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## **HSBC's Economic Forum shines a light on the Economic Recovery**

Over 200 corporate leaders attended the second Economic Forum sponsored by HSBC recently which was to discuss and share insights into the latest global trends and opportunities emerging for economic growth in Sri Lanka.

Frederic Neumann, HSBC's Chief Asia Economist and Co-Head of Global Research for HSBC Asia along with Aayushi Chaudhary, HSBC Economist for India, Indonesia and Sri Lanka outlined significant hurdles and provided a roadmap for steering the economy towards recovery. The event, under the theme "Navigating the Market Landscape and Opportunities in Sri Lanka", was held at the Shangri-La Hotel in Colombo.

During the forum, Neumann emphasized that Sri Lanka must attract productive investments to boost exports, a crucial factor in strengthening the country's balance of payments over the next five years. He highlighted the record high foreign direct investments flowing into Asia and stressed the need for Sri Lanka to capitalise on this opportunity.

Aayushi Chaudhary acknowledged that Sri Lanka has faced a prolonged period of challenges, many of which have brought down the growth potential of the economy and will require time to address. These challenges have persisted since 2017 she said. She noted the subdued growth outlook and high borrowing costs could impede investment in the near-term. However, she expressed optimism, suggesting that there is light at the end of the tunnel and the ongoing recovery is gaining momentum. That said, the hard work must continue in terms of pushing ahead with structural reforms and foreign debt restructuring negotiations. She also pointed towards Sri Lanka earning close to USD 8-9 billion this year in tourism and remittances."

The Governor of the Central Bank of Sri Lanka Dr. Nandalal Weerasinghe, who delivered the keynote address, said that the Central Bank was targeting inflation and was well ahead having reached the 2024 goal by July 2023. He pointed out that the Government was endeavouring to build its external reserves to sustainable levels so that it would have a sufficient buffer and cushion to meet any kind of shock. He further said it was obvious that it was a gradual process but with forecasts in foreign remittances coming into the country doing better than expected and tourism improving, the country was moving in the right direction. "The economy is gradually stabilizing and going into growth mode and there are opportunities for the private sector. I encourage the private sector to take the lead and use these opportunities that come up due to potential growth and changes in the global landscape."

Mark Surgenor CEO of HSBC Sri Lanka and Maldives highlighted the positive development that the international community is increasingly interested in Sri Lanka's economy. He noted the numerous delegations visiting from the West and East, creating a dynamic environment for discussions and engagement regarding potential investments. Surgenor expressed optimism about this trend and stated

that HSBC remains committed to supporting businesses and customers in seizing these opportunities for the benefit of Sri Lanka's future.

The forum also facilitated a panel discussion which was joined by Dr. Weerasinghe, Neumann, Chaudhary and Duminda Hulangamuwa, Country Managing Partner for Ernst & Young, Sri Lanka & Maldives and Chairman of the Ceylon Chamber of Commerce, moderated by Savithri Rodrigo.

Kevin Green, Country Head of Wholesale Banking for Sri Lanka and the Maldives, reminded customers of HSBC's unique position in the local, regional and global arena, and that HSBC stands ready to support customers with their banking needs, be it payments, trade or cash management, international connectivity, or achieving their own sustainability goals.

### **Photo captions:**

**Picture 1:** Dr. Nandalal Weerasinghe, Governor of the Central Bank of Sri Lanka delivering the keynote address at the event

**Picture 2:** The panel discussion with the Governor of the Central Bank of Sri Lanka, Dr. Nandalal Weerasinghe, Frederic Neumann, HSBC's Chief Asia Economist and Co-Head of Global Research for HSBC Asia, Aayushi Chaudhary, HSBC Economist for India, Indonesia and Sri Lanka and Duminda Hulangamuwa, Country Managing Partner for Ernst & Young, Sri Lanka & Maldives and Chairman of the Ceylon Chamber of Commerce, moderated by Savithri Rodrigo

**Picture 3:** Frederic Neumann, HSBC's Chief Asia Economist and Co-Head of Global Research for HSBC Asia, Mark Surgenor, CEO of HSBC Sri Lanka & Maldives, Aayushi Chaudhary, HSBC Economist for India, Indonesia and Sri Lanka and Kevin Green, Country Head of Wholesale Banking, HSBC Sri Lanka and Maldives

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### **The Hongkong and Shanghai Banking Corporation Limited**

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