

# Sri Lankan big business rushes to congratulate new president

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Sri Lanka's big business lobbies have hailed the new president, Anura Kumara Dissanayake, the leader of the Janatha Vimukthi Peramuna (JVP)/National People's Power (NPP) while emphasising the need to adhere completely to the International Monetary Fund (IMF)-dictated "reform program."

The rapacious Sri Lankan elites see the IMF's harsh austerity demands, including privatisation, a wage freeze, mass public sector job destruction and the wiping out subsidies for workers, as encouraging greater foreign direct investment (FDI) and expanding their opportunities for boosting profits.

The Ceylon Chambers of Commerce (CCC), Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL) and Joint Apparel Association Forum (JAAF) have all issued statements congratulating Dissanayake while making their own demands on the new government.

The JAAF, representing manufactures and exporters of apparel and textiles, the country's main export sector, warmly congratulated Dissanayake and expressed its "fullest support."

The FCCISL declared it was "optimistic about the opportunities that lie ahead under his leadership." The Sri Lanka Banks' Association sent their best wishes assuring its full commitment to ensure "financial stability is sustained."

The Hotels Association of Sri Lanka (THASL) and the Sri Lanka Association of Inbound Tour Operators (SLAITO) also expressed their very best wishes to Dissanayake in leading the country and "assure him of the fullest support to take the country forward to the next level."

As well as congratulating the government, the CCC went one step further and included a list of ten demands. Above all, it insisted that the IMF agenda had to be implemented without "alterations."

During the election campaign, Dissanayake reassured

big business that he would carry out the IMF program, but would attempt to renegotiate the IMF's terms for its \$3 billion bailout. He created the illusion that negotiations were possible in order to dupe working people into believing that the hated austerity measures could be eased.

The CCC message was that there is no room to manoeuvre. There had to be "complete external debt restructuring" and the continuation of arrangements already announced with commercial creditors.

Big business is concerned to ensure that the upcoming third IMF review be successful and that the fourth tranche of the bail-out loan be disbursed. If the government fails to measure up, then not only will the fourth tranche of \$331 million be jeopardised, but loans expected from other international institutions could also become problematic.

The CCC also called on Dissanayake, who has installed himself as finance minister, to implement legislation already passed to ensure the IMF program proceeds, including the Economic Transformation Act, Public Debt Management Act, Public Financial Management and Sri Lanka Electricity Act. These laws, enacted by the Wickremesinghe government, cannot be changed unless the JVP/NPP achieves a majority in parliamentary elections announced this week.

The CCC also urged the new government to "follow through with the Government Action Plan that was prepared based on the IMF Governance Diagnostic Assessment." The assessment focused on fiscal governance is to monitor and ensure the maximum is squeezed from working people through taxes and cuts to essential services to pay back foreign creditors.

The CCC's proposals were not requests or suggestions but the demands of big business to the Dissanayake government as the condition for its "unstinted commitment and wholehearted support to engage productively with the newly elected President..."

The CCC's stance has been clear from the outset. When the IMF program was signed in 2023, it declared: "We believe this is a crucial point for the economy, with the implementation of long overdue economic reforms... The country cannot afford any pauses in the program..."

In August this year, the IMF team visited Sri Lanka and postponed its third review of the country's financial situation until after the presidential election. The IMF mission chief Peter Breuer, however, warned: "With Sri Lanka's knife-edged recovery at a critical juncture, sustaining the reform momentum and ensuring timely implementation of all program commitments are critical... [to] put the economy on a firm footing."

In other words, the IMF has already made clear in advance that "all program commitments" must be implemented. Thus, any modifications, if any, will be purely cosmetic.

In particular, Breuer specified that the 2025 budget would need to be "underpinned by appropriate revenue measures and continued spending restraint" to ensure a medium-term primary balance surplus of 2.3 percent of GDP from a primary surplus of just 0.6 percent in 2023.

This means higher taxes on working people and small businesses, a fire sale of state-owned enterprises, the destruction of half a million public sector jobs and the slashing of public health, education and welfare programs. All of this must be continued and accelerated to restore Sri Lanka's "debt sustainability"—in other words, to repay the international loan sharks.

In his address to the nation Wednesday night, Dissanayake reassured big business and international finance capital on his commitment to the IMF austerity program. "We plan to begin negotiations with the International Monetary Fund immediately and proceed with activities related to the extended credit facility," he said.

The Socialist Equality Party (SEP) warns workers that this government's trajectory is clear and there is no room for wishful thinking or illusions. The IMF and big business have laid out the government's economic agenda, which it will ruthlessly implement and brook no opposition.

Dissanayake and Public Security Minister Vijitha Herath are preparing to crack down on any opposition from working people. Herath instructed top police officers on Tuesday "to maintain law and order independently without being subject to politicians' interventions."

The working class needs to devise its own strategy to fight for its social and democratic rights. None of the

capitalist parties or their stooge trade unions is on the side of workers or the rural masses. The working class and rural poor need to build their own independent fighting organisations.

The Socialist Equality Party calls on workers to organise their own action committees at every workplace, factory, plantation and neighborhood independent of the capitalist parties and trade unions. The rural poor also need to form such committees in their areas.

The allies of the working class in Sri Lanka are workers across the world who are facing similar attacks on living conditions. The action committees here need to link up with the International Workers Alliance of Rank-and-File Committees initiated by the International Committee of the Fourth International as part of an international struggle against global corporate giants and international finance capital.

Behind the veil of "democracy," parliament is filled with the corrupt and venal representatives of the bourgeoisie and is dedicated to upholding its stranglehold on political power. Working people need their own power base to devise and implement a strategy to defend their class interests.

The SEP calls for the establishment of a Democratic and Socialist Congress of Workers and Rural Masses based on democratically-elected delegates from action committees across the island. None of the problems facing working people can be resolved within the framework of capitalism and the nation state. That is why we advocate a workers and peasants' government to implement socialist policies as the basis for a struggle against the Dissanayake government as it rapidly implements the austerity demands of the IMF.



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