



SEMINAR
ON

**“ECONOMIC CRISIS IN SRILANKA
AND ITS IMPACT ON INDIAN
ECONOMY”**

**Resource Person:
Prof. Srikanta Das
Principal ,Badapada College, Badapada
Kendrapara, Odisha.**

on 29th June 2022

Organised by:

**DEPARTMENT OF ECONOMICS
PATTAMUNDAI COLLEGE, PATTAMUNDAI
KENDRAPARA, ODISHA, PIN-754215.**



**PATTAMUNDAI COLLEGE NACC
REACCREDITED B GRADE
PATTAMUNDAI, KENDRAPARA, ODISHA,**

**ACADEMIC YEAR 2021-22
DEPARTMENT OF ECONOMICS
PATTAMUNDAI COLLEGE**

Name of the Activity: Seminar in Economics

Date: 29-06-2022

Speaker Name: Prof. Srikanta Das

Duration- One Day

Participants: Student -58 and Faculty - 8

Learning Objective:

1. To know about the Causes of Srilankan Economic Crisis.
2. To know about the Impact of Srilankan Economic Crisis on India.
3. To know about Neo Colonial Policy of China.

Learning Outcomes:

1. The students learnt about the causes of Srilankan Economic crisis.
2. Learned about the Impact of Srilankan Economic crisis on India.
3. Learned about the Neo Colonial Policy of China.



Report of the Event: A Seminar was organized by the Department of Economics, in association with IQAC, Pattamundai College, Pattamundai on the topic **“Economic Crisis in Srilanka and its impact on Indian Economy”** on 29th June 2022 at 09:30 A.M. in the Economics seminar Hall under the chairmanship of Prof. Pravakar Rout, Principal, Pattamundai College. Prof. Srikanta Das, Principal, Badapada College, Badapada, Kendrapara was the resource person in the seminar. The meeting was commenced at 09:30 A.M with the lightening of candle by our respected Resource Person. Prof. Pravakar Rout, Principal, Pattamundai College gave a key note address of the seminar. Mr. Subhasis Mishra, Lecturer in Economics introduced the Resource Person on this occasion. Mrs Rasmita Panigrahi, Lecturer in Economics presented the theme paper of the seminar. Prof. Das delivered his talk on Causes of Srilanka’s Economic Crisis and how it is affecting Indian Economy. There was a question- answer session led by Mr. Subhasis Mishra, Lecturer in Economics. The Seminar was ended with vote of thanks by Miss. Bijayalaxmi Sandha, Seminar Secretary, Department of Economics, Pattamundai College at 11:00 A.M.

Pradyumn Pradhan
Signature of the HOD
HOD ECONOMICS
PATTAMUNDAI COLLEGE
29.06.22

[Signature]
Signature of the
IQAC Coordinator
Pattamundai College
29/6/2022

[Signature]
Principal
Pattamundai College
29.6.22

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**“ECONOMIC CRISIS IN SRILANKA AND ITS IMPACT
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PATTAMUNDAI COLLEGE, PATTAMUNDAI**

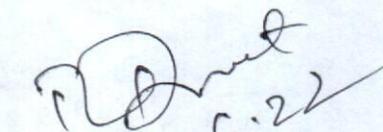
DATE- 29th JUNE 2022

REPORT

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PATTAMUNDAI COLLEGE
29.06.22


IQAC Co-ordinator
Pattamundai College
29/6/2022


Principal
Pattamundai College
29.6.22



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PATTAMUNDAI, KENDRAPARA, ODISHA - 754215

Ref No. : 663

Date..... 28/06/2022

To

Prof. Srikant Das,
Principal,
Badapada College,
Badapada, Kendrapara

Sub: - Resource person in the **Seminar** to be organised by Department of Economics, Pattamundai College on 29th June 2022.

Sir,

It is my pleasure to invite you to be a Resource Person for the **Seminar** on "Economic Crisis in Srilanka and its Impact on Indian Economy" to be organised by **Department of Economics** in association with **IQAC**, Pattamundai College, Pattamundai at 09.30 AM on 29th June 2022.

Your kind consent is eagerly awaited.

Principal
Pattamundai College

To

Dt: 28/06/2022

**The Principal
Pattamundai College
Pattamundai**

Sub: Consent letter for the seminar on " **Economic Crisis in Srilanka and its Impact on Indian Economy** "

Sir,

In response to letter no **663, dt: 28/06/2022**, It is my pleasure to accept your invitation for the said seminar.

