



State Ministry of Aviation and Export Zones
Development

Progress Report 2020

The Progress Report 2020 – Prepared for the Budgetary Committee Stage 2021

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Vision

Position Sri Lanka as the leading air transport hub in the region and make Sri Lankan export zones are the most attractive investment

Mission

To make air transport services efficient, safe, and user-friendly with a view to improve the efficiency of the relevant economic sectors and to assist establishing a balanced, environment friendly, and technically advanced zone system with rich infrastructure facilities to attract investments

Message of the Hon State Minister of Aviation and Export Zones Development



I sincerely consider my appointment as the State Minister of Aviation and Export Zones Development an absolute honor that was bestowed upon me, following the General Elections that were successfully concluded in August 2020 and the subsequent appointment of the portfolio of Ministers.

Given the global pandemic that has wreaked havoc across the region and Sri Lanka, the challenges that both the Aviation sector and Export Zones have faced have been numerous and complex.

His Excellency the President Gotabaya Rajapakse's noble "Vistas of Prosperity and Splendour" has entailed the critical development of both the Aviation Sector and the Export Zones of Sri Lanka. His great vision and targets have revolved around curtailing imports and providing the necessary impetus and support to enhance our national exports.

The leadership provided by the Hon. Prime Minister and the good fortune of being a stakeholder in this journey of growth has caused immense joy to both me and my team. I would also like to mention the crucial guidance provided by the Minister of Tourism Hon. Prasanna Ranatunga and extend my sincere appreciation to him.

Our work and development plan for both the Aviation Sector and Export Zones Development have been presented to His Excellency the President Gotabaya Rajapakse after basing our overall plans and aligning same to his "Vistas of Prosperity and Splendour". Hence, formulating plans and protocols for the Aviation Sector and Export Zones Development, implementing programmes for state investments and national development, carrying out critical responsibilities assigned to the respective divisions of our Ministry, formulating progressive plans and evaluating the success of same are some of the duties that we undertake.

Our Ministry's primary intention has been to focus on the Export Processing Zones to develop the necessary infrastructure and modernize them as necessary in order to enhance the efficiency and productivity of both zones without undue delays. We have made significant progress to – date in this regard.

Among our greatest victories in this short period of time were the launching of one the largest development projects carried out in the country at present, the construction of a second passenger terminal at the Katunayake airport in conjunction with the Japan International Cooperation Agency (JICA) at an estimated cost of Rs. 107 billion, as well as opening up the Mattala airport for commercial operations. The staff of Sri Lankan Airlines deserve special praise for the services they have rendered amidst the current pandemic, by transporting cargo

and bringing home stranded Sri Lankans at this difficult time they have truly brought pride to our nation.

Given the immense obstacles put in front of them, I am proud to say that Sri Lankan Airlines has safely brought home more than 32000 Sri Lankans via 152 flights, a significant achievement given the restrictions faced due to the global pandemic.

Logistical problems were a major cause for holding back the Sri Lankan economy in the recent past. Again, Sri Lankan Airlines gallantly stepped in and transported an impressive 6746 Metric tons of cargo utilizing 720 flights.

Although our Ministry is one which is directly affected by the global pandemic, we have successfully faced all complications and the main reason for this is that right decisions were confidently made at the right time.

The upcoming year is undoubtedly no less challenging than the year 2020. Under the noble leadership of His Excellency the President, Hon. Prime Minister and the Hon. Minister of Tourism I am certain we will succeed in reaching our goals in 2021. We possess the fortitude to do this. It is our united goal to see a prosperous nation and we will do our utmost to make it a reality.

D. V. Chanaka Dinushan

State Minister of Aviation and Export Zones Development



Message from the Secretary to the State Ministry of Aviation and Export Zones Development

Aviation is one of the most important indicators that shows the extent of a country's development to the world. Similarly, aviation is one of the main gateways which links a country to the international community.

According to the geographical location of Sri Lanka, it has the greatest potential to act the role of a regional aviation hub. The Government has entrusted the State Ministry of Aviation and Export Zones Development with the responsibility of reaping the maximum benefits of this natural gift for the welfare of the people.

The optimal management and promotion of the spheres such as airport, aircraft and airspace regulation, etc. are essential for the development of aviation. For this purpose, all three sectors of management, technology and policy formulation need to be strengthened and adapted in a timely manner.

With the completion of the Bandaranaike International Airport Development Project the capacity and efficiency of handling the passengers, cargo and aircrafts will more than double and the airport infrastructure will be extensively upgraded. Providing concessions on operating and delivery charges, the Mattala Airport plans to attract more international passenger and cargo airlines. The development of the airport has been initiated with a view to developing international aviation as well as domestic aviation. In designing all these processes, the focus has been on the use of modern technology and techniques to operate in a way that can handle safely the passenger and cargo aircrafts from the dangers of the Covid-19 pandemic that has affected the entire world at present and from such catastrophes that may occur in the future.

SriLankan Airlines, the national carrier of Sri Lanka, has been able to mark Sri Lanka's identity in the field of international aviation and to cater the aviation services to the nation, emphasizing the national interests. Almost all Sri Lankans have experienced the importance of SriLankan Airlines in the repatriation of Sri Lankans stranded in overseas, repatriation of foreigners in Sri Lanka and importation of medical equipment and medicines in the face of the Covid-19 pandemic. Steps have been taken to strengthen and maintain SriLankan Airlines through structural changes in order to meet future challenges in the aviation sector.

Measures have been taken to provide a safer and more efficient air navigation service by upgrading the air navigation services in the Sri Lankan airspace, which is about 25 times the size of Sri Lanka's territory, using state-of-the-art technology in near future.

Our Ministry is committed to make Sri Lanka a regional aviation and investment hub, contributing to the development of both the Sri Lankan economy and the society through the growth of services and products in the sectors of tourism, exports, industry and technology.

Moreover, necessary steps have been taken to transform Sri Lanka's export zones into eco-friendly and investors encouraging zones by developing key infrastructure such as highways, electricity, water and other facilities required for export zones with foreign and domestic investment, which is a critical factor in the Sri Lankan economy.

I would like to state that this Ministry, which is responsible for the development of both the aviation and export sectors, which were the first to be adversely affected by the global Covid - 19 pandemic, is working to achieve somehow the desired goals of the government and the public by formulating appropriate strategies to address those challenges.

I gratefully acknowledge the guidance of Hon. Minister of Tourism and the State Minister of Aviation and Export Zones Development and the encouragement of the Secretary to the Ministry of Tourism in this regard. I would also like to express my gratitude to the management and staff of the Ministry of Aviation and Export Zones Development and the institutions under the Ministry for enhancing the performance of the Ministry.

Madhawa Dewasurendra

Secretary



1. Ministry of Aviation and Export Zones Development

1.1 Overview of the Ministry

Introduction

The subjects and functions of the Ministry of Aviation and Export Zones Development have been assigned in terms of the Extraordinary Gazette Notification No. 2196/27 of 9th August 2020. Accordingly, Civil Aviation Authority, Airport and Aviation Service (Sri Lanka) Limited and SriLankan Airlines Limited and Its subsidiaries have been listed under the purview of this Ministry.

Vision

Position Sri Lanka as the leading air transport hub in the region and make Sri Lankan export zones the most attractive investments

Mission

To make air transport services efficient, safe, and user-friendly with a view to improve the efficiency of the relevant economic sectors and to assist establish a balanced, environment friendly, and technically advanced zone system with rich infrastructure facility to attract investments

1.2 Functions of the Ministry

Assisting in the formulation of Policies in relation to the subject of Aviation and Export Zones Development for an “environmental and local culture friendly, high foreign exchange earning tourism industry “ under the directions and guidance of the Ministry of Tourism in conformity with the prescribed Laws, Acts and Ordinances and implementing projects under the National Budget, State Investment and National Development Program, and implementing, monitoring and evaluating subjects and functions of related institutions.

1.3 Institutions under the purview of the Ministry and Legal Framework

Institutions under the purview of the Ministry	Acts to be implemented
1.Civil Aviation Authority of Sri Lanka	1. Civil Aviation Authority of Sri Lanka Act. No. 34 of 2002
2. Airport and Aviation Service (Sri Lanka) Limited	2. Civil Aviation Act. No. 14 of 2010
3. Sri Lankan Air Lines Limited and Its subsidiaries	3. Air Navigation (Special Provisions) Act. No. 2 of 1982
	4.Carriage by Air Act No. 29 of 2018
	5. Air Navigation Act, No. 15 of 1950



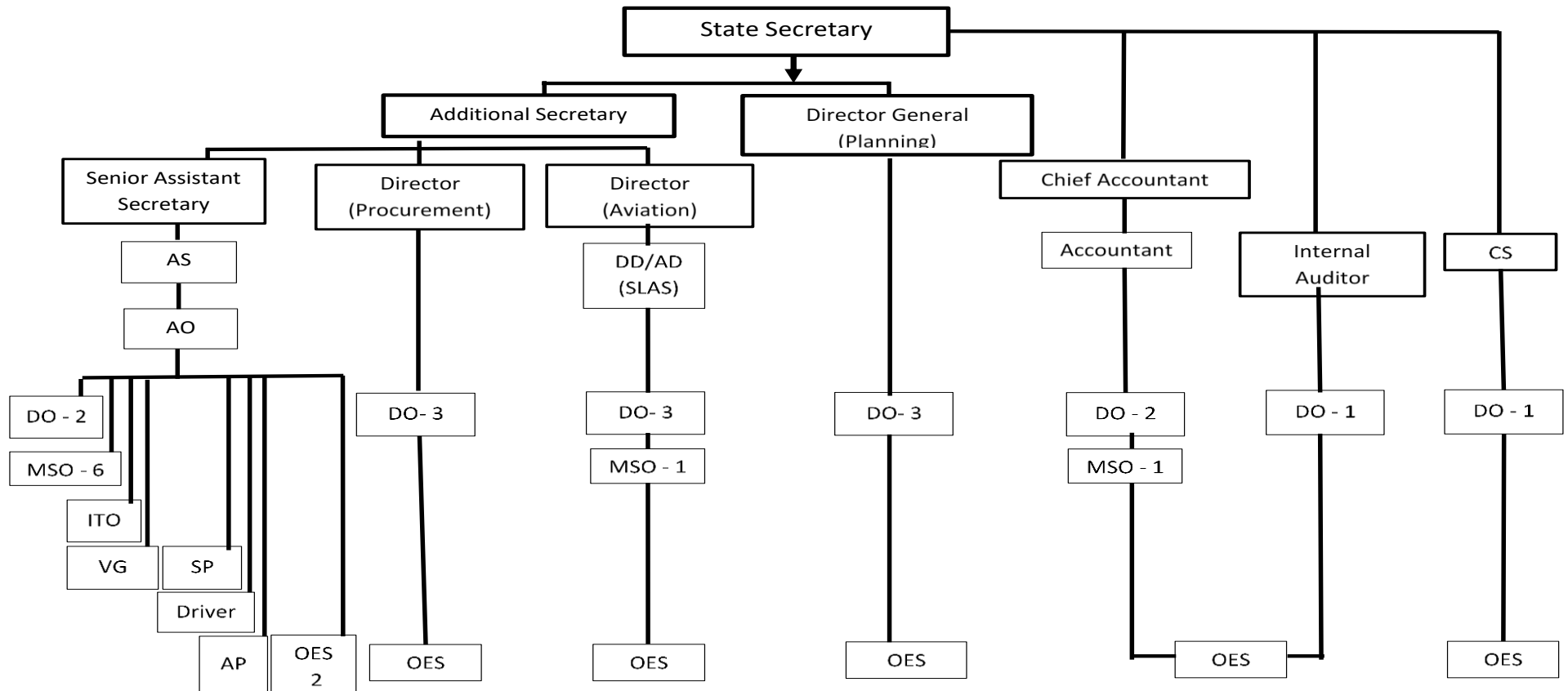
2. General Administration

2.1 Cadre Approved for the State Ministry of Aviation and Export Zones Development

Approved , Actual and Vacant Carder Deatails of the State Ministry of Aviation and Export Zone Development as at 2020.09.29

