in Sri Lanka and solidifying the long-standing partnership between the two nations.

Click [here](#) to read more and for photos.



NEWS FROM AHK SRI LANKA

AHK Sri Lanka Welcomes BMWK Representative for Strategic Discussions to Enhance Germany-Sri Lanka Economic Relations

We were pleased to host Mr. Tobias Pierlings, Head of Division for External Economic Policy South and Southeast Asia, Australia, New Zealand, and Oceania at the German Federal Ministry for Economic Affairs and Climate Action (BMWK), during his visit to Sri Lanka.

AHK Sri Lanka organized a productive meeting between Mr. Pierlings and representatives of leading German brands operating in Sri Lanka. This engaging discussion not only highlighted key economic challenges and opportunities in both regions but also facilitated a deeper understanding of the dynamic business landscape. It played a significant role in further strengthening the economic ties between Germany and Sri Lanka.



THE GERMAN BRANDS DIRECTORY 2024 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.



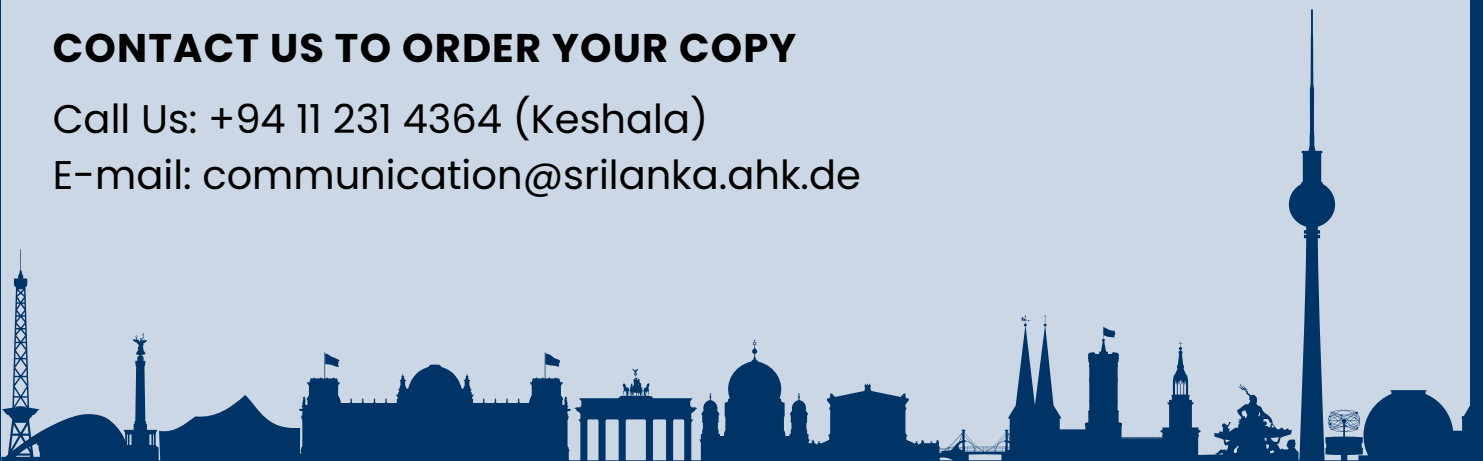
Standard Price:
LKR 15,000

Special Price for Committee
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Chain Management**

transport logistic

**2 - 5 June, 2025
in Munich, Germany**

Contact Us for More Details



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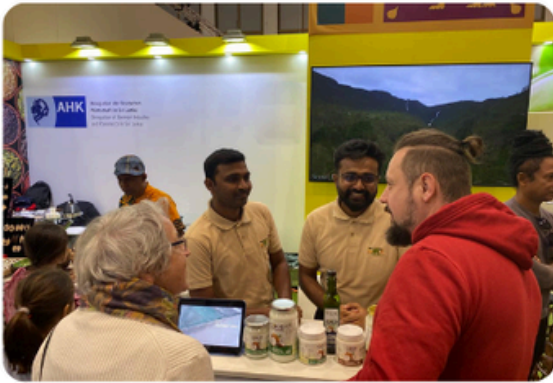
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The global hub for agribusiness

 **17th – 26th January 2025**
 **at Messe Berlin, Germany**



International Green Week: Exhibit at the World's Largest B2C Food and Agriculture Trade Fair!