Thank You

Prof. Srikant Das,

S. Srikant Das
Principal, 28.06.22
Badapada College,
Badapada, Kendrapara

Sri Lankan Economic Crisis and its impact on India

As the economic crisis in Sri Lanka deepens which has spilled into civil unrest and political instability, Sri Lanka or Ceylon has been witnessing its worst ever economic crisis ever. Prices of essential commodities have gone so high that common person is unable to buy things. Eggs are sold for 35-40 Rupees, Rice is 300 Rupees per Kg, Sugar touching 300 too, Chicken 1000, Petrol over 330 per litre, Milk Powder over 4000 per Kg and even a cup of tea is sold for 100 Rupees in Sri Lanka. The financial breakdown did not happen over last few months or last few years, the foundation was laid way back in 2010. Soon after the Sri Lankan Civil War, Military emerged as a major power in the country and several generals became part of the government. This was the time when Sri Lankan Government started taking debts without thinking of repayment. By 2019, it was 88% of the GDP, by 2021 it was 101% of GDP and by March 2022, it crossed 135% of its GDP with no silver line as how it will be paid.

It is bound to impact India as India happens to be the closest neighbour of Island. Hence right diplomatic strategy has to be formulated to deal with the situation.

Sri Lankan, a free market economy was having worth of \$84 billion by nominal GDP in 2019 and the country had experienced an annual growth of 6.4% from 2003 to 2012 which was well above other regional countries. But that growth was driven by the growth of non-

tradable sectors which was supposed to be not sustainable as warned by World Bank. The warning came true and growth slowed down leading relabeling of its economy to lower middle income nation from upper middle income status by World Bank. Now question arises what for the downfall. If we delve deeper into the crisis the following reasons emerge-;

- The crisis in Sri Lanka was mainly triggered due to a shortage of foreign exchange reserves which have plummeted by 70% over last two years to \$2 billion by the end of February 2022 which can hardly sustain import for two months. To add to its woes it has \$7 billion foreign debt obligations. This forex crisis arose due to-;
 - Firstly, Collapse of tourism industry due to 2019 easter Sunday suicide bombings. This resulted a drop of tourist arrival by 70%.
 - Secondly, This was further exacerbated by covid 19 travel restrictions.
 - Thirdly, due to covid-19, the remittances from foreign workers which was Sri Lanka's largest source of US dollar slumped by 22.7% in 2021.

- Fourthly, the consumption pattern of the country necessitated the dependence on import of items like sugar, pharmaceuticals, fuel, pulses and cereals.
- Fifthly a series of bad policy decisions like ban on chemical and fertilizers in agriculture laid to a drastic fall in domestic food production which pushed up food prices by 25%.

As regards the impact of economic crisis in Sri Lanka on India we may categorize into different sectors of fields.

- Firstly, we may analyze what are the economic challenge India relies considerably on the port of Colombo as it is a transshipment hub.60% of India's transshipment cargo is handled by port. India linked cargo accounts for 70% of ports total transshipment volume. These activities are the worst victim of economic crisis of Sri Lanka.
- Secondly , India is one of the largest contributors to FDI in Sri Lanka. India is the third biggest source of FDI of Sri Lanka. The main investments from India are in the areas of petroleum retail, tourism & hotel, manufacturing, real estate, banking & financial services. Hence any instability in Sri Lanka will affect the interest of large Indian companies like Airtel, Indian oil, Taj hotel, Ashok lay land, Dabur etc.

Humanitarian crisis

With India being the only immediate neighbour of Sri Lanka, the threat of large-scale humanitarian crisis could also impact India. With the shortage of food, medicines, and growing political instability, India finds itself placed in a position of immense responsibility to avert the crisis through all possible aid.

Refugee crisis

Whenever a political or social crisis has occurred in Sri Lanka, India has witnessed a large influx of ethnic Tamil community refugees from the Sinhala Land to India through the Palk strait and Gulf of Munnar. However, India may find it difficult to handle such an influx and needs a robust policy in place to handle the crisis.

Threat of Chinese Influence- With such economic situation and with a fact that Sri Lankan government has asked for a 2.5 Bn USD emergency aid from China, there is a threat that China may gain its influence in the island country. It is trying a lot for last few years but owing to Indian diplomacy, things could not succeed the way dragon wanted but currently things are different now. Since the location of Sri Lanka is strategic, India must be cautious of every Chinese attempt to influence Sri Lanka.