Serial No	Designation	Service	Grade	No of approved Positions	No of actual positions	No of Vacant Positions
01	Secretary			01	01	-
02	Addisional Secretary	SLAS	Special	01	01	-
03	Director General (Panning)	SLPS	Special	01	01	-
04	Senior Assistant Secretary	SLAS	I	01	-	01
05	Chief Accountant	SLACS	I	01	01	-
06	Director	SLAS	I	02	01	01
07	Director	SLES	I	01	01	-
08	Internal Auditor	SLACS	III/II	01	-	01
09	Assistant Secretary	SLAS	III/II	01	-	01
10	Accountant	SLACS	III/II	01	01	-
11	Assistant Director/Deputy Director	SLAS	III/II	01	-	01
12	Administrative Officer	MSSG	Super Grade	01	01	-
13	Coordinating Secreyary to the Secretary	Temporary	-	01	01	-
14	Development Officer	DOS	III/II/I	15	15	-
15	Management Services Officer	MSO	III/II/I	08	03	05
16	Information and Communication Technical Assistant	SLICTS	Grade 3 III/II/I	01	-	01
17	Still Camaraman	Temporary	-	01	01	-
18	Video Cameraman	Temporary	-	01	01	-
19	Driver	A.DS	III/II/I Special	07	02	05
20	Office Assistant	OS	III/II/I Special	07	03	04
21	Assistant Camaraman	Temporary	-	01	01	-
Total				55	35	20

STATE MINISTRY OF AVIATION AND EXPORT ZONES DEVELOPMENT ORGANIZATIONAL STRUCTURE



DD-Deputy Director, AD-Assistant Director, AS- Assistant Secretary, AO-Administrative Officer, CS- Coordinating Secretary, DO-Development Officer, MSO- Management Service Officer, ITO-Information Technology Officer, VG-Videographer, SP-Still Photographer, AP-Assistant Photographer, OES-Office Employee Assistant

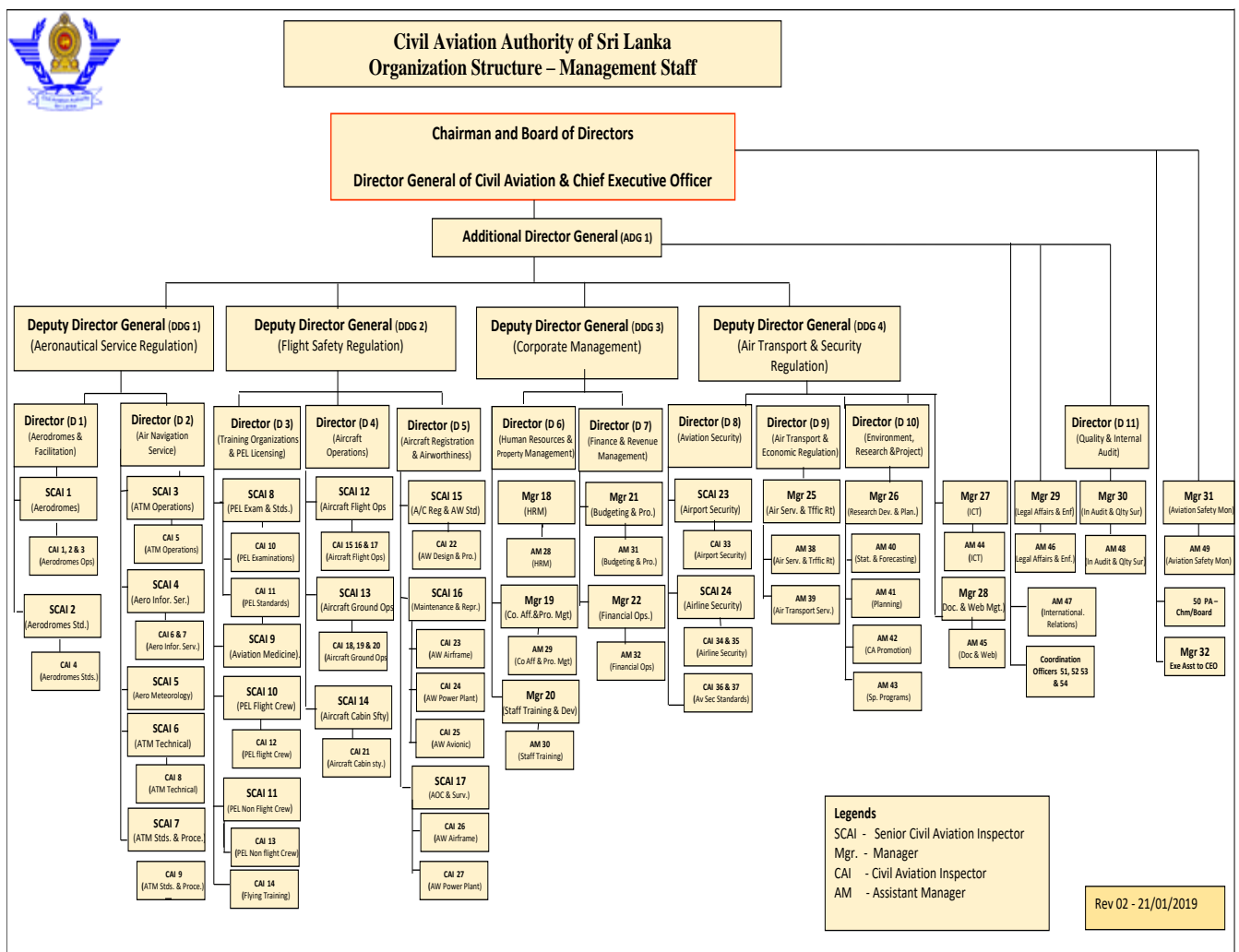


3. Civil Aviation Authority

3.1 Overview of the Authority

The Civil Aviation Authority of Sri Lanka was established in 2002 in terms of the Civil Aviation Act No.34 of 2002 as a direct measure of remedying the organizational deficiencies that prevailed. The Organization ought to have more autonomy and flexibility as per the recommendation of ICAO for greater efficiency and effectiveness to accomplish its obligatory duties.

3.1.1 Organizational Structure



3.2. Division of the Civil Aviation Authority of Sri Lanka

3.2.1 Aviation Safety Monitoring Division

This unit has carried out the following activities by 30 September 2020.

- Provision of necessary data for making applicable amendments to the Civil Aviation Act No. 14 of 2010 relating to Safety Management and Air Accident Investigation.
- Formulation of Implementing Standards regarding the operation of unmanned aircrafts and submission of the Implementing Standards to the relevant institutions for reviewing.
- Referring the implementation standards issued under Safety Management to the relevant institutions and inquiring about the compliance of the institutions with that standard.
- Updating Aero-nautical Information Circulars issued for reporting aircraft accidents and incidents.
- In relation to International Civil Aviation Annexure 19 “Safety Management” and Annexure 13- aviation accident and incident investigation, necessary updates were made on the Continuous Surveillance Assessment carried out by Civil Aviation Organizations.
- Providing replies to state letters sent by the International Civil Aviation Organization (ICAO).
- Submission of comments on updates of the Annexure 13 of the International Civil Aviation Organization.
- Updating the Aircraft Accident Investigation Procedure Manual
- Collecting and analyzing data related to civil aviation incidents occurred within Sri Lanka and incidents of aircrafts registered in Sri Lanka, occurring outside Sri Lanka.
- Submitting of the final report of the investigation into the incident occurred in landing of the aircraft bearing No. UL 308, 4R-ABN of the Sri Lankan Airlines at Changi Airport, Singapore, to the Airlines on 21 March 2019 and following up process on the relevant safety recommendations.
- Submitting to the International Civil Aviation Organization the first report of the investigation into the incident of PK-GPF aircraft of Garuda Indonesian Airlines within the Sri Lankan border on 02 April 2019.
- Developing office procedures for granting operational approvals for drones and registration.
- Providing relevant approvals for registration and operation of unmanned aircrafts.
 - Registration of 221 unmanned aircrafts.
 - Issuance of 349 operating approvals.

- Initiation of a programme to test drone machines currently registered with this Authority and to test 167 drones accordingly.
- Conducting examinations required to select drone operators related to the use of drones for COVID-19 and humanitarian operations and granting necessary permits.

3.2.2. Legal Affairs and Enforcement Division

During the last nine (09) months, the Legal Affairs and Enforcement Unit has been able to carry out the following activities.

- The Cabinet Memorandum, required for obtaining the approval of the new Cabinet to submit the Bill on Accident and Incident Investigation Bureau to Parliament for approval, has been forwarded to the Ministry.
- Publication of the regulations under the power of the Hon. Minister relevant to the Carriage by Air Act. After final proofing, the regulations, which indicate stakeholder states and limits of responsibilities in this regard have been forwarded to the Ministry for publication in the Gazette.
- Enactment of the Beijing Convention on the Suppression of unlawful acts relating to the International Civil Aviation and associated supplementary Protocols.
- Observations of the Civil Aviation Authority regarding the original draft compiled by the Legal Draftsman's Department have been referred to the Legal Draftsman's Department.
- Enactment of the Cape Town Convention and related Protocols First draft legislation was received from the Legal Draftsman's Department and Civil Aviation Authority has forwarded observations for the draft to Legal Draftsman's Department.
- Enactment of Water Aerodrome Regulations.
Final draft Regulation in this regard was received from the Legal Draftsman's Department in all three languages for the third time for observations of the Authority. The draft was perused and it was submitted to the Legal Draftsman's Department with necessary amendments.
- Enactment of Aeronautical Service Provider Licensing Regulation. The observations of the Authority on the draft primary regulations referred by the Legal Draftsman's Department in this regard and relevant schedules have been submitted to Legal Draftsman's Department.
- Enactment of Aircraft Registration and Common marks Regulation.
Final draft Regulation compiled by the Legal Draftsman's Department in this regard was referred to the Authority in all three languages for observations of the Authority. The observations of the Authority on the Final draft Regulation referred to the Legal Draftsman's Department.
- Enactment of Dangerous Goods by Air Regulations. Our observations for the final draft Regulation was forwarded to the Authority in all the three languages for observations and the observations in that regard were submitted to the Legal Draftsman's Department.