Who Should Participate

- ▶ Exporters
- ▶ SMEs and Start-ups
- ▶ Growers and Producers
- ▶ Fast Food Suppliers
- ▶ Specialty Products Suppliers

Benefits

- **B2C Engagement:** Ability to sell your products to consumers over the counter and receive immediate feedback.
- **Investment Recovery:** Recover your investment through direct B2C sales.
- **Brand Visibility:** An opportunity to raise awareness of your products and promote the 'Made in Sri Lanka' tagline.
- **Networking Opportunities:** Meet the international buyers, distributors, and wholesalers.
- **Knowledge and Innovation Exchange:** Learn about the latest trends, technologies, and best practices in the agricultural and food sectors.

Special Concession for GI Certified Cinnamon Exporters

If you are a GI certified cinnamon exporter, **booth costs will be subsidized by 50%**

Booth Details



• *Additional space and equipment can be purchased upon prior request at an extra cost.*

- **Space - 9 sqm**
- **Basic furniture**
 - 1 x display counter
 - 2 x chairs
 - 1 x wastepaper basket
- **2 x company logo display**
- **Common B2B area**
- **Common storage space**
- **Lighting**
- **Flooring**
- **Electricity and Water**
- **Assembling and dismantling**

Contact Us to
Reserve Your Booth



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Visit to **BAU** in Germany

World's Leading Trade Fair for Architecture, Materials, and Systems

From 13 – 17 January 2025 in Munich, Germany

BAU at a Glance

The Construction and Architecture industry's leading manufacturers and innovative newcomers showcase their products and services for commercial and residential construction and interior work for both new-building and renovation and modernization. They present concrete future prospects and innovative solutions and provide inspiration for real career practice.

Facts and Figures

190,000
Visitors

2,260
Exhibitors

200,000m²
Area

19
Exhibition
Halls

Package Details

- Supporting document from AHK Sri Lanka for visa submission
- Tailor-made B2B meetings
- Accommodation on single bed & breakfast basis for 4 nights and 5 days (11 – 15 January 2025)
- Inland travel on public transport
- Visitor passes to the trade fair
- Networking dinner for the delegation

780,000 LKR
+ Govt. Taxes

Exclusive Package for
AHK & CIOB Members

750,000 LKR
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Valid Until:
17th October 2024

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Sri Lankan Visitor
Delegation**



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

PartnerInSriLanka

AHK Sri Lanka Premier Partners 2024

PREMIER PLATINUM PARTNERS



SENOK

PREMIER GOLD PARTNERS



PREMIER SILVER PARTNERS





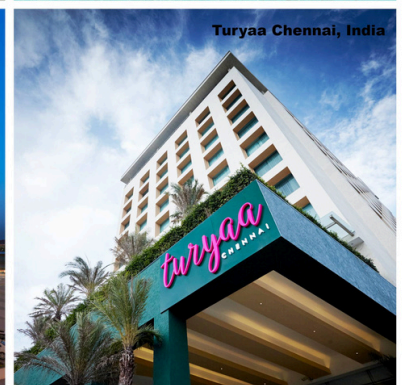
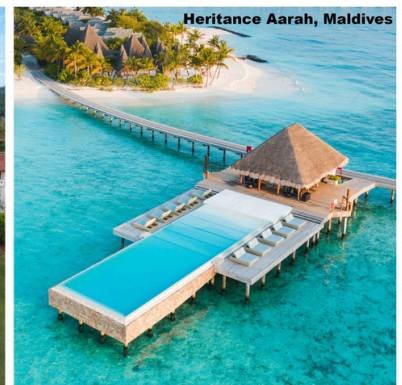
50 Years of Aitken Spence Hotels: A Story of Sustainability, Innovation & Success

Aitken Spence Hotels proudly celebrates 50 years of excellence in the hospitality industry. Since opening Neptune Hotel in 1974, the company has grown into a global leader, renowned for its commitment to sustainability, quality, and innovation. Over the decades, Aitken Spence has expanded its international footprint beyond Sri Lanka, setting new standards across the Maldives, Oman, and India, making it the only hotel chain of Sri Lankan origin to have such a wide-reaching presence.