Opportunities-;

Amid the sudden halt of tea supply by Sri Lanka to the global tea market , India is keen to plug the supply gap. Sri Lanka, which is world's largest tea exporter ,has been left grappling with a sharp decline in tea production amid 12-14 hr daily power cuts. Indian tea exporters find themselves well positioned to capture markets in countries that import orthodox tea. India could strengthen in Iran as well as in new markets such as Turkey ,Iraq ,The US ,China & Canada.

The Indian Textile Industry too is poised to gain amid the crisis as Indian apparel exporters are beginning to receive orders from the UK,EU & even Lati American countries where Indian Textiles had little or no presence. Before the financial crisis ensued ,textiles & Garments contributed nearly half of Sri Lanka's export.

However ,in the apparel segment too, the production & supply was disrupted due to power cuts.

Political Experts have also touted that India can make use of opportunities to balance its diplomatic ties with Sri Lanka, which have been distant owing to Sri Lanka's proximity with China. However, In recent times, Sri Lanka's policy tilt vis-à-vis India and China , trying balancing both the Asian powers is evident. As the disagreement with China intensified on the fertilizer issue ,India's fertilizer delivery to Sri Lanka on the later's request is seen as a positive development in the bilateral relations.

Conclusion & Way Forward-;

- Nurturing the Neighborhood First policy with Sri Lanka will therefore be important for India, albeit with due caution, to preserve its strategic interests in the Indian Ocean region.
- Regional platforms like the **BIMSTEC**, **SAARC**, **SAGAR** and the **IORA** could be leveraged to foster cooperation in common areas of interest like technology-driven agriculture and marine sector development, IT and communication infrastructure, renewable energy, and transport and connectivity.
- Both countries could also cooperate on enhancing private sector investments to create economic resilience.
- This stability in the Indian government should find synergy with the new Sri Lankan president policy which includes “neutrality” and “non-alignment” between major powers.
- Rather than focusing on building the case against China, New Delhi must step up its efforts to show what it is for.
- India can never match Beijing’s economic wherewithal to make a difference to Colombo’s developmental requirements.
- But it can carve out a niche role in some areas and also partner smartly with likeminded strategic partners like Japan to make an economic and strategic difference in Sri Lanka and make use of and leverage India’s soft power.

Sreekanth Des

29-06-2022

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DATE: 29th JUNE 2022

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1	BA-19-025	Sasmita Senapati	9668997268
2	BA-19-068	Lipsa Sahoo	9692222670
3	BA-19-028	Preetinibedita Pradhan	6372628981
4	BA-19-063	Subhasmita Sahoo	9178694162
5	BA-21-108	Iti Shree Nayak	9348809360
6	BA-21-214	Lucky Ojha	8144632357
7	BA-21-254	Priyanka Priyadarshini Sahoo	7847089513
8	BA-21-023	Sumetra Parida	9668253929
9	BA-21-0167	Abhinava Pradhan	9668268289
10	BA-21-0149	Rasmita Malik	7205864522
11	BA-21-047	Rupali Priyadarshini Sethi	844652181
12	BA-21-092	Swopna Ranee Mohanty	8658810147
13	BA-21-043	Suchitra Behera	8658945510
14	BA19-03	Satyaranjan Dinele	9337097002
15	BA20-191	Nanendra Ku. Behera	9348890619
16	BA20-109	Subrat Kumar Behera	6371108563
17	BA20-005	Laxmi Ku Gaurai	948542857
18	BA20-212	Nitesh Kumar Nath	7735283670
19	BA20-241	Sonal Sangita Sahoo	8018865891
20	BA20-067	Parasurani Samal	7894905364
21	BA20-069	Tamishra Priyadarshini Sethi	8093619615