- Draft regulations for enforcing the CAASL Enforcement Policy Manual was prepared and discussions were held with the said Divisions for obtaining observations / opinions of the Technical Divisions of the Authority and required observations were obtained.
- Proposals submitted by each Division of the Authority to amend the Civil Aviation Authority Act and the Civil Aviation Act were forwarded to the Ministry.
- Reviewing the legal validity of all licenses / certificates / forms and permits issued by the Personnel Licensing Division and making necessary amendments.
- Contribute for the investigations of the Pre-Assessment Investigation Board for Issuing Air Operations Certificates.

During this year, LA&E Unit made twenty-two (22) appearances altogether for four (4) cases with the assistance of the officers of the Attorney General’s Department, which include one (1) Supreme Court case and three (3) Labour Tribunal cases filed against the CAASL. Out of these cases, one (1) Labour Tribunal case was concluded. For these cases, we have prepared three (03) legal documents to be submitted in the Court of Law and for that purpose, the LA&E Unit participated in eleven (11) consultations at the Legal Draftsman’s Department. By handling legal matters of the CAASL, LA & E Unit was able to give legal advice/legal opinion for the senior management of the CAASL during the past nine (09) months as mentioned below;

Reviewing Agreements / MOUs	13
Providing legal advices / opinions	37
Obtaining legal advices / Opinions from the Attorney General’s Department	02

3.2.3. Quality & Internal Audit Division

During the period from January to September 2020, 79 audits were conducted and the details are given below.

Scope of Audit	Numbers
Finance	05
Human Resource Management	09
Activities of the Technical Sections	07
Quality Tests	02
Others	07
Employee Loans (Pre-Audit)	49
Total	79

The following is the functioning of the Internal Audit Division during the period 2013 to 2020 (January to September).

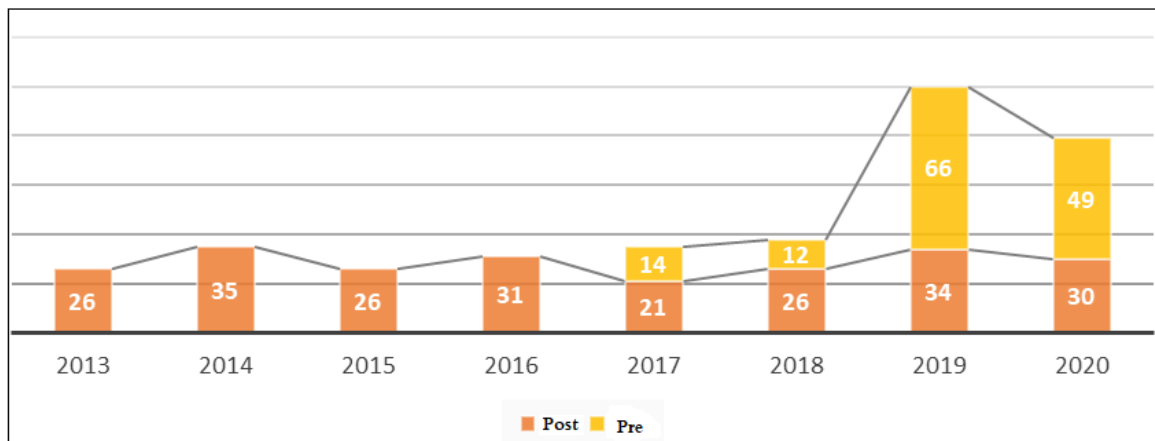


Figure 01 - Pre-audits and post-audits conducted from 2013 to 2020 (January to September)

Arrangements have been made to send the internal audit reports issued so far to the Auditor General's Department and the Management Audit Department in terms of the provisions of the Audit Act and 02 Audit and Management Committee meetings had been held by the end of September. Further, we took part at the National Productivity Awards 2020 competition organized by the National Productivity Secretariat under products and service Division.

3.2.4. Aerodrome and Facilities Division

Responsibility of development of regulations, rules and directives, guidelines documents and procedures for the maintenance of international and domestic airports in accordance with applicable international and domestic standards and recommended practices and initial certification, updating of certificates and continuous surveillance of airports used for civilian passenger transport was entrusted to the Aerodrome Section; The aerospace division is responsible for, and continuing to search. The scope of implementation of international standards related to facilitation of airports was assigned to this Section. Other functions of the Section were approving the hydro aerodromes, conducting continuous surveillance, inspections, providing advice and approval for the construction of helipads, and approving high-rise constructions around the airport.

Accordingly, the performance of the Aerodrome and Facilities Section during the period under review from January to September this year is given below.

Development of regulations

- Regulations for aerodrome classification have now been issued.
- Activities of issuing regulations for hydro aerodromes have been completed approximately up to 90% and the regulations have been handed over to the Legal Draftsman's Department for the third Amendment.
- Work has been commenced to update the zoning for Bandaranaike International Airport. About 90% of the work has been completed.

Certification Activities

- The aerodrome certificate was updated after the completion of the Certification Audit of the Bandaranaike International Airport.
- Certification Audit of the Ratmalana Airport was conducted and the Aerodrome i Operator has been informed to make corrections for the findings and observations identified during that audit.

Surveillance Activities

Airport	Up to 2020
Bandaranaike International Airport	14
Mattala Rajapaksa International Airport	5
Jaffna International Airport	3
Ratmalana Airport	2
Batticaloa Airport	2
Hydro aerodrome	3

Local Airport Development and Others

- Continuous surveillance activities were carried out as carrying out of development work required to open Palaly Airport for civil aviation operations, the airport audit and certification for international civil aviation operations were completed.
- Making necessary preparations at the Batticaloa Airport for regional flight operations at the airport.
- Identifying and listing suitable reservoirs for the establishment of hydro aerodromes.
- Taking action to establish the required methodology for reporting (Global Reporting Format) the status of the airport runway as prescribed by the International Civil Aviation Organization.

Airport Development

- The Ceylon Petroleum Corporation initiated the installation of a fuel hydrant system to provide a more efficient service. Taking action to give the necessary approval for this task.
- Provision of approval required for Package A of Phase II Development Project of the Bandaranaike International Airport.

Facilitation from January to September

- The Second Meeting of the National Air Transport Facilitation Committee (NATFC) was held in February. Attention was focused at this meeting on the provision of the necessary facilities in the preparation of the Ratmalana Airport to initiate international operations.

- Completed the second edition of NATFP, which contained the guidelines required to run this committee.
- Arrangements have been made to hold the NATFC meeting on June 23.

3.2.5. Air Navigation Services Division

The primary responsibility of the Air Navigation Services Section is to formalize the rules and procedures applicable to the design, organization and operation of airspace in accordance with applicable international standards and recommended practices adopted by the International Civil Aviation Organization, and to certify air navigation service providers for the first time and taking action to undertake continuous inspections.

Inspections - 2020 - According to the ANS Surveillance Plan, 65 surveillances / inspections were conducted in CNS, MET, Maps and Charts, AIS, ATM, SAR and PANS-OPS.

ATC Rating Assessments / Simulator Tests - Conducted 08 flight control proficiency assessments and 10 ATC simulator tests to ensure enhanced and consistent proficiency in providing air traffic control services.

Radio Telephony Procedure Tests - 20 Boards of Examiners represented in Radio Telephony Procedure Tests for Private Flying School Pilots for CPL and PPL.

Granting Approvals - Approval for unplanned technical parking / non-commercial landings and flying over Sri Lankan territory / Colombo Flight Information Zone (FIR) was active throughout the day (during office hours and out of office hours). Accordingly, during office hours, 367 approvals were issued for flying, and 331 approvals were granted out of office hours of the CAASL. 109 permits have been issued for landing in Sri Lanka during office hours and 230 permits have been issued for CAASL out of office hours.

Issuing 38 objections / agreements for landing of diplomatic aircrafts and 35 objections / agreements for flying over Sri Lanka territory / using the Colombo Flight Information Zone (FIR) has been issued for the implementation of diplomatic flights in coordination with the Ministry of Foreign Affairs.

Approval was granted for 20 aerial work with the additional approval of other institutions such as the Ministry of Defense (MOD) and the Sri Lankan Air Force (SLAF), depending on the desired operational location.

ANS Training - ANS Section Officers participated in 30 Local Training / Webinar and Overseas Workshop.

AIP Supplement, Aeronautical Information Circulars (AICs) and NOTAMs - Approval was granted for the issuance of 06 AIP Supplements, 03 Aeronautical Information Circulars (AICs) and 334 NOTAMs.

Activation of ADS-B (external) service

Approval was granted to commence ADS-B (Outer) Layer 1 operations within the exclusive ADS-B (Outer) airspace.

Search and Rescue Services (SAR) within the Colombo Flight Information Zone (FIR) - Development of a National SAR Plan outlining the national provisions for working together to fulfill national and international obligations as agreed at the Meeting of the Board of Directors of the Civil Aviation Authority.

Accordingly, the National SAR Plan, drafted on the basis of getting the cooperation of other national institutions for effective SAR arrangements in the Colombo Flying Zone, was distributed at the National SAR Coordinating Committee for scrutiny and consensus. Also, a Memorandum of Understanding (MoU) has been drafted for coordination between ARCC and MRCC and it is expected to review it with the Sri Lanka Navy.

ANS Regulations - The ANS Section participated in the execution of government requirements of letters sent by the International Civil Aviation Organization (ICAO) and held continuous discussion with the ANS Section of the airport and with the other relevant stakeholders of the industry for possible responses for those letters. The Section has commenced the process of formulating regulations on the requirements to be satisfied for the certification of aviation service providers as per the Civil Aviation Act No. 14 of 2010, especially Section 120 of the Act. In line with the recommendations of the USOAP Audit (2018), 06 implementation standards have been issued and another 05 are in the final stages of preparation.

Successful Monitoring of ICAO USOAP, Activities related to Continuous Monitoring Approach (CMA) and Accurate Action Plan - Continuous Monitoring Approach (CMA) - ANS Section has provided data and information relevant to the security monitoring capabilities of Sri Lanka as an active methodology adopted by the ICAO for Continuous Monitoring of the security monitoring capabilities of the ICAO member states with the objective of enhancing global aviation security, during the period under review.

Development of Sri Lanka Air Navigation Plan (Air Navigation Plan) – has been drafted and in the reviewing stage.

Use of PBN SID/STAR in aviation operations - Awareness have been created among aviation suppliers and aviation operators and guidance and information have been shared with the aviation industry.

Assistance in charging ANS fees from foreign airlines – Air Navigation Services Section has intervened to recover arrears that had to be paid by foreign airlines to Airport and Aviation Services (Sri Lanka) (Private) Limited, Air Navigation Service Provider of Sri Lanka for flying over Sri Lanka Territory / using Colombo Flight Information Zone (FIR) Air Navigation Services Section and many airlines settled long-standing arrears.