From its beginnings with Neptune Hotel, named after the Roman God of the sea, Aitken Spence made history as the first Sri Lankan hospitality company to invest overseas with the acquisition of Bathala Island Resort in the Maldives in 1994. This pioneering spirit continued as the company expanded into Oman in 2008. Turyaa Chennai was opened in India in 2016, and a successful collaboration with RIU Hotels Spain followed in 2017. These game-changing initiatives have stood the test of time, cementing Aitken Spence's place as an industry trailblazer.

Today, Aitken Spence Hotels manages 18 properties across Sri Lanka, the Maldives, Oman, and India, totaling 2,629 rooms. The flagship brand, Heritance Hotels & Resorts, is renowned for its architectural excellence, with three properties designed by the legendary Geoffrey Bawa. Notably, Heritance Kandalama became the first LEED certified hotel outside the United States and the first Green Globe certified hotel in South Asia. It remains one of the most awarded hotels globally, reflecting Aitken Spence's innovative approach to blending design, nature, and sustainability.

Sustainability is a cornerstone of Aitken Spence's operations. From managing a 211-acre conservation forest at Heritance Kandalama, which supports rich biodiversity, to eliminating single-use plastics across all resorts in the Maldives, the company consistently demonstrates its commitment to environmental responsibility. These initiatives are benchmarks within the industry, underscoring Aitken Spence's leadership in sustainability. Additionally, the company's dedication to nurturing talent is evident through its hotel schools at Heritance Kandalama and Heritance Ahungalla, ensuring that future generations of hospitality professionals are equipped to thrive.





Jaffna Teaching Hospital's MRI Capabilities Enhanced by DIMO Healthcare, Positively Impacting North-East Areas



DIMO Healthcare recently donated an additional workstation for the Siemens Healthineers 3 Tesla MRI Scanner at Jaffna Teaching Hospital expediting MRI report generation, for faster diagnosis that facilitates informed decisions on treatment plans for medical practitioners.

The healthcare arm of the leading diversified conglomerate DIMO, also known as DIMO Healthcare Installed the Siemens Healthineers 3 Tesla MRI Scanner in 2020 at Jaffna Teaching Hospital. This enabled vital access to advanced healthcare technology for communities in the North region. This critical equipment serves as the sole MRI scanner within the Jaffna district's public healthcare system, catering to a vast population across the Northern part of the country.

This addition of a new workstation empowers more radiology professionals to analyze and report on MRI findings. This expansion stems from a request by the hospital's senior consultant radiologist, recognizing the urgent need to expedite the diagnostic process. DIMO Healthcare promptly responded to this request, fulfilling a vital requirement for the hospital. The additional workstation brings multiple advantages to Jaffna Teaching Hospital. Firstly, it streamlines MRI report generation, leading to efficient diagnoses and more effective treatment plans for patients. Secondly, the expanded capacity creates a superior training environment for medical professionals. By examining a broader range of cases, medical practitioners can refine their skills and deliver exceptional patient care. Moreover, the existing Siemens Healthineers 3 Tesla MRI Scanner's energy-saving feature promotes a sustainable healthcare environment for the hospital saving 30% of the energy.

"We are honored to contribute to this impactful initiative, which elevates the efficiency of Jaffna Teaching Hospital and positively impacts the lives of countless individuals in the North-Eastern region," said Priyantha Dissanayake, Chief Operating Officer of DIMO Healthcare. "This project aligns perfectly with our Sustainability Agenda 2030, which prioritizes building resilient communities by fostering partnerships that empower people to thrive. Through such endeavors, DIMO Healthcare remains steadfast in its mission to build a healthier Nation, fuelling the dreams and aspirations of our communities."

DIMO Healthcare will continue to introduce groundbreaking technologies that transform lives and contribute to the overall well-being of the Sri Lankan community.

