

Nivard wants donors to write off 50% of Lankan debt, reschedule rest

Top chartered accountant and former provincial councillor Nivard Cabraal is urging the country's donors to write off 50% of the tsunami-hit Sri Lanka and re-schedule the balance.

Sri Lanka's total foreign debt as at October 2004 was Rs. 939 billion.

"If the international community, especially donors are genuine in their sympathy and support, then they must write off 50% of Sri Lanka's debt and reschedule the balance. The first move will make Sri Lanka once again a bankable country and the second will ensure valuable savings on interest costs etc which can be channeled to rebuilding Sri Lanka," Mr. Cabraal said.

He was of the view that the world has only committed US\$ 2 billion in aid for what has been now described as the world's true global disaster whereas for US-led allied forces invasion or rescue of Iraq the US voted over US\$ 70 billion. The December 26 tidal wave has killed nearly 150,000 people in nearly 15 countries, displacing millions of people and destroyed commercial and residential properties. Sri Lanka's casualty was nearly 30,000 dead and over a million displaced in 15 districts in coastal areas of Northern, Eastern and Southern province.

Mr. Cabraal said that most of the existing foreign debt of Sri Lanka was highly concessional and long term hence writing off 50% of it wouldn't create a major impact on the donor community. Sri Lanka's total foreign debt as at October 2004 was Rs. 939 billion.

"If donors can come up with a part write off and rescheduling it will be the most appropriate help for Sri Lanka to come out of its biggest ever human disaster. Donors can link such a gesture to specific milestones in the rebuilding of the country, especially the affected districts, which anyway were suffering from acute poverty, unemployment and poor social and economic infrastructure," Mr. Cabraal pointed out.