Service Agreement - The service agreement with Jeppesen has been renewed for free access to both aeronautical maps in both print and electronic media.

Contribution for Integrated Functions and Office Management - Continuous referrals and reviews, updating existing manuals, checklists, ANS Chapter of CAASL Office Manual,

checking and information on the ANS Internet page of the CAASL website was checked for accuracy and information was then updated.

3.2.6. Training Institutions and Personnel Licensing Division

The Training Institutions and Personnel Licensing Section is responsible for developing the laws, rules and procedures for the certification and monitoring of training institutes and personnel engaged in security sensitive activities in relation to civil aviation in accordance with applicable international standards and recommended practices. The Training Institutions and Personnel Licensing Section of the Civil Aviation Authority has shown further developments to meet the needs of the aviation community by making customers satisfied during the period from January to September 2020.

Accordingly, the performance of the Training Institutions and Personnel Licensing Section during the period under review from January to September this year is as follows.

- During the period of inactivity, all licensees are given an extension up to 90 days subject to the medical condition of the applicant.
- proficiency tests renewal of the licensee during the period of inactivity and ratings were extended subject to operator confirmation.
- Changes related to the COVID-19 uncertainty were filed on the ICAO Official Website for Sri Lanka to facilitate all Sri Lankan pilots and pilots employed in overseas employments.
- All inspectors were involved in updating the Guidance Material as per Recommended Practice ICAO Annex-1
- Draft regulation was developed for CAAIS-72. 2nd edition of CAAIS -67 was updated.
- Approval for two new flight training institutes to commence operations.
 - o Lakwin Aviation
 - o Redbird Aviation
- Reactivation of Skyline Flight Training Centre license subsequent to the suspension of flight operations.

Certification of personnel and aviation training institutions, continuous monitoring of their activities and redressal of safety deficiencies.	Pilot license	588
	Flight Instructor (AFI & FI) License	4
	Ground Instructor License	34
	Certificate of Validation of Foreign Licenses	10
	Air traffic control licenses	162

	Aircraft maintenance licenses	128
	Cabin crew Certificate	145
	Permission of the Flight Test Inspector	2
	Medical examinations	812
	Evaluations and Interviews of the Medical Assessor	45
	Civil Aviation Knowledge Examinations	1791
Certification of aviation training institutes, continuous monitoring of their activities and redressal of security deficiencies	Continuous inspections of training organizations	10
Flight Operation Officer	Asian Aviation Centre	1
	Sky Line Aviation	1
	Open Skies	1
	Fits Air Flight Academy	2
	Sri Lankan TRTO	2
	ATC Training Centre	1
	Flight Operation Officer Training School	1
	Fly Southern (Pvt) Ltd	1
	Sakurai Aviation Academy	10
	Continuous monitoring of hospitals, where monitoring of license is approved	1
	Conducting Knowledge Examinations for Flight crew Licensing (Private Pilot's License (PPL) / Airline Transport Pilot's License (ATPL))	Quantity of question papers in which PPL participates
Quantity of question papers in which ATPL participates		361
Conducting knowledge examinations for aircraft maintenance personnel	Quantity of question papers in which AML participates	1105
Conducting practical tests for RT and ELPC	RT number for PPL / CPL	32
	Number of ELPCs	20
Conducting PPL / CPL / ATPL Knowledge Examination for Maldivian Candidate	Number of question papers participating	8
Implementation of the State Safety Programme	Number of approved security managers	10
	Number of approved security management system manuals in training schools	10

3.2.7. Aircraft Operations Division

Acting as a subdivision of the Air Safety Regulations Section, the Aircraft Operations Section is primarily responsible for developing domestic regulations, laws, rules, guidelines and procedures in accordance with the standards and proposed actions issued by the International Civil Aviation Organization. We also carry out initial and re-certification of aircraft operations by this Section. In addition, this Section also issues permits for the transport of dangerous goods, certification of cabin crew and licenses for ground operations.

Regulatory constructions

In order to obtain compliance in the aviation industry, our division has issued the Standard Rules and Guidelines for the Implementation of Regulations as documented below until 30 September 2020. General Rule 09 - Guideline for airlines on managing flight crew members in relation to the COVID 19 epidemic. Regulations relating to the transportation of dangerous goods have been prepared and submitted to the Legal Draftsman.

Certification activities

Air Operation Certification Renewal -04
Foreign Air Operations Certificates Original Approval-02
Foreign Air Operations Certificate Renewal-22
Dangerous Goods Transport Permits Original Approval - 02
Renewal of Dangerous Goods Transport Permits-12
Original Approvals of Designated Check Pilots -03
Renewal approvals of Designated Check Pilots -20
Pilot Proficiency Test Approvals-61
Private Air Operating Permits Original Approval-01
Special Air Permits - 46

Security Activities

Aircraft Hanger Inspections-02
En route Inspections -02
Main Operation Station Inspections -05
Dangerous Goods Transport Inspection-10
Aircraft ground operation tests-02
Tests of Designated Check Pilots -24
Training Evaluation-07
Security Management Systems Testing-03
Other Tests -06

Other details are as follows

Initiation of manual evaluation related to the issuance of those certificates for Fly Lankan Asia (Pvt) Ltd, Spark Air, which has applied for new International Operating Certificates. Initiation of manual evaluation related to the issuance of those certificates for Fly Express Lanka (Pvt) Ltd, Open Skies, Lakwin Aviation (Pvt) Ltd, which have applied for new domestic aviation operating certificates.

Completion and finalization of meetings for previous applications of Aura Airlines (Pvt) Ltd and Red Bird Aviation (Pvt) Ltd, which have submitted Air Operating Certificates for domestic air operations.

Helitours (Pvt) Ltd, which had a domestic air operating certificate, commenced the necessary action to update that certificate of that institution.

Granting approval for International Cargo on AIRBUS 321 with LY-VEH Registered Number, which was hired on the basis of Wet Lease by FITS Aviation Airlines.

Completion of manual supervision of certification process of the Sri Lankan Airlines for the provision of ground operation services at Bandaranaike International Airport.

3.2.8. Aircraft Registration and Airworthiness Division

The Aircraft Registration and Airworthiness Section is vested with the major responsibility for the development of rules and procedure for registration of civil aircraft in Sri Lanka in accordance with the applicable international standards and recommended practices. It includes grant of approval for Maintenance Training Organizations, Continuing Airworthiness Management Organizations and aircraft maintenance organizations and monitoring their activities.

This section carries out Airworthiness related functions on all aircraft registered in Sri Lanka and surveillance of all civil registered Aircraft operated to Sri Lanka.

Civil Aircraft registry in Sri Lanka stood a total of 85 by the end of September, 2020 and includes 26 Large aircraft (MTOW>5700KGS), 43 Light aircrafts, 07 Helicopters, 07 Balloons and 02 Ultra Lights.

Regulatory development

In 2020, the regulation was updated for Volume 1, 2 of Annexure 16 and the regulation on the standardization of Volume 3 of ICAO Annexure 16 - the drafting of aircraft carbon dioxide emissions was completed. (IS-21). Further, Continuous Airworthiness Management Regulation (IS – M) was also revised and updated.

Airworthiness of Aircrafts

By the end of September 2020, 43 Airworthiness Certificates on air worthiness had been renewed.

Approved Maintenance Organizations (AMO)

After the annual audit, the certificates of 9 maintenance organizations (local) were renewed and 41 FAMO (foreign) certificates were renewed.

Registration of Aircrafts

Forty-four (44) registered aircrafts were renewed. During the period under review, new aircrafts were not registered in Sri Lanka and 02 Export Certificates of Airworthiness were issued.

Maintenance Training Organizations (MTO)

Two AMTO certifications were renewed after the annual audit.

Continuing Airworthiness Management Organizations (CAMO)

Two (02) CAMO certificates were updated.

Security monitoring

RAMP tests and night tests were performed and continuous monitoring and security deficiencies were addressed.

Approval was granted during this period to prepare the Airbus A330-300 (4R-ALS), a passenger aircraft owned by Sri Lankan Airlines for cargo transportation.

3.2.9. Aviation Security Division

By the end of September 2020, the Aviation Security Section was able to carry out the following tasks.

Amidst the COVID epidemic, the necessary guidelines were provided to continue the security operations at the airport and the airlines.

Despite the COVID epidemic, 37 Security Oversight Activities have been carried out in accordance with the Air Security Monitoring Plan approved by the Aviation Security Section.

Amidst the COVID epidemic, necessary guidelines were provided for the continuous implementation of training activities of the security officers working at the airport and in the airlines.

The Airport and Aviation Services (SriLanka) Limited was certified as the airport security service provider and the license was issued.

Despite the COVID epidemic, the process of certifying/updating aviation security managers, aviation consultants and security personnel were being implemented continuously and the validity of expired certificates has been extended up to September this year.

Four domestic Airport Security Programmes have been assessed.

Six security programmes of local airlines and 06 air operator security programmes of foreign airlines have been assessed.

Thirty (30) notifications and approvals were issued for air transport of special category of passengers (Prisoners, Deportees etc.).

47 notifications and approvals were issued for the air transport of munitions and explosives.

The Aviation Security Section commenced functioning for the Civil Aviation Authority as the Secretariat of the Committee established by the Chief of National Intelligence to exchange intelligence on civil aviation security.

3.2.10. Environment, Research and Project Division

The Environment, Research and Project Section was able to perform the following functions from January to September 2020.

Carrying out research and development plans related to the field of Civil Aviation.

Research on "King Ravana and The Lost Heritage of Aviation Dominance" is being carried out and documentation of relevant literature and evidence in related locations is going on.

Statistics and Forecasting

The main statistical database maintained by all the Section of the Civil Aviation Authority of Sri Lanka has been updated and maintained for the period of January to August 2020. Data were collected from international and domestic airlines and the collected data were updated until August 2020.

Publication of documents, reports and journals of the Civil Aviation Authority of Sri Lanka

The work of improving the Corporate Plan and compiling the Annual Reports of the Civil Aviation Authority has been completed and the reports have been published and submitted to the Parliament of Sri Lanka, relevant government institutions and other clients in the industry.

Media Handling and Promotion of the Civil Aviation Authority of Sri Lanka

Conducting media briefings from January to August to inform the general public about aviation related activities and especially, the corona epidemic. Three television programmes, a press release and a continuous social media awareness programmes were among them.

The Carbon Offsetting and Reduction Scheme for International Aviation (CORSA)

In accordance with the requirements of the Fuel Consumption Data of the International Civil Aviation Organization (ICAO), Sri Lankan Airlines collected emission data and other data and the accuracy was verified and the data were submitted to the Central Registry of the ICAO.

Carrying out procurement activities of the Civil Aviation Authority

The procurement process of goods, services and consultancy was carried out continuously as per the requirements of all the Sections and Units of the Civil Aviation Authority.