SEPTEMBER 2024



JETSTAR ASIA TO COMMENCE COLOMBO-SINGAPORE OPERATIONS IN NOVEMBER

Jetstar Asia (3K) has announced it will be the sole low-cost carrier offering direct flights between Singapore and Colombo - Sri Lanka, starting on 21st November 2024. The Singapore-based budget airline will operate five round-trip flights per week with its Airbus A320 fleet, providing over 90,000 affordable fares annually between the two cities. The schedule will feature both morning and evening departures from Changi Airport, offering flexibility for travellers departing from Singapore and convenient connections for those travelling via Jetstar Airways' daily Melbourne service or up to six weekly flights from Perth. Jetstar Asia is offering one-way fares from Singapore to Colombo starting at just SG\$149 to mark the launch, making Sri Lanka more accessible than ever. Club Jetstar members can enjoy even lower prices, beginning at SG\$139.

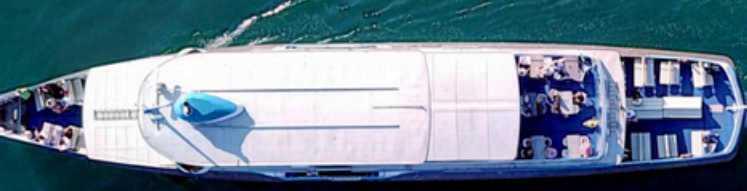


Jetstar Asia CEO John Simeone highlighted Colombo as an ideal gateway to Sri Lanka, perfect for adventure, romance, or family vacations. "Sri Lanka is known for its breathtaking landscapes and warm hospitality, making it a must-visit destination," said Simeone. "We're thrilled to offer such affordable fares and help more people experience this incredible country's beautiful beaches, delicious cuisine, and rich cultural heritage."

INDIGO ADDS JAFFNA AS ITS 34TH INTERNATIONAL DESTINATION WITH DIRECT FLIGHTS FROM CHENNAI

IndiGo, India's leading airline, has announced the addition of Jaffna, Sri Lanka, to its international route network, marking it as the airline's 34th international destination and the second in Sri Lanka after Colombo. Starting 01st September 2024, IndiGo will offer non-stop daily flights between Chennai and Jaffna, enhancing connectivity and supporting the growing demand for travel on this route. Last year, over 21,000 passengers travelled between Chennai and Jaffna in just nine months, highlighting the strong demand for this connection. The new route will strengthen Sri Lanka's tourism sector, offering travellers another entry point to explore Jaffna's rich history and cultural significance. Jaffna's vibrant Tamil heritage, historical landmarks like Jaffna Fort, and the Nallur Kandaswamy Kovil stands as a captivating destination for those in search of an authentic and enriching cultural experience.. Airport and Aviation Services (Sri Lanka) Limited is pleased with this development, having successfully collaborated with IndiGo to bring this new international connection to Jaffna International Airport.





Beyond Borders: Tailored Tours to Explore Destinations



KASHMIR
8N/9D
LKR 495,000



CAMBODIA & LAOS
8N/9D
LKR 640,000



CHINA
9N/10D
LKR 675,000



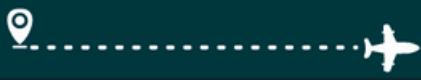
AUSTRALIA
9N/10D
LKR 1,105,000



SWITZERLAND
5N/6D
LKR 900,000



KERALA
5N/6D
LKR 340,000



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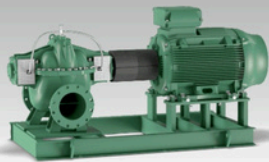
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Solutions for water management

From water supply to sewage treatment: the partner for tailored system solutions

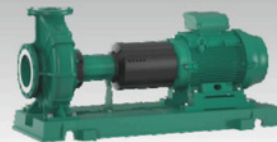
The requirements for municipal water management are complex and constantly increasing. Wilo is the system expert, supporting its partners in all areas with tailored solutions. Our pumps, systems and solutions are characterised by maximum operational reliability and sustainable energy efficiency. Our customers benefit from our decades of experience and the latest know-how for future-proof water supply and sewage disposal. We provide comprehensive support from design to implementation, even for the most complex of projects.



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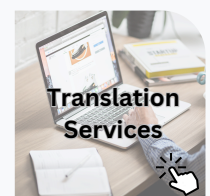
AHK Sri Lanka is part of the German Chamber Network supported by the Federal Ministry for Economic Affairs and Climate Action (BMWK). With 150 locations in 93 countries around the world, the members of the German Chamber Network (AHKs) offer their experience, connections and services to German and companies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

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