

Developmental Stage of the Sri Lankan Economy and the Development Challenge

A. T. Fonseka

Abstract: This study analyzes the two contrasting views that have emerged regarding the strength of the country's economy - one emphasizing its inherent strength, and the other stressing its uncompetitive nature which is likely to slow down the momentum of growth. The study relies on secondary sources and industry studies conducted by the writer. The study shows that the economy has grown during good as well as turbulent times. However, Sri Lankan industries are focused on low value - added activities and the overall competitiveness of the economy is low. The prosperity of a nation and the living standards of its citizens are closely linked to the competitiveness of an economy and continuous productivity improvement and innovation are essential if the economy is to be competitive. While acclaiming the achievements of the past, the nation must now look to the future. The pace and intensity with which globalization is proceeding makes this a strategic imperative.

Dr A. T. Fonseka of PIM faculty is spending his sabbatical leave at the Institute of Business Studies (IBS), Papua New Guinea. He is serving as Deputy Director IBS, and the academic and administrative coordinator of the link programmes with two Australian Universities viz. the degree programme of Southern Cross University and the MBA programme of Deakin University, Melbourne.