3.2.11. Air Transport and Economic Regulatory Division

The Air Transport and Economic Regulatory Section has been able to accomplish the following functions by September 2020.

- Thirty-three (33) visa recommendations have been issued to foreign clients during the past 9 months in relation to foreign nationals engaging in the aviation industry in Sri Lanka. Ninety-three (93) student visas are also recommended.
- During the past 9 months, 269 licenses have been issued to air ticketing agents and 49 evaluations have been conducted for new applicants.
- Six hundred and four (604) flight schedule approvals have been granted to international airlines operating in Sri Lanka
- During this period 56 complaints regarding air transport services were handled.
- During this period, 1 Air Transport License (Airline License) and 2 licenses to operate on Charter License were issued.

3.2.12. Human Resources and Property Management Division

The activities performed by the Section during the period under review are as follows.

Staff and Corporate Employee Development

The Human Resources and Property Management Section contributes to the regulation of the safety of civil aviation, the primary objective of the Civil Aviation Authority of Sri Lanka, through the efficient and effective management of human and other resources.

The present total staff of 176 includes 18 Primary Skilled Officers and 17 Primary non-skilled Officers. New recruitments have not been made in 2020, in compliance with the approved organizational structure.

Likewise, 07 internal transfers have been made during the period under review. There are 26 vacancies in the posts by 30 September 2020. The recruitment process is being carried out after publishing advertisements required to fill the vacancies. Employee turnover as at 30 September, 2020 has been recorded at an insignificant value of 0.5% due to the conduct of a motivated and efficient staff through effective human resource management.

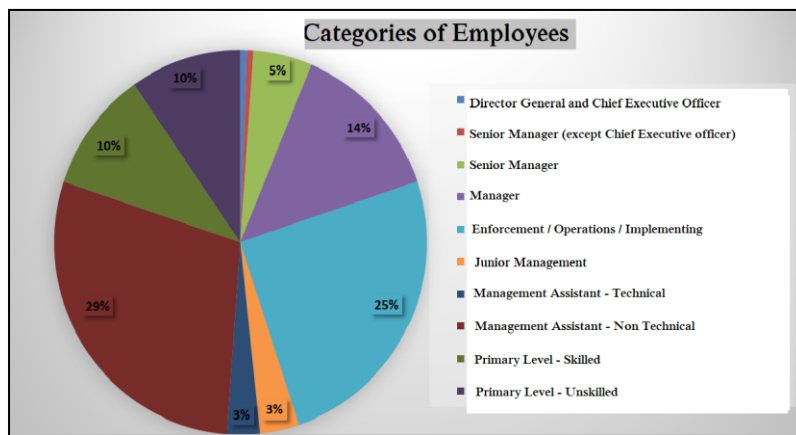


Figure No. 01

Employee training and development

Recognizing the importance of employee training for further development of the skills and competencies of the staff, the Human Resources and Property Management Section has implemented various programmes to achieve corporate objectives.

During the period under review, the Covid 19 global epidemic had a major impact on this field as a major obstacle in the organization of local and foreign training. Even in the face of challenges, a wide range of trainings were provided to employees through online facilities since the goal should have been reached through alternative means of action.

Further, a sum of Rs. 1,167,161.95 for foreign training and meeting attendance abroad and Rs. 334,970.00 for local trainings and Rs. 1,002,744.25 for trainings organized through the online facility were incurred during the period under review.

Participation in local and foreign training sessions, conferences, workshops, meetings, seminars, foreign surveillance activities facilitated by this section is shown in Figure 2 and the amount spent is shown in Figure 3.

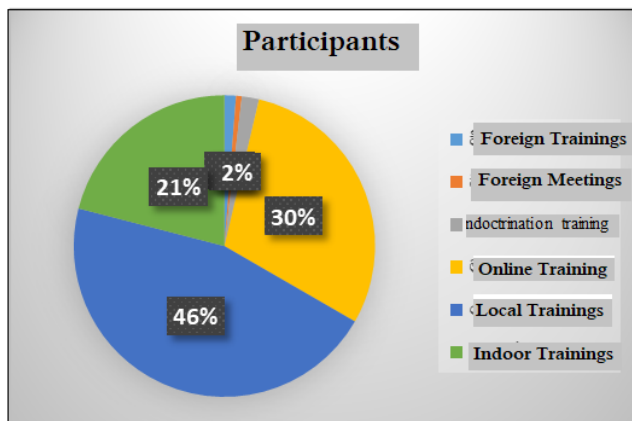


Figure - No. 2

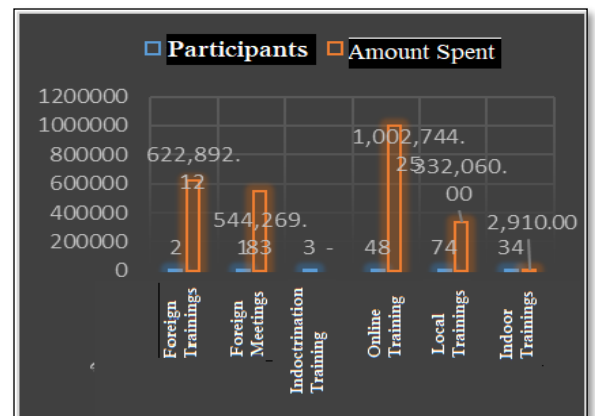


Figure - No. 3

Insurance Activities

The Authority will provide two facilities identified as Medical Insurance and Accident Insurance with a view to maintaining corporate efficiency through proper fitness of the employees.

Under this, the Sri Lanka Insurance Corporation acted as the official authorized agency for these two insurance policies as selected institutions through the formal procurement process.

- **Medical Insurance**

A cost of Rs. 175,000/- for private hospital / residential facilities and Rs. 45,000/- for the reimbursement of the expenses incurred for the purchase of medicines for general ailments as well as Rs. 15,000 /- for the purchase of spectacles reserved exclusively for employees will be allocated annually for the medical insurance provided for the employees and their beneficiaries.

Seven hundred and thirty-four (734) requests worth Rs. 2,709,323.96 were facilitated under the Outpatient Treatment Insurance Scheme during the period from January to August,

Likely, the hospitalized / residential treatment Insurance Scheme provides benefits to employees and their immediate family members.

- **Accident Insurance**

All employees are covered under Accident Insurance and the company also provides special coverage for employees working in the technical divisions considering that their special duties.

Welfare Activities

The Authority has identified a wide range of welfare facilities that are essential for the well-being of employees.

The details of the loan facilities provided to the staff of the Civil Aviation Authority of Sri Lanka during the period from January to September 2020 under the scheme of the Authority.

Type of loan	Amount of Loan	Value of Loan
One-month salary loan	01	28,180.00
Ten months' salary loan	30	10,414,445.65
Special Disaster Loans	139	6,950,000.00
Motorcycle loans	05	1,366,700.00
Motor vehicle loans	09	31,430,400.00
Bicycle loans	06	120,000.00
Property loans	2	5,352,542.10
Festival advance	39	585,000.00

Table – No. 1

New Official Website of the Civil Aviation Authority

Amidst the COVID-19 epidemic, the new official website of the Civil Aviation Authority was launched in July 2020. It is currently being updated daily based on the needs of the Civil Aviation Authority and the needs of the general public. It formally communicates with the public and participants in the civil aviation industry the most up-to-date information as well as aviation announcements related to the COVID-19 epidemic, and continues to provide those services to the public and clients by connecting the services of the Civil Aviation Authority with online systems in the event of this epidemic.

Technical Library

The Technical Library regularly updates the latest International Civil Aviation Organization and other aviation related documents and Regulations and Circulars of the Government of Sri

Lanka and other regulations pertaining to the Civil Aviation Authority on behalf of the entire Civil Aviation Authority. Further, it publishes regulations issued by the Civil Aviation Authority.

Accordingly, the paper and publication activities carried out by the Technical Library are illustrated in Figure 5 below.