LNO.	ROLL NO.	NAME OF THE PARTICIPANT	MOBILE NO
22	BA 20-041	Lizarani Sethi	7848845235
23	BA 20-012	Sovalini Dash	7684992148
24	BA 20-056	Priyanka Priyadarshani Sahoo	7325820072
25	BA 20-090	Atapita priti priyambada Behera	9078636558
26	BA-20-190	Monalisa Kar	9556844267
27	BA-20-058	Smrutiimayee Pradhan	8984086343
28	BA-20-025	Soumyashree Sahoo	6371746271
29	BA-19-206	Anil Kumar malik	7750959692
30	BA-21-275	Sarita malik	9556388222
31	BA-21-225	Sobhagini Mallick	7606881215
32	BA-21-227	Laxmipriya Rout	9178435405
33	BA-21-211	Smruti Srita Jena	7684983934
34	BA-21-096	Madhusmita Rout	9938711795
35	BA-21-028	Subanna Suvadarshini padra	8457016569
36	BA-21-062	Rajmi Rekha Das	9556490330
37	BA21-055	Laxmi Priya Nayak	9827713752
38	BA21-109	Subhashree Das	7735134496
39	BA-21-170	Banshree Swain	9348870389
40	BA-21-226	Priyanka Sahoo.	9668000564
41	BA-19-174	Bijayalaxmi Sandha	8018805542
42	BA-19-176	Priyadarshini Nayak	9090822024
43	BA-19-030	Laxmi priya Rout	9556514619
44	BA-19-246	Susree Rajasree Barik	7008236017
45	BA1903	Satyaranjan Dinola	9337097002
46	BA19-224	Samir malik	9078098548
47	BA19-020	Smrutiiraman Parida	9556317992
48	BA19-029	Soumyaranjan Biswal.	7853051176
49	BA-19-116	Srikanta Das	6370756263
50	BA-19-198	Bimal Kumar Jena	9937888322

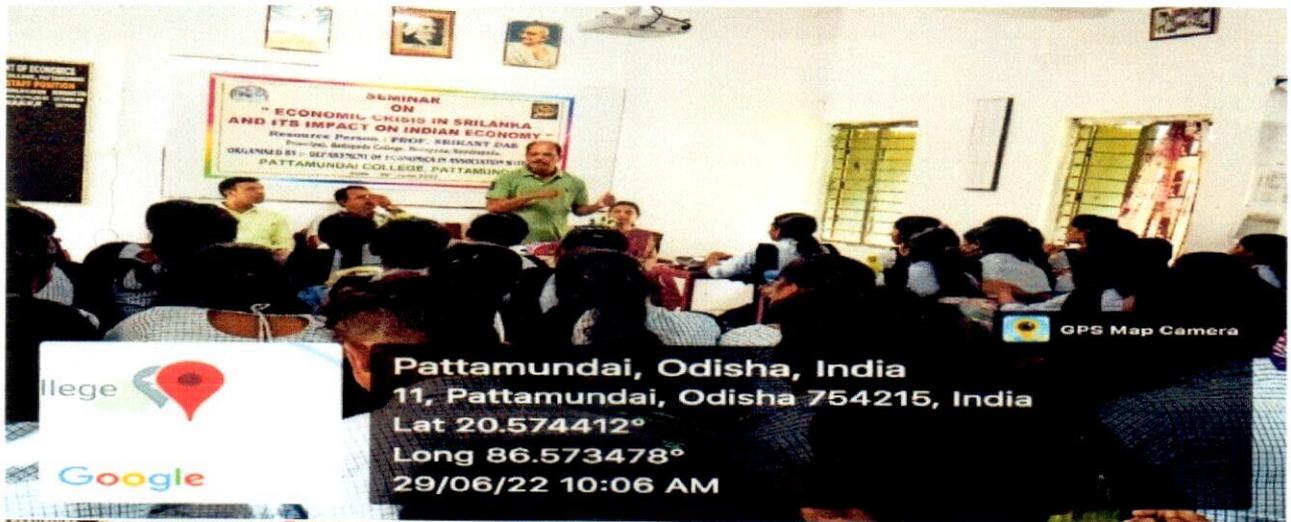
LNO.	ROLL NO.	NAME OF THE PARTICIPANT	MOBILE NO
51	BA-19-180	Purnima Swain	9348125253
52	BA-19-181	Prasanna Nayak	8260379078
53	BA-19-153	Sangita Behera	7749005093
54	BA-19-244	Madhusmita Gethi	8093507337
55	BA-19-194	Sarvesmini Sarvesmita Das	9556993470
56	BA-19-055	Sarmita Rout	9178908679
57	BA-19-246	Gunee Rajasree Barik	7008226017
58	BA-19-185	Krishna Nayak	9861347248
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SLNO.	NAME	DESIGNATION WITH ADDRESS	MOBILE NO.
1	SREEKANTA DAS	Reader (SS) in Economics & Principal, Barapara H.S	9937309433
2	Ramita Panigrahi	Lecturer in Economics Pattamundai College	9643271985
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4	Satyakanta Nayak	Lecturer in English	7008364023
5	Laxminarayan	Leet. in. Odia.	6370687995
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 11, Pattamundai, Odisha 754215, India
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 Long 86.573478°
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