

Solutions for the Sri Lankan Economy to cope with the present challenges at economic front

“Movement of resources in an economic unit can create or destroy the wealth, but inactivity always destroys it.”

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It's not the time to write details on how the crisis hit the door, but to find solution and think that how it can be shortened, dealt and how to recover quickly from it. Following can be the measures which the authorities can take to handle the current crisis:

- **Communication with the People:** Most important thing for the government head is to talk to people of the country about the current economic crisis through various special TV programs, addresses. Tell them about the crisis and ask for their support and co-operation to resolve the crisis together. Government must not lose connect with people.
- **National Emergency Fund:** Government must establish a Fund with any name like “National Emergency Fund” and ask to prominent individuals, corporates, and firms to donate the funds which should be used to handle the crisis.

Incentives can be given for the donations like tax exemptions, inclusion in CSR activities for corporates etc.

- **Resolve the Fuel shortage and Power crisis at priority:** Energy shortage will stop the economic engine. Both sides: production as well as demand will hit which in turn going to generate massive unemployment.

So government must try to resolve the energy crisis at priority basis so that businesses should be able to run.

Announce the holidays in the government departments, schools, colleges, in other organizations and run only emergency services to save the energy.

Seek the friendly nations support for the energy supplies.

Ask all the ministries, departments for austerity, to avoid unnecessary spend and for donation to “national emergency fund”.

- **Long Term loans from International Organization and Nations:** Government must seek for long term loans from the international organizations including IMF, World Bank, Asian development bank etc. and from nations like India, China, USA, European countries without undermining its independence in policy implantation.

- **Implement New Financial Model:** New financial model will help the economy in generating demand even in the high inflation; high interest rate period and specific sectors can be targeted to generate the employment.

<https://newfinancialmodel.com>

Model will

- Increase the government tax collections.
- Provide central bank another financial tool.
- Increase the aggregate demand.
- Help in employment generation.
- Others.
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Government can appoint a person to start discussion on the new financial model.

- **Disinvestment of Public Assets:** Government must establish commission or ministry for the speedy disinvestment of public assets held by government, mortgage these assets to get funds in short span and use these funds for the crisis resolution.

“Problems are not stop signs, they are guidelines.” Robert Schuller

Thanks

For more support, feel free to contact me.

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