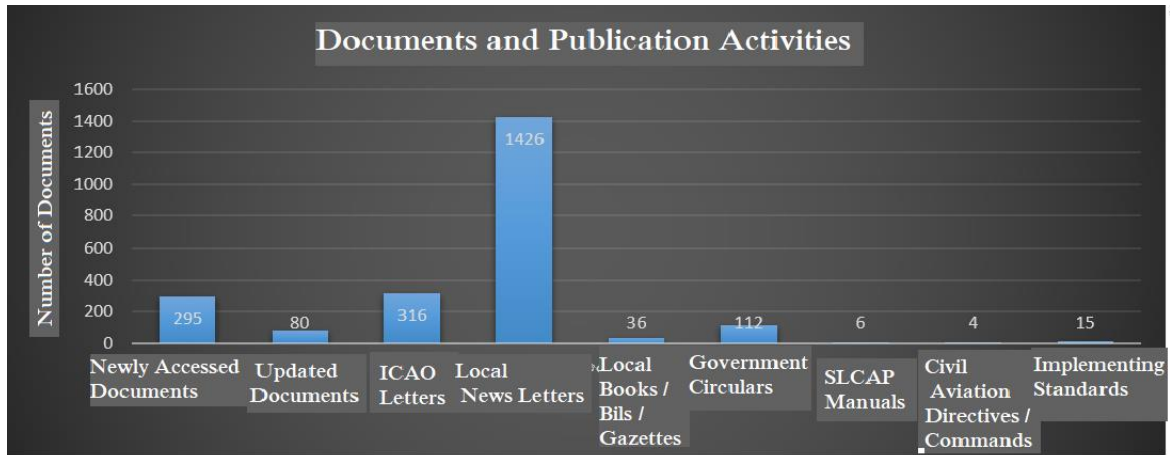
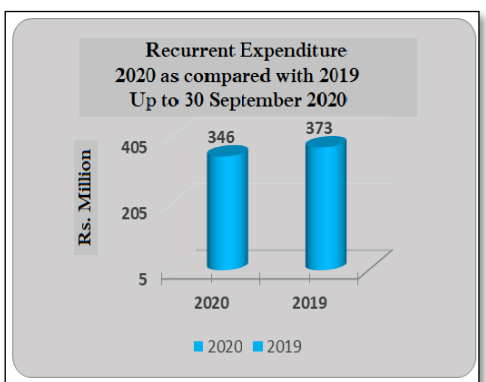
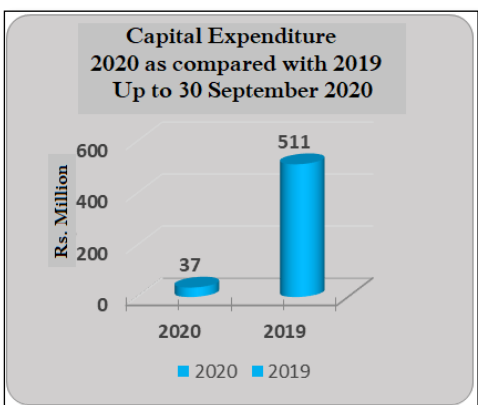
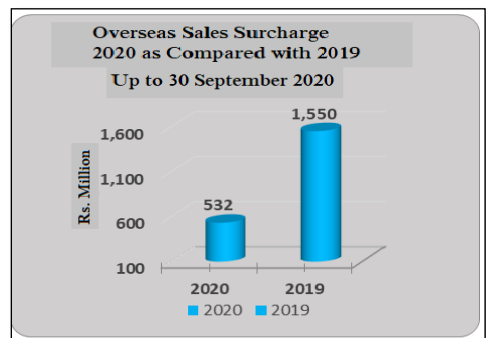
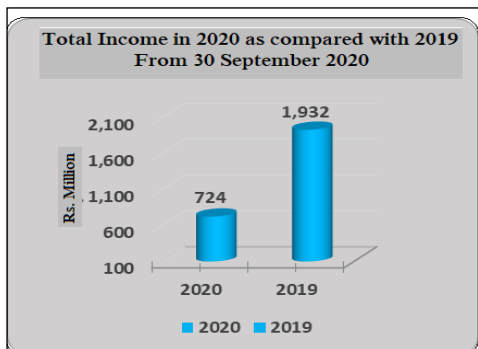
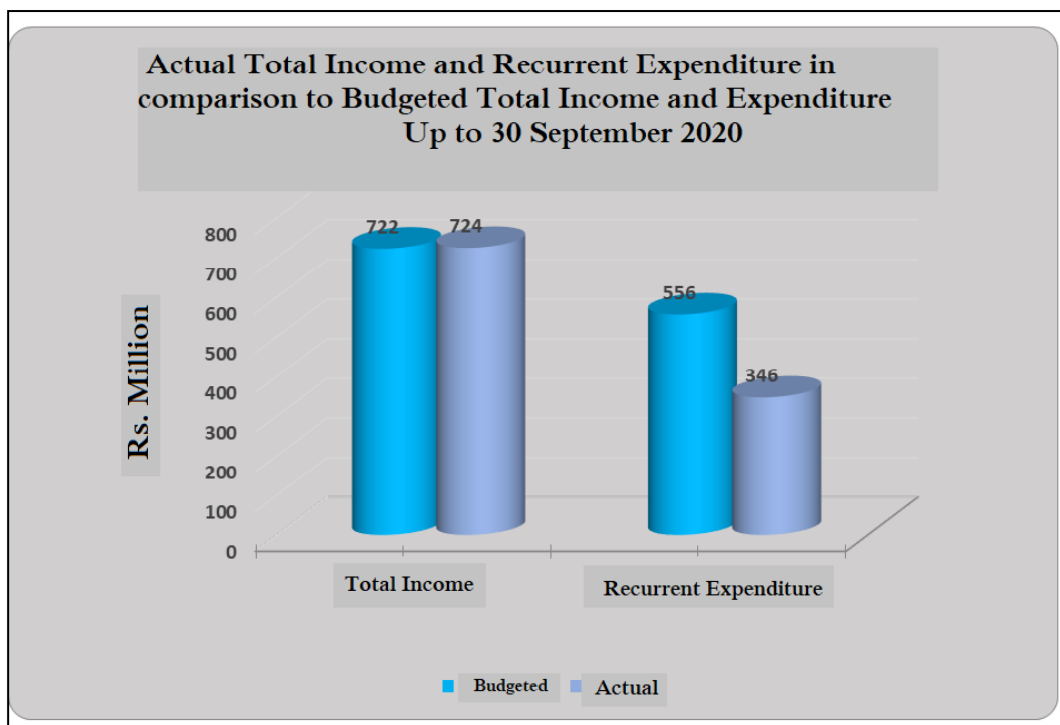
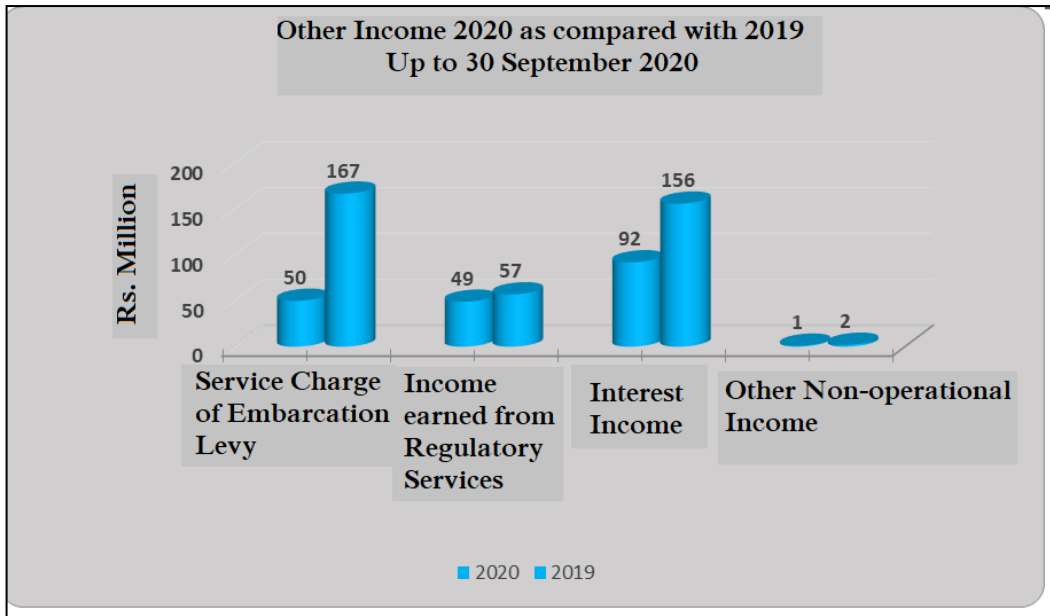


Figure No. 5

3.2.13. Finance and Revenue Management Division

The revenue and expenditure of the Civil Aviation Authority of Sri Lanka up to 30 September 2020 are as follows. Revenue from the Civil Aviation Authority (CAA) has plummeted due to the downturn in the aviation sector in the wake of the ongoing COVID 19 disaster.





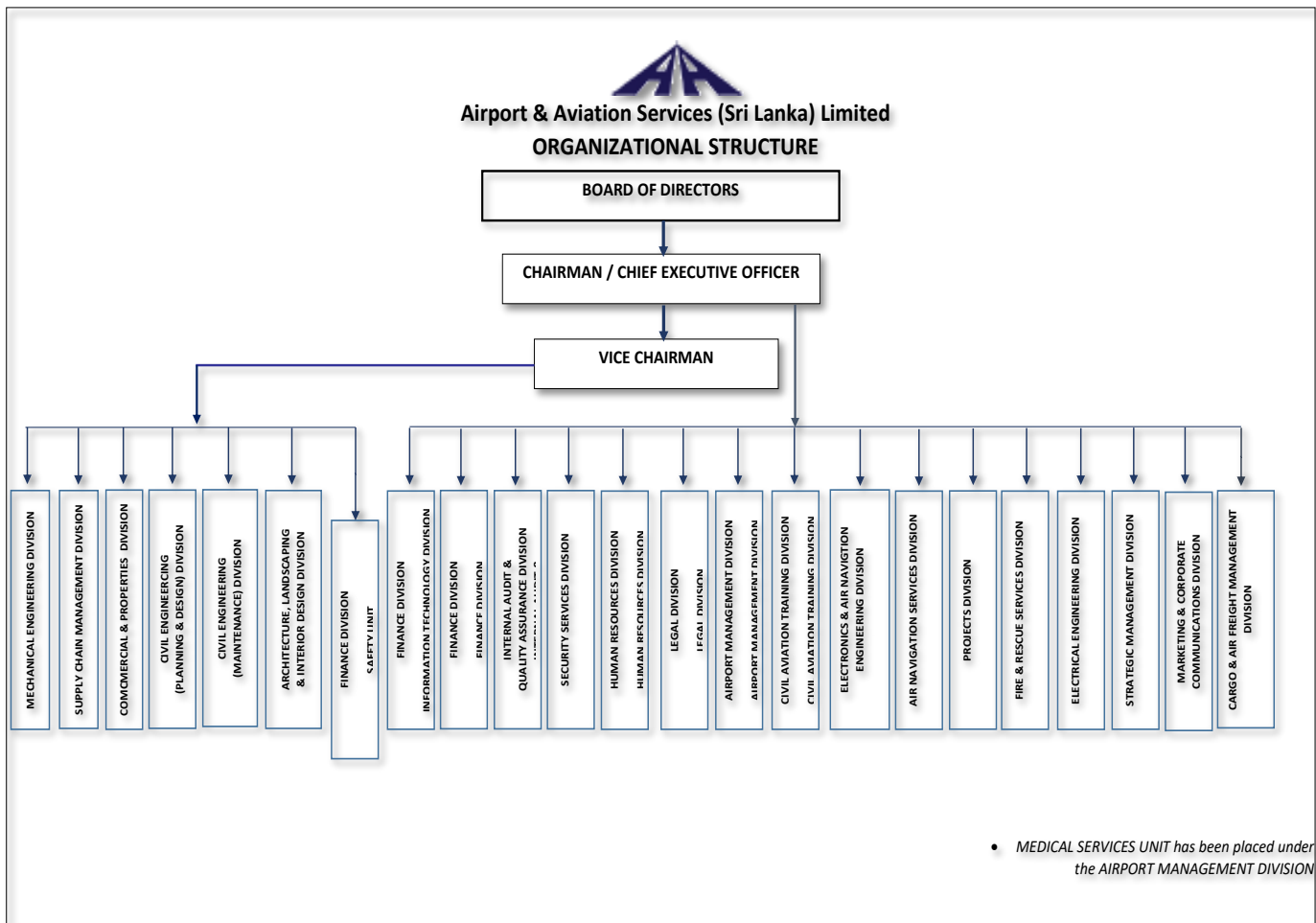


4. Airport and Aviation Services (Sri Lanka) Limited

4.1 Overview of the Company

Airport and Aviation (Sri Lanka) Limited is a fully government owned company with statutory powers to manage and develop civil airports in Sri Lanka. The company is powered by the article of association registered under the company act no.7 of 2007.

4.1.1. Organizational Structure



4.2. Overall Performance of the Airport and Aviation Services (Sri Lanka) Limited during 2020

Operational and financial performance of Airport and Aviation Services (Sri Lanka) (Pvt) Ltd., during the period from January to August 2020 are illustrated below with comparatives of the year 2019. Please note that we have disclosed operational performance as of August 31, 2020 in absence of the information till Sep. 30, 2020.

4.2.1. Operational Performance

For the 8-month period ended Aug. 31, 2020

Airport	BIA	MRIA	CIAR	BTIA	JIA	Total
Passenger Movements						
▪ International	2,270,170	8,546	60	-	2,708	2,281,489
▪ Domestic	1,307	121	4,410	984	763	7,585
Aircraft movement						
▪ International	16,729	169	13	-	82	16,993
▪ Domestic	3,591	73	6,162	220	54	10,100

For the year 2019

Airport	BIA	MRIA	CIAR	BTIA	JIA	Total
Passenger Movements						
▪ International	9,956,416	290	249	-	1,733	9,958,688
▪ Domestic	6,254	1,113	5,606	3,383	107	16,463
Aircraft movement						
▪ International	61,901	151	83	-	60	62,195
▪ Domestic	10,072	635	23,040	866	4	34,617

Significant reduction in operations is evident during the first eight-month period of 2020 with compared to that of 2019 due to the reason well-known for everyone, Covid-19 outbreak. The impact can be seen on both international as well as domestic operations in all five international airports. Movements (i.e. passenger, aircraft and cargo) in the next few months would not have a material impact on the above statistics as the second wave of Covid-19 will further delay the recovery. It is important to note that, the year 2019 is also a year with disturbed operations caused by “Easter Sunday Attack”, meaning that deviation would have been higher than this, if compared with a normal year of operations.

4.2.2. Financial Performance (in LKR Millions)

Item	2020 (first 9 months)	2019 (first 9 months)	For the Year 2019 (Audited)
Revenue	6,851	19,068	25,716
Operational Expenses	8,943	9,120	13,490
Operating profit / (loss)	(2,092)	9,948	12,226
Net finance income/ (cost)	1,014	2,329	2,995
Profit Before Tax	(1,078)	12,277	15,221
Tax paid	0	3,398	4,226
Profit / (loss) after tax	(1,078)	8,879	10,996

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First Nine Months Loss is less when compared to the Projections for the last 3 months since the first 3 months

included in the first 9 months made a considerable Profit due to Pre-COVID period

The impact of the pandemic is clearly reflected in financials as well.

With the government's decision to restrict civil airport operations only to departures and on repatriation mission as measure of preventing the spread of Corona Virus in the country, airport operations virtually became standstill. This affected not only the aeronautical revenue generation of AASL but also non-aeronautical revenue segment such as rental and concession from duty free shops, which form a major part of the revenue of the Company. Accordingly, during the period under review, total revenue has reduced almost by two-third with compared to the first nine months of the previous year. This has resulted in a negative bottom line of (LKR 1,078Mn). And it is a 112% reduction in profit after tax (PAT) with compared to the corresponding period of 2019. Further, the Company is projected to record operational loss of another LKR 2,264Mn. in the fourth quarter which would further deteriorate the bottom line making operational loss.

4.2.3. Performance of Domestic Aviation Sector

AASL recorded 7,585 domestic passenger movements for the first eight months of 2020, which is a 32% reduction with compared to domestic passenger movements of 23,637 reported in the corresponding period of 2019. The Company facilitated 10,100 of Aircraft movements (including training flights) during the period from Jan. to Aug. of 2020. This is a 57% reduction with compared to the previous year's values, which is resulted from COVID-19 Outbreak.

During the period under review, two new airline operators, commenced their operations at Colombo International Airport, Ratmalana. One of them, Aura Airlines is a domestic operator while the other, Redbird Aviation being a training school.

4.3. Operational Status of Mattala Rajapakse International Airport (MRIA)

An upsurge in operations of MRJA was evident in the year first three quarters of 2020 compared to the corresponding period in the year 2019. Passenger and aircraft movements during the first eight months of 2020 alone exceeds the total movement numbers recorded for the year 2019. With Covid-19 outbreak, repatriation flight operations, sea farers arrivals took place, proving its operational capability to handle regular and special flight movements. The total number of passenger and aircraft movements handled were 8,667 and 242 respectively compared to 1,403 and 786 handled for the whole 2019 year.

AASL took steps to waive-off certain airport charges (such as Landing & Parking) of MRJA with a view to attracting new airlines. This was done in accordance with the government's policy to develop the airport operations to utilize it at its capacity.

Prior to COVID outbreak, an integrated plan was being developed with the cohesive efforts of all aviation fraternity to develop the whole eco-system of the area to promote MRJA as 'an exotic tourist destination' and those plans are on hold as of now.

4.4. Progress of Major Projects

4.4.1. Second Passenger Terminal (T2) Project of BIA

This project was initiated in 2014: yet, during the period of last 5 years this project was not in progress.

The Second terminal (Package A) project which was scheduled to be commenced in 2018 was delayed due to the fact that none of the bids received were within the engineer's estimated cost.

AASL signed the Contract Agreement with Taisei Corporation, a Japanese Construction Company on March 12, 2020 for a cumulative price of LKR 107,439,614,170.00 expected completion period being 36 months. Even though Commencement of construction work was delayed with the COVID-19 outbreak, AASL had the ground breaking ceremony of Bandaranaike International Airport Development project in November 2020.

The package B project which consists of remote apron and taxiways is in progress and as of end of September 2020, it showed a progress of 88% while the project had reported a progress of 75% at the end of 2019. The package B was awarded to Hazama Ando Corporation at the cumulative amount of LKR 6,461,333,592.00 while estimated construction period being 30 months. The work was commenced on 25th April 2017 and expected to be completed in February 2021.

4.4.2. Restructuring and Remodeling of Existing Passenger Terminal Building (PTB) at BIA

As BIA runs with overcapacity situation, AASL is in continuous pursuit of utilizing the existing capacity of the PTB. Therefore, some restructuring and remodeling work are being carried out.

Work in progress of the under mentioned projects at the end of 2019 and as of Sep. 30, 2020 were as follows.

4.4.3. Airport Access Road to BIA

With a view to easing the traffic congestion at peak hours, AASL took initiatives to develop a dedicated access road to BIA in collaboration with Road Development Authority, Sri Lanka Land Development Corporation and Board of Investment. While the estimated total cost being LKR 900 million, the project is expected to complete by May 2021. The first stage of the project: the stretch from Averiwatta Junction to BOI entrance of the Minuwangoda road was completed within a short period of time during the first half of 2020. The balance work is to be completed within next year.

4.4.4. Refurbishment of Lounges

In order to assure a pleasant experience for the passengers who use the lounges the Company has taken steps to refurbish existing lounges. Accordingly, refurbishment of Araliya Lounge is currently in progress and it reported at progress of 93% at the end of third quarter of 2020 (Sep. 30, 2020). The project is scheduled to be completed during the second half 2020. The rest of the lounges namely Lotus, Executive, VIP and Departure Silk Route will be done in a phase out manner, in order to lessen the effect on passengers who demand for lounge facilities during their stay at the airport. During the time of refurbishment, the demand will be catered by the rest of the lounges operated by AASL and jointly with the Serendib Lounge operated by Sri Lankan Airlines.

(Note : Impact of COVID – 19 restriction have resumed progress of major project.)

4.5. Airport operations amidst COVID-19 outbreak

4.5.1. Measures Taken to Handle the COVID-19 Outbreak

- Even before COVID-19 outbreak in Sri Lanka, passengers arriving from China were separated by introducing dedicated gates (R6 and R7) with effect from Jan 24, 2020
- Need of an isolation room was identified on Jan 27, 2020 and construction of same was completed by Mar. 02, 2020
- All visitors were prohibited entering the BIA Terminal with effect from Jan. 28, 2020
- Isolation of passengers arriving from South Korea with effect from Feb. 22, 2020

- Started quarantine process of passengers arriving from South Korea, Iran and Iraq with effect from Mar. 10, 2020 and passengers from UK, Belgium and Norway with effect from Mar. 16, 2020 with the help of security forces and health authorities
- The government (Civil Aviation Authority) gradually started banning passengers arriving from certain countries.
- All normal flight operations were stopped with effect from Mar. 19, 2020
- Car parks were closed from Mar. 20, 2020
- Started repatriation flights from Apr. 21, 2020

4.5.2. Steps Taken to Facilitate the Arrival of Sri Lankan Migrants during the Pandemic

- During airport closure period, AASL facilitated passengers arriving the country from special flights operated to bring the migrant workers under strict health guidelines.
- PCR test laboratory has been put up in the BIA premises and AASL spent Rs 16 Mn for the construction of the lab.

4.5.3. Steps Taken to Resume activities at the Airport while adhering to social distancing policies

Airport normal operations have not yet been back to normal due to present travel restrictions in place. However, AASL has taken the following steps to facilitate restricted operations at BIA.

- Auto dispensing washbasins and sanitizers are installed at both arrival/departure outer pouches as well as all other entrances to buildings to make sure that all airport users could wash their hands before entering to the premises. Body temperature of passengers and employees are gauged when entering the relevant areas.
- All departing and arriving passengers, their luggage and visitors are disinfected at the airport premises and their body temperature is also measured.
- Infrared thermal scanners are installed in the relevant areas of the Terminal.
- Social distancing is maintained in the seating and queues arrangements
- Display posters insisting all airport users on maintaining social distancing, wearing masks and frequent hand washing.
- All passenger interacting counters are covered with perspective glasses.
- Passenger movement areas including baggage trolleys are disinfected after each and every flight movements
- Provide masks, gloves, surgical coveralls and other protective gears for all frontline staff.



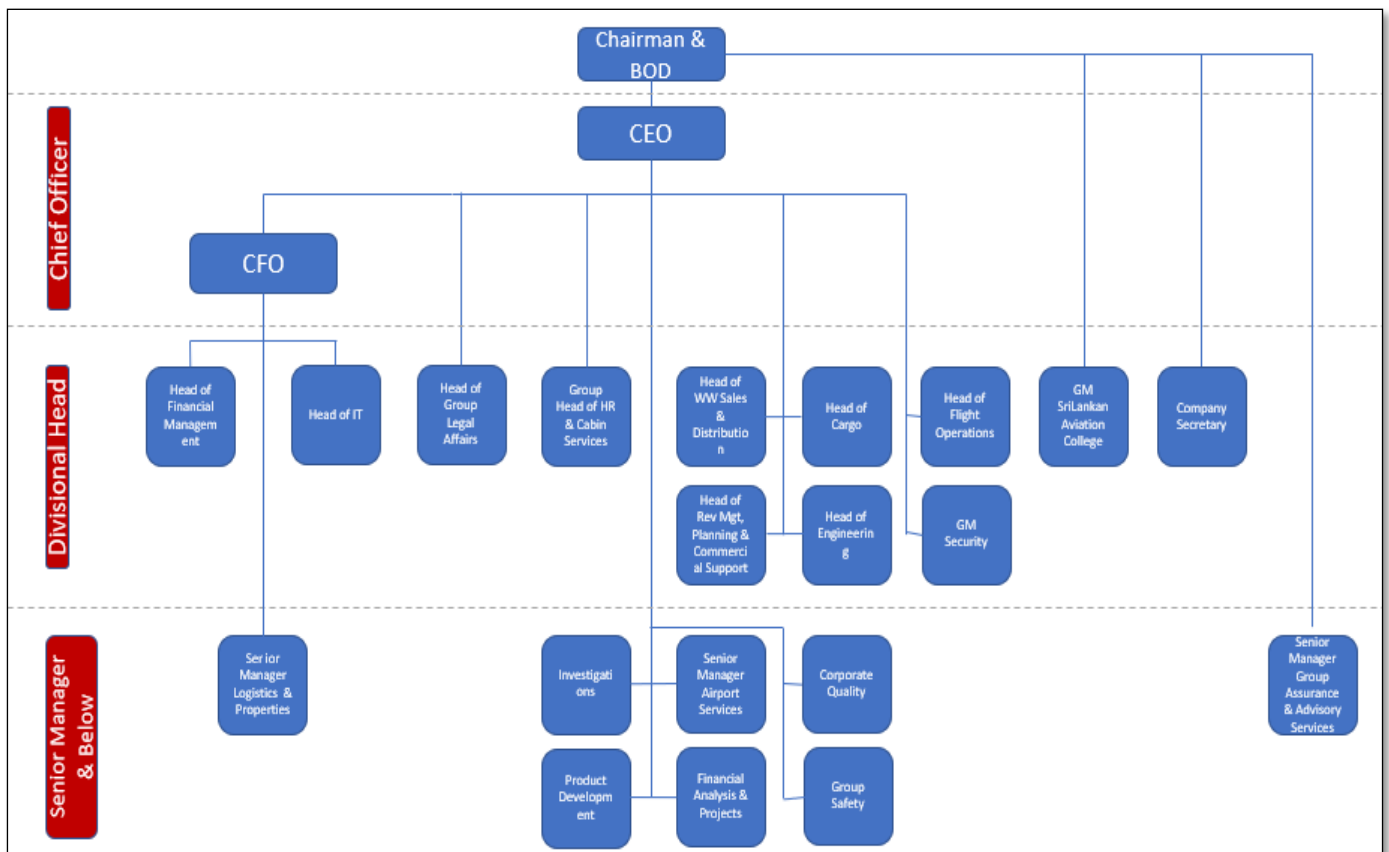
5. Sri Lankan Airlines

5.1. Overview of the Company

As the National Carrier of Sri Lanka and an award-winning airline with a solid reputation for service, comfort, Safety, reliability and schedule passenger services that provides convenient connections to its global route network of 113 destinations in 51 countries.

5.2. Organizational Structure

SriLankan Airlines – Top Level O-Chart (As at 2nd December 2020)



5.3. Overall Performance of the Sri Lankan Air Lines During 2020

Sri Lanka Airlines is the flag carrier of Sri Lanka. The group consists of Sri Lankan Airlines Limited and Sri Lanka Catering Limited (fully owned subsidiary). Incorporated in 1979 the airline currently serves over 113 destinations in 51 countries with a fleet consisting of 25 aircraft. Main revenue generation streams for SriLanka Airlines group are transportation of passengers & cargo, provision of ground handling services and airline catering.

Operations for the period April to October of 2020, has been adversely affected by the global outbreak of Covid-19, as it had affected travel and tourism globally. Number of flights operated during this period is approximately 1000 which is an 89% reduction compared to the same period in 2019 (9,505 flights- 2019) with approximately 70,000 passengers has been transported to their intended destinations (compared to 3,157,133 passengers in 2019) as the operations at hub of the Airline, Bandaranaike International Airport and other destination airports were restricted as a precautionary measure due to the Covid-19 impact. The airline has continued operations during the pandemic by carrying out repatriation flights, charter flights and by introducing scheduled / charter cargo flights.

5.4. Programs, Projects and Activities

- To maneuver the airline through the current difficulties that the global airline industry is facing, the management has taken the following revenue generating projects/initiatives.
- Supporting the passenger repatriation efforts of the government 152 flights have been operated purely for repatriation purposes during this period, including chartered operations. Closer to 32,000 passengers were brought down to Sri Lanka in this manner. The revenue generated from these operations is around USD 16 million, in the period of April to October 2020.
- Expanding the cargo operations is another initiative taken by the airline to reduce the adverse effect of Covid-19 on passenger travel. Current cargo network consists of 18 destinations with the addition of several new destinations such as Hong Kong, Milan, Frankfurt, Paris and Sydney. SriLankan Airlines has operated 721 cargo flights during the period under review, 129 of which were cargo charters to uplift Personal Protective Equipment (PPE) and essential goods. Over 70% of the uplift capacity was allocated to

Sri Lankan exports to ensure a continuous foreign currency inflow to Sri Lanka and to strengthen the Sri Lankan exporters even amidst the global pandemic. From May 2020, a flight schedule dedicated to cargo was introduced so that exporters of perishable products could manage their business effectively. Further, an A330-200 aircraft was converted to a freighter and currently being used exclusively for cargo operations.

- To revive the tourism industry from the pandemic, Sri Lankan Airlines hope to collaborate with SLTPB to operationalize several market initiatives and to revive the brand of Sri Lankan. Effective communication of the safety measures undertaken by SriLankan Airlines is also a vital part of this program.
- SriLankan Aviation College (SLAC) is in the course of obtaining UGC approval to launch as a Degree awarding higher education institute. It is expected that first student intake will be in year 2021. The Aviation College also expects to continue the delivery of the training programs using online training models to cater to both local and international students. The objective of this is to continue foreign income generation. Further, discussions with Airbus to be accredited as “Airbus Training Center” is in progress. SLAC is also in the process of finalizing the discussions in order to enter into a partnership with the world-renowned Embry-Riddle Aeronautical University (ERAU), the largest accredited university specialising in Aviation and Aerospace to offer Master of Business Administration in Aviation (MBAA), Master of Science in Aeronautics (MSA) and Master of Aviation Maintenance (MAM). All programs will be offered in Sri Lanka, immensely benefiting students by not being burdened to travel overseas at high costs.
- To align with the Government’s plan to expand the flight movements to Mattala, Sri Lankan Airlines has granted a 50% discount on ground handling charges for the first two years and 30% thereafter for three years for the arriving aircraft, in order to encourage the airlines to operate to Mattala. Further SriLankan Airlines will commence operating flights via Mattala to Madras, Beijing and Shanghai in the next financial year 2021/22.
- Another potential that is being looked at is to expand the current aircraft maintenance base to include maintenance of more third-party aircraft. In addition to servicing “Maldivian”, currently other main operators in India are being approached.
- Further improvement of fuel efficiency, improvement of cabin service quality, reduction in operational system cost, improvement of the quality of food and beverages, improving handling reliability, reduction of passenger and baggage mishandling ratio,

and simplifying the cabin configuration to meet commercial needs better are some of the initiatives that are planned for the upcoming years.

- The following cost saving initiatives have already been achieved with a view improving the financial position of the airline.
- USD 29.9 million worth of savings are expected for the current year from employee related initiatives such as salary reductions and voluntary no-pay schemes. By re-negotiating the contracts related to Flight Operations, IT, Product Development, Properties and Logistics and Revenue Management areas, USD 17.4 million is expected to be saved to the company.
- USD 0.7 million worth of saving is targeted for the current year through re-negotiating the fuel price with CPC and in the past six months the savings from a price reduction of USC 3 per USG is USD 0.2 million.

<i>Cost Savings Initiatives</i>	
Initiative Category	Annual Savings USD Mn
Renegotiation of Contractual Agreements	17.4
Employment Related	29.9
CPC price reduction	0.2
TOTAL	47.5

- A policy initiative to right-size the organization in scaled down operation has been considered. Under this a strict “no-replacement strategy” for staff will be embarked until 31st March 2021.
- During this period, the airlines has taken numerous measures to ensure the safety of their passengers and staff whilst adhering to all health guidelines. All aircraft were fumigated upon arrival, PPE for all operational staff were provided. All the crew members would be undergoing a PCR test upon arrival and subject to quarantine as specified by the health authorities before being re-deployed. Commencing from October, to ensure passenger safety as well as the safety of the staff 852 random PCR tests were done for staff excluding the crew. All rest rooms, operational areas were sanitized and are under continuous supervision of the company medical team. In addition, continuous staff awareness is carried out through emails and company intranet.



On-going Infrastructure Development Activities -Bingiriya

Water Supply	Access Roads	Power Supply
<ul style="list-style-type: none"> • 1500 m³ per day By NWS & DB • Rs. 400 mn • Supposed to Complete by 2020 	<ul style="list-style-type: none"> • 6 km access road by RDA • Cost Rs. 2,200 mn 	<ul style="list-style-type: none"> • Initial Power 2 MVA • Cost Rs. 158 mn • CEB will augment this power up to 10 MVA at the end of 2021

Project Expenditure and Progress

Work Description	Estimated Cost Rs, Mn	Expenditure upto 30.09.2020 by Treasury Funds Rs. Mn	Expenditure upto 30.09.2020 date by BOI Rs. Mn	Future requireme nt Rs. Mn from Treasury P h y s i c a l	Progress %
Land Acquisition for Zone	278.30	278.30			100%
Acquisition of Lands for Road	212.00		51.50	212.00	10%
Roads	2,074.00	350.00		1724.00	
Thuntota to JR Junction	224.00				7.6%
JR Junction to Hettiyakotuwa	1,850.00				48.0%
Hettiyakotuwa to Chillaw					
Water Supply	456.00	300.85		155.15	45.0%
Initial Supply from Chillaw water supply					
Power Supply (CEB)	200.67	12.24	38.43	150.00	
Initial Power supply from Madampe Grid Station	12.24	12.24			100%
Permanent Supply of 8MVA	150.00				
HT Et LT Line inside the Zone	38.43		38.43		65%
Fencing (Stage I)					
Perimeter Fence (Stage I)	32.00		6.40		30%
Total	3,252.97	941.39	96.33	2,241.15	

6.2.2. Millaniya- Wagawaththa Export Processing Zones (EPZ)



Wagawaththa EPZ is located in Kalutara district and the infrastructure provision such as provision of additional power and water supply and improving access road is planned to be provided in a phased-out manner.

As one of the major components of Milleniya zone, the construction of Grid-substation to provide electricity was common to both Milleniya and Wagawaththa. These two projects have later been combined as per the decision of the Cabinet meeting held on 01st March 2019.

Infrastructure Development in Wagawaththa and Millaniya Export Processing Zones

Water Supply	Access Roads	Power Supply
Wagawaththa		
<ul style="list-style-type: none"> Water supplied from the Horana Investment Zone. 	<ul style="list-style-type: none"> 6 km access road by RDA Cost Rs. 1,285 mn Finished by early 2021 	<ul style="list-style-type: none"> Grid Substation Cost Rs. 1898 mn Supply will be completed in 2021 and will supply power to both Wagawaththa and Millaniya EPZs
Millaniya		
<ul style="list-style-type: none"> Basic Water Supply 500 m³ per day from existing line from Raigama 	<ul style="list-style-type: none"> Pelpola Interchange of Southern Highway to access the Zone Cost Rs. 1950 mn 	<ul style="list-style-type: none"> Power Supply from Pullarten Kalutara Cost Rs 1,100 mn
<ul style="list-style-type: none"> Full supply 10,000 m³ per day 	<ul style="list-style-type: none"> Palpola - Millaniya Access Road Cost Rs. 2,667 mn 	Alternative power supply will be supplied by Wagawaththa Grid